

SEARCH POV

AI Overview & AI Mode

INTERNAL & CLIENT USE
MARKET: GERMANY

VERSION 1.4

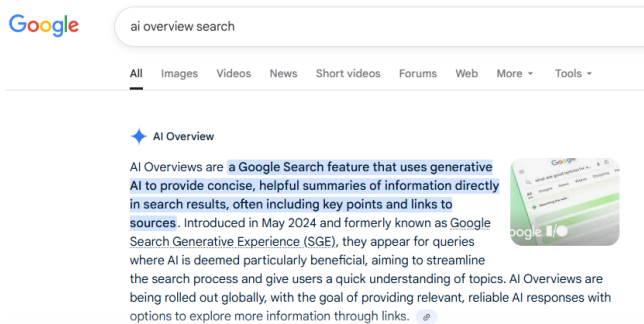


Search as we know it is *rapidly* changing.

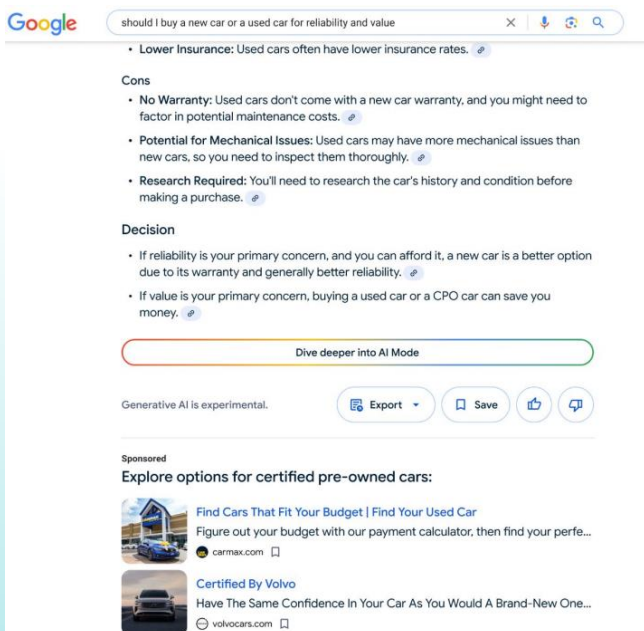
Google is transforming from a search engine into an answer engine. The introduction of AI Overviews (AIO) and AI Mode is not an evolution, but a revolution that fundamentally changes user behavior and, consequently, the rules of the game for SEO and SEA.

WHAT'S THE DIFFERENCE BETWEEN AI OVERVIEWS AND AI MODE?

AI OVERVIEWS (AIO): This is the AI-generated summary that now appears above organic results for many search queries. It directly answers the question and links to the sources from which the information originates. These have been rolled out in Germany since March 2025 and are already available to over 1.5 billion users worldwide.



➤ **AIO Ads:** US (Desktop + Mobile), global rollout in development.



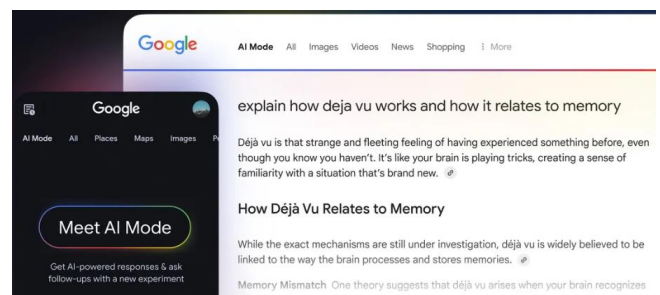
AI MODE: This is the next, far more powerful stage. It is essentially a full-fledged AI assistant within search and can:

- Perform multimodal searches (combining text, image, video).
- Handle complex, multi-step queries ("Deep Search") by executing hundreds of searches in the background.

