

| | |
|--|--|
| DISTRIBUTION: Internal and External | DATE: May 17, 2023 |
| Internal Audiences who would benefit from this information: Organic and Paid Search Teams Digital Teams Client Leads Investment Teams | VERSION: Version 1 |
| | OWNERS: Edward Cowell William Álvarez Chris Schweppe |



Google Announces Major Generative-AI-Driven Search Changes at Google I/O 2023

Background – What is Happening?

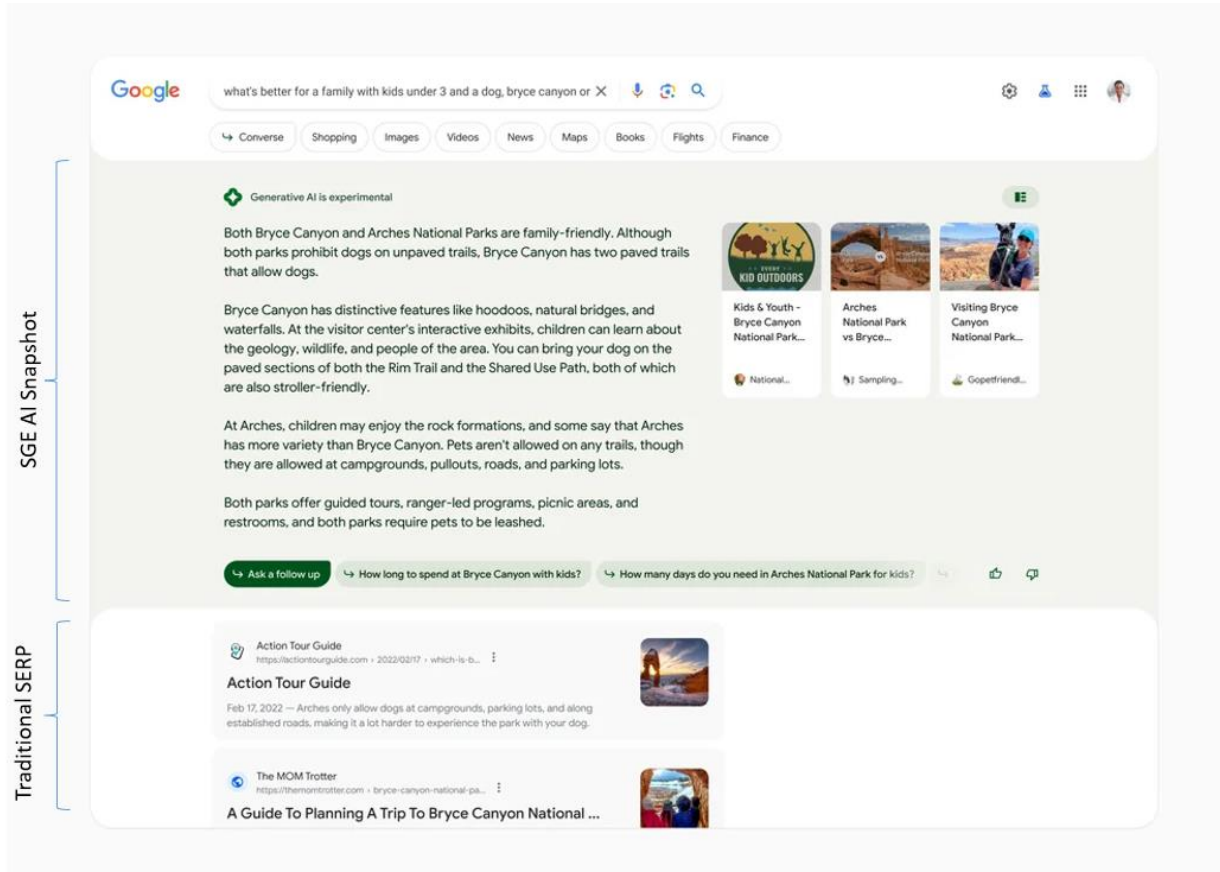
- Google announced a multitude of generative AI integrations across its product suite at the Google I/O developers conference on May 10, 2023.
- It was a powerful demonstration of Google’s Pathways Language Model PaLM2. Underpinning Google’s AI initiatives, PaLM2 is roughly equivalent to OpenAI’s GPT 4 large language model (LLM). This new model is highly capable in advanced reasoning, coding, and mathematics.
- From a search perspective, the most impactful is the imminent launch of generative AI search results at the top of the search engine results page (SERP) – this will likely be the most disruptive change to the search experience seen in many years.
- Termed SGE (Search Generative Experience), this advance will place a generative AI created “AI snapshot” above traditional paid and organic search results in response to some queries – taking up the most valuable real estate on the SERP.
- Google did not announce a specific launch date for SGE but said it would become available for end users to opt into “in the coming weeks” on a limited basis, initially in the U.S. only. Those interested can join Google’s waitlist [here](#).
- There are no actions advertisers can take to opt in or out of the experience for queries their ads or organic listings may appear on.

