

# Google Search gets a fresh rival from ChatGPT-powered Microsoft Bing

Article

**The news:** Microsoft will incorporate generative AI into its Bing search engine.

- Using the technology behind OpenAI's ChatGPT, Microsoft could launch a new AI-powered version of Bing before the end of March, per [Insider](#).
- The AI would provide search answers beyond the standard list of links.

- Microsoft also plans to [integrate OpenAI's text-to-image platform DALL-E into the Bing Image Creator](#).

**Worth the risk?** ChatGPT stands out amid the explosion of generative AI tech, having [garnered more than 1 million users within five days](#) of its release in November.

Its meteoric rise prompted [warnings from former Googlers](#) about its threat to Google Search and a multitude of concerns about fueling the spread of factually incorrect and biased information. **Google** managers issued a “code red” about the threat ChatGPT poses for the search giant, per [Insider](#).

- [Google leadership](#) said there was “reputational risk” related to commercializing generative AI but added that there’s “a lot” planned for AI this year.
- Yet despite its own reputational risk, Microsoft appears willing to make bold moves in the generative AI space to rival Google Search’s dominance.
- Microsoft also seems undeterred by the fact that it’s [facing a copyright lawsuit over Copilot](#), another generative AI tool it helped launch alongside OpenAI.
- The tech giant is likely betting that the financial advantage of plowing forward with commercial generative AI will be worth any settlement payouts in the long run.

Microsoft’s Bing maneuver will put **pressure on Google to abandon its [more cautious AI approach](#) and devise its own generative AI-based Search feature—possibly based on [LaMDA](#)—sooner than it may have initially planned.**

**Obstacles to success:** Generative AI is seen as such a powerful tool for quickly creating an array of novel online content, that it has prompted a **425% increase in investment in the technology since 2020**, according to PitchBook data cited by [Foley](#). But it’s not a surefire vehicle for taking command of the internet search market.

- AI’s failure to provide sources and falsifying information about sensitive topics is an almost certain path to legal trouble for Big Tech companies that are [already under scrutiny](#).
- Running generative AI models also incurs high compute and energy costs that need to be offset with something like a subscription or pay-per-use model, which will limit adoption.
- Both Google and Microsoft depend heavily on ad revenue to support their search platforms, but integrating ads into a ChatGPT-like structure could be challenging.

The trick will be effectively deploying the strategy in a user-friendly way that provides authoritative results while preserving ad click rates. That could entail an integration that combines both AI and link-based search results.

## Digital Ad Revenues, by Company

US, 2023, billions

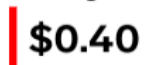
Amazon



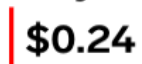
Apple



eBay



Etsy



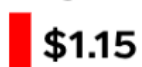
Google



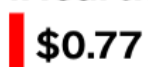
Hulu



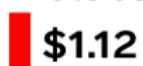
IAC



iHeartMedia



Instacart



Instagram



LinkedIn\*\*

 \$4.33

Meta\*

 \$51.34

Microsoft

 \$9.92


Pinterest

 \$2.27


Reddit\*\*\*

 \$0.41

Roku

 \$2.56

Snapchat

 \$2.58

Spotify

 \$1.15

TikTok

 \$6.83

Twitter

 \$2.67

Verizon Media\*\*\*\*

N/A

Walmart

 \$3.16

Yahoo

 \$3.87

Yelp

 \$1.12

## YouTube



\$8.06

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*Note: includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets, and other internet-connected devices, and includes all the various formats of advertising on those platforms; net ad revenues after companies pay traffic acquisition costs (TAC) to partner sites; \*includes Instagram advertising revenues; \*\*data for 2016-2021 is included under ad revenue for Microsoft; \*\*\*excludes non-advertising revenues (e.g. Reddit Premium, Reddit Coins); \*\*\*\*includes ad revenues for AOL and Millennial Media; Yahoo data for 2017-2019 is included under ad revenue for Verizon Media Group*

*Source: eMarketer, October 2022*

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