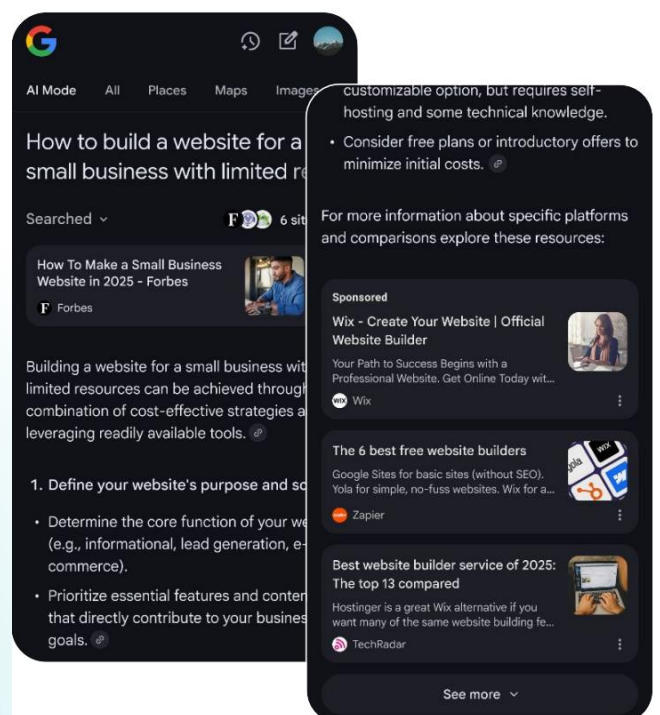
- Develop agentic capabilities (e.g., booking tickets, comparing and purchasing products – "Project Mariner").
- Deliver highly personalized results by accessing data from Gmail, Calendar, etc.

This is Google's answer to ChatGPT and Perplexity. It aims to keep the user entirely within the Google ecosystem – from the initial idea to the final transaction.

AI Mode was initially rolled out in the US, India and other markets starting at the end of Q1 2025. As of October 8th, it is now also available in many European countries, including Germany. This launch signals another massive revolution in how we fundamentally interact with search, moving far beyond traditional keyword queries.



➤ **AI Mode Ads:** Currently being tested in US. Expansion to English-speaking markets planned.



THE CLICK IS EVOLVING

As users receive answers directly within the AI overview, the pure click transforms from a primary metric into a qualified signal. This leads to a strategic reorientation of traffic, especially for informational queries and shifts the focus to visibility within the AI answer itself.

SEA BECOMES MORE COMPLEX:

AI Overviews increasingly push ads below the fold, drastically reducing visibility and impression share. This intensifies competition for the remaining premium ad placements and leads to complex cost dynamics with potentially declining Click-Through-Rates (CTRs) and rising Cost-Per-Clicks (CPCs).

To remain relevant in the new landscape, we must proactively utilize new ad formats within AIOs and AI Mode that seamlessly integrate into AI answers. The focus is on maximizing AI-driven campaign types and features like Performance Max and AI Max for Search Campaigns, which target user intent rather than exact keywords and require comprehensive first-party data, where optimizing towards specific conversion goals using Target Cost-Per-Acquisition (tCPA) or Target Return-On-Ad-Spend (tROAS) becomes indispensable.

As awareness and consideration queries are increasingly answered by AIOs, the value of placing a brand "top of mind" through push channels significantly increases. Diversifying channels, for example by utilizing Microsoft Ads will be crucial to secure reach and map the fragmented customer journey.

CONTENT STRATEGY AND ORGANIC SEARCH MUST BE RE-THOUGHT:

The goal of SEO shifts from mere top-ranking to citation and mention as a source in AI Overviews and Large Language Model (LLM) chats, as traditional traffic declines due to direct AI answers. This secures branding and visibility, even if a direct click does not occur.

Established measurement methods fail in the AI landscape, as traffic from AI Overviews and AI Mode is not correctly attributed.

Therefore, we need new metrics such as citation frequency and brand mentions to evaluate the success of our SEO efforts.

Content must be precise, fact-based and structured to be cited by LLMs – and reflect authority and expert knowledge. This requires a granular content strategy and coordination across all channels to strengthen brand authority.

THE GENERAL SHIFT IN SEARCH BEHAVIOR

Search with AI is becoming more conversational and direct. It is focused on general information retrieval and creative tasks, rather than transactional search queries.