Why is Google Making this Change?

Google has been utilizing AI solutions in its search algorithms for several years¹ and is widely believed to be one of, if not the biggest corporate investors in AI-related research.² Even with that focus, Google has been conservative in releasing generative AI capabilities. That changed when OpenAI released ChatGPT in November 2022. The intense media coverage of ChatGPT

that followed, explosive user growth and ultimately Microsoft’s incorporation of GPT technology in its own search engine, Bing, led Google to rush its own generative AI solution to market in March of this year. It began with the star-crossed limited release of Google’s experimental generative AI solution Bard and will expand substantially with the incorporation of SGE directly into Google search results in the coming weeks.

What SGE Is and What It Looks Like



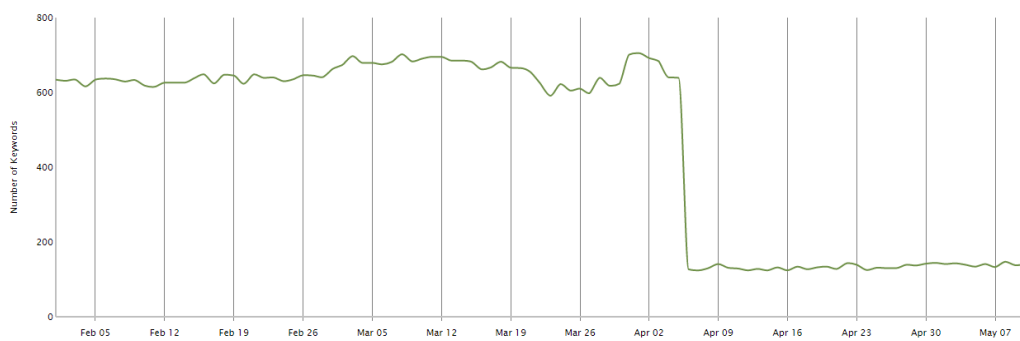
Example: Google SGE Search Result Snapshot (Source: Google I/O 2023)

Think of Google AI snapshot responses as supercharged Featured Snippets. Featured Snippets have been a Google feature for nearly a decade, providing a packaged answer to certain search queries, sourced from a single web page that is clearly attributed. The big change with SGE is that these single answers may now be sourced from several websites with the relevant information from each knitted together by Google’s PaLM2 large language model to address the searcher’s question in a conversational narrative. Attribution of the websites that provided source material is displayed to the right of the response and more detailed attribution is available with the click of a button. Additionally, SGE-created responses end with example prompts that facilitate deeper exploration of the topic as well as the opportunity to “Ask a follow up” and continue the conversation, expanding on the search query you have already made.

What Happened to the “10 Blue Links” (and the ads)?