Recent studies, with data from ChatGPT users worldwide covering up to June 2025, reveal that 73% of messages were non-work-related. Furthermore, a classification by conversation topics showed that "Practical Guidance", "Seeking Information" and "Writing" collectively comprised almost 80% of all conversations.

In a related development, Google's AI Overview is steadily increasing its visibility. A separate study highlights that 40% of users now do not scroll past the AIO, a trend that could lead to up to a 50% reduction in clicks for publishers, especially for informational content.

Search Queries are becoming longer and more complex: Users are getting used to talking to AI like a human. Data shows that 25% of search queries using 8 words or more are displaying AI Overviews (AIO).

User Behavior is evolving: Early data shows users leverage AI for research but still complete purchases on trusted brand websites. This "AI research → brand purchase" dynamic may shift as user comfort with AI agents increases.

Market Shares are already slightly shifting: Google's dominance is minimally eroding. Its market share in Germany fell below 90% (currently approx. 85%), while Bing shares increased almost 40% (7,3% in total) since September 2023. This is not an upheaval, but a clear signal that Microsoft's AI integration is bearing fruit.

GIVE USERS A REASON TO CLICK!

We see higher engagement from users landing on brands' websites. It is essential to nudge users to leave the AI environment by offering:

- Exclusive information, such as reports, white papers, POVs, test results, awards and seals of approval; e.g. "Download the full report."
- Interactive tools, such as checking availability, calculating consumption, or the BMI e.g. "Test your address now with our fiber optic check."
- Reach a human level through customer stories and testimonials; e.g. "Read inspiring practical examples now."
- Create a community through events/community building and gamification; e.g. "Secure your spot at the party!"
- Offers/urgency with clear calls to action; e.g. "Get informed now and save!"
- Personalization and localization to bring general information to the individual; e.g. "All current plans for your region at a glance."

IMPACT ON SEO – THE EXPANDED PLAYING FIELD OF AI-SEO (GSO)

NAVIGATING THE GENERATIVE SEARCH ERA:

The advent of generative AI in search engines demands a strategic pivot from traditional keyword-centric SEO to "generative search optimization" (GSO). This new paradigm prioritizes creating comprehensive, contextually rich content that directly answers complex user queries and anticipates intent. The goal is to optimize for AI's sophisticated understanding of user needs, establishing brands as authoritative resources in the evolving digital landscape.

CHALLENGES:

Potential Massive Traffic Loss: Especially for informational content ("How-to," "What is...") a dramatic decline in organic traffic is observed.

With a roughly constant number of impressions, the Click-Through-Rate (CTR) for organic results sometimes drops significantly, because the answer to user queries is delivered directly by Google as a summary.

Visibility is the New Ranking: The goal is no longer just Position 1, but to be cited in LLM chats and AI Overviews and to be named as a source. This achieves important objectives, including:

- **Branding:** Users receive information firsthand. Brands retain control over what is said about them, rather than leaving it to third parties.
- **Visibility:** The limited space is not left to competitors.
- **Traffic:** If users have a reason, they can directly visit brand websites and shops.

Measurement: Traditional analytics tools like Google Search Console currently fail to differentiate between AI Overview and conventional traffic, with AI Mode traffic often misattributed as "Direct," necessitating the adoption of new KPIs such as citation frequency, brand mentions and assisted conversions to accurately measure performance.

OPPORTUNITIES & STRATEGIC ADJUSTMENTS:

Classic search engine optimization is being expanded to include the optimization of content and signals for LLMs, including optimizing content for citations.

Content that provides precise, fact-based answers to very specific questions has a high chance of being cited. This requires a granular content strategy that goes beyond general topics.

Content must be discoverable, structured, semantically correctly marked up, processable and not limited to text formats to serve multimodal searches.

Convey Brand Values – Nurture the Brand: Content must reflect authority and expert knowledge. In content marketing, it is also necessary to coordinate authority-building measures such as Digital PR, campaigns across all Owned, Paid and Shared channels to achieve consistency and reach.