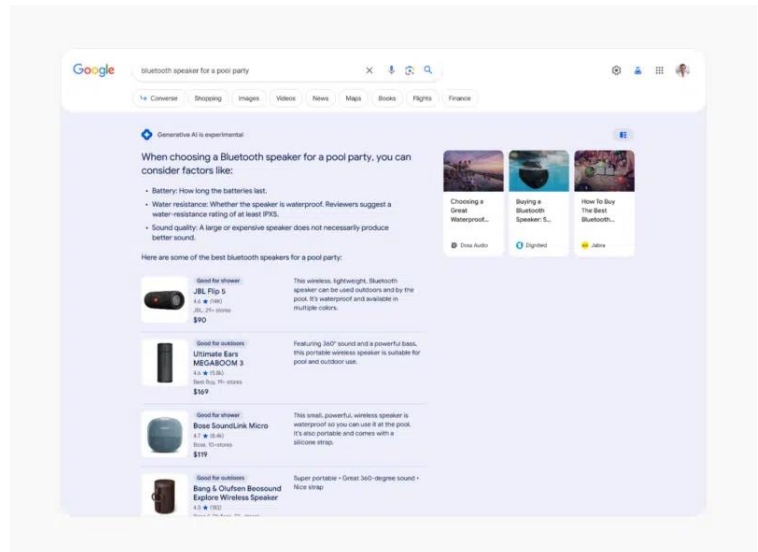
As with Featured Snippets, queries that trigger an AI snapshot will also feature traditional search results further down the SERP. In Google’s demonstration of the new feature at Google I/O, traditional search results appeared quickly after the query was entered, while the AI snapshot was generated. When the AI snapshot appeared, the traditional search results pushed down the screen to make room. In the SGE era, traditional ranking results will persist, they will just be pushed farther (sometimes a lot farther) down the page.

We are also likely to see some SERP Features that were part of the traditional results move in the SGE & AI snapshot. For instance, recently many tools are showing a drop in FAQ SERP features, which indicates these may be being incorporated into the SGE & AI snapshot result even whilst it is still in the experimental phase.



Source: Wavemaker ‘Ripple’ - FAQ SERP Features

As for ads, Google has provided only limited information on what it plans for the SGE era. According to a Google-published SGE explainer: “With SGE, Search ads will continue to appear in dedicated ad slots throughout the page. In this new experience, advertisers will continue to have the opportunity to reach potential customers along their search journeys. We’ll test and evolve the ads experience as we learn more.”⁵



It's a safe bet that Google will carefully craft advertising opportunities into the reimagined SERP experience. After all, it is highly incentivized to protect or grow its massive search advertising business. Google has advised that any ads that appear in SGE responses will be clearly labelled as “Ads” or “Sponsored” just as search ads have been in the recent past.

GroupM POV

This is an exciting and experimental time for search.

Google's upcoming introduction of SGE will put conversational AI search results directly in front of most of the world's searchers for the first time. Despite all of the noise surrounding ChatGPT and GPT-enhanced Bing, usage of those solutions pales in comparison to Google. One recent report stated that Bing had gained only .25% market share in search since the introduction of its AI chat capability.³ Google announced at its I/O developer's conference last week that SGE will roll out to a limited number of users in the U.S. over the coming weeks. They did not announce exactly when or how many users would be included in the initial roll out or how rapidly it will expand to a larger user base and other parts of the world. Regardless, SGE represents one of the most transformative changes to the world's most-used search engine in recent memory.

For searchers, SGE promises the ability to quickly find more complete answers to complex questions, potentially spurring a shift in the types of queries searchers use. It also facilitates conversational style follow-on questions to deepen a searcher's exploration of a topic all without leaving the Google search page. The transformational potential is significant, but it is not guaranteed. It is not yet known what types of queries will trigger SGE responses or how receptive searchers will be to this new search feature. Quality of the responses and the speed with which they are delivered will have a strong influence on whether users love or hate this new development.

For website owners, SGE may represent a confounding challenge. The generative responses produced by SGE draw on information from websites, aggregating multiple sources and reformulating the elements extracted into a narrative response to the question posed by the searcher. The websites that are referenced for the information provided are cited through the click of a button and linkable if a searcher wants to see them. This feature is similar to Bing chat's clickable source citations, but different in execution. Both aim to improve the sense of transparency of the responses provided, but it is unclear how frequently users will click through on these citations versus typical click through behaviour in traditional search results. The net result for website owners may be that they still need to create all of the content they would have traditionally to maintain visibility across business-critical topics, but they may receive a little to a lot less traffic for their effort.

It is far too soon to draw conclusions (SGE hasn't even been released yet), but brands should be forward looking in their planning and investment to ensure they are as well positioned as possible as this transformation plays out.

Recommended Actions

While AI-chatbot-driven search is getting a lot of media and social media attention right now, actual use of it is very limited relative to traditional search. Additionally, Google's Cathy Edwards announced at Google I/O that SGE results are "built on the same ranking safety

systems that we've been fine tuning for decades."⁶ **For the moment, GroupM recommends doubling down on current best practices to maintain and grow the value of your online properties:**

- Ensure your website is built on a sound technical foundation.
- Employ evidence-based opportunity identification and content execution strategies to ensure the content you have aligns with your customers' interests and needs. Search data remains one of the most durable signals you can utilize to understand your market and model your content strategy.
- With a proliferation of AI based content your EEAT, who created the content, their experience, expertise, authoritative and trustworthiness is likely to be more important than ever.

While it is still unclear what SEO activities will be most valuable in maximizing your brand's visibility in an AI chatbot-search environment, a few things stand out as immediate needs:

- **Understand Who is Talking About Your Brand** | The answers given by AI-chatbots typically aggregate information from multiple sources into a single answer. In the current iteration of Bing, website sources are cited as clickable footnotes while ChatGPT does not cite sources at all. This introduces the opportunity for errant information surfacing in the answers. **GroupM advocates analyzing chat search results to identify "who" is providing information related to your brand and building action plans to assert control over those narratives.**
- **Monitor the Impact to Your Brand** | Assuming use of AI-chatbots in search continues to grow (possibly a big assumption), brands will need to pay close attention to the impact this behavior change has on your brand's association with topics critical to its business as well as on traffic to your websites. Two immediate actions should be taken:
 - Conduct regular competitor analysis studies to identify areas where your brand is gaining or losing ground relative to competitors, understand the factors at play (AI-chatbot search or other internal and external factors) and guide activities critical to ensuring your brand retains customer interest levels required for its success.
 - Monitor traffic from organic search to your content. This has always been a measure of performance for organic search but becomes increasingly important if AI-chatbot search gains a critical mass, displacing traditional search to a notable degree. Of course, many factors can impact organic traffic to your content, but identifying areas where AI-chatbot search may be capturing traffic that formerly flowed to your sites may be critical to taking appropriate strategic actions to ensure ongoing business performance.
 - Evaluate paid search visibility and pre-click metrics regularly, particularly on mobile devices where we may see ads pushed further down the page.
- **Optimized Product Feeds & PDPs** | With SGE providing product descriptions that include relevant fresh reviews, ratings, prices, and product images for product searches, it's of a great importance to maintain product detail pages in good compliance with their on-page and content optimizations levels and submit updated product feeds via

the Google Merchant and Manufacturer centers, whenever possible. The Google Shopping Graph is the engine that fuels these journeys within the shopping vertical.

- **Implement Structured Markup** | Already very valuable in traditional search, the clear coding nature of this type of content is likely also beneficial for AI-powered chatbots that are ingesting the content of your websites and attempting to make sense of it for the benefit of users. Remember, searchers are increasingly using question format in their queries, making intent very clear. Searchers using question-format queries want to know something specific. Structured markup can give your site an advantage in becoming the answer source for many of these questions whether the interface be traditional search results or AI-chatbot answers. GroupM advocates amplifying efforts to implement the various types of structured markup appropriately across your sites. There is no downside, regardless of how this new development ultimately shakes out.

RELEVANT LINKS & READING LIST

¹ <https://searchengineland.com/how-google-uses-artificial-intelligence-in-google-search-379746#:~:text=As%20explained%20above%2C%20Google%20uses,Google%20also%20has%20core%20updates.>

² <https://seekingalpha.com/article/4579046-google-vs-microsoft-one-of-these-ai-champions-has-3x-better-return-potential>

³ <https://www.theinformation.com/articles/microsoft-eyes-firefox-search-deal-as-bing-chatbot-gains-sputter>

⁴ <https://www.youtube.com/watch?v=cNfINi5CNbY>

⁵ <https://static.googleusercontent.com/media/www.google.com/en//search/howsearchworks/google-about-SGE.pdf>

⁶ <https://www.youtube.com/watch?v=cNfINi5CNbY>

<https://blog.google/products/ads-commerce/google-search-ads-generative-ai/>

CONTRIBUTORS

Edward Cowell, Global VP, SEO, GroupM Nexus

Chris Schweppe, Group Director, GSI

William Álvarez, Group Director, Organic Search, GroupM Nexus

Katelyn Taylor, Director, Search Operations, GroupM Nexus

Vincent Bernard, Head of Organic Performance EMEA, EssenceMediacomX

Richard George, Head of Organic Performance / Managing Partner, Wavemaker

Mike Seiler, Group Director, Mindshare