IMPACT ON SEA – THE PPC GAME IS CHANGING

Google's AI Overviews are transforming the search results landscape and creating new realities for Paid Search. Current studies document substantial changes in user behavior and ad performance that go beyond incremental optimizations and require a strategic reorientation of SEA activities.

CORE CHANGES & CHALLENGES:

The primary impacts on SEA result from three core changes:

- 1. Reduced Ad Visibility:** Ads are increasingly being pushed below by AIOs, significantly reducing their above-the-fold presence. Impression share and visibility are demonstrably decreasing, while competition for premium ad placements intensifies.
- 2. Declining CTR & Rising CPCs:** As users often find answers directly in AIOs, click-through rates for traditional ads are expected to decline. Studies show a 34.5% CTR drop for Paid Ads when AIOs are present. Fewer clicks with potentially more impressions (driven by longer, more conversational search queries) have the potential to impact both CTR and CPC. It remains to be seen to what extent Google will adhere to the classic Quality Score (especially "expected CTR") for pricing. Announcements from Q1 suggest that the landing page (especially landing page navigation) will play a larger role.
- 3. Complex Cost Dynamics:** The interplay of declining volume and rising CPCs creates unpredictable cost scenarios. We could see declining overall costs if volume falls faster than CPC rises, or rising costs if CPC rises more sharply. The ideal scenario, where higher conversion rates offset CPC increases, is not guaranteed. Actual results are likely to vary depending on the industry and search query type.

Furthermore, attribution becomes significantly more difficult. The customer journey is fragmenting. It is plausible that advertisers' homepages will lose importance in the upper and middle funnel stages, as awareness and consideration queries are answered directly by the AIO. Since there are no usable data signals for this yet, important touchpoints in the analysis and attribution of the customer journey are lost.

OPPORTUNITIES & STRATEGIC ADJUSTMENTS:

Despite these challenges, strategic adjustments can turn this disruption into an advantage:

- **Utilize New Ad Formats:** Google has already started testing ads within AIOs and AI Mode in some countries. Being an early adopter here is crucial. We need to prepare creatives and strategies that seamlessly integrate into AI answers, so our ads appear as a natural extension of the AI response. If necessary, it will also be important to approve specific wording for AI/Google Ads (similar to AI Max, Dynamic Search Ads) to enable seamless integration. Even if the timeline for Europe is still unclear, we must be ready. However, a lack of information about the nature of integration makes preparation difficult.
- **Maximize AI-Driven Campaign Types:** Performance Max (PMax), AI Max, Demand Gen and Broad Match are designed for this new search landscape. They focus on user intent rather than exact keywords, allowing Google's AI to use signals from AIO searches to target users across various channels (YouTube, Display). It is essential to feed these campaigns with comprehensive first-party data and diverse assets to optimize their performance.
- **Focus on Conversion Goals with tCPA / tROAS:** Given declining click-through-rates and more complex attribution, optimizing SEA campaigns for specific conversion goals using tCPA or tROAS becomes indispensable. This ensures that the AI generates not just clicks, but valuable conversions, by focusing on actual business value and maximizing campaign efficiency, even with fragmented customer journeys.

- **Prioritize Brand Awareness:** Search queries that directly mention one's own brand are significantly more likely to lead to a conversion. This means that the value of placing one's own brand top of mind increases considerably. This can be achieved through push channels such as ads on YouTube, Google Display Network (GDN), but also social and traditional media. It will be crucial to be in the user's mind even before the search query.
- **Diversify Channels:** Microsoft Ads is developing into a serious, often more affordable alternative, especially with its Copilot integration. Although the volume is lower than Google's, testing PMax campaigns on Bing, particularly for desktop users, can provide valuable additional reach.
- **Technical Requirements:**
 - Check robots.txt accessibility: Ensure Google crawlers have comprehensive access. Verify AI crawler access.
 - Ensure accessibility of your content without JavaScript enabled
 - Structured Data and Schema Markup can help search engines understanding the content.
 - Broad Match Keywords required for AIO ad placement.

- Measuring the ROI of brand investments will become more complex but strategically crucial, as it requires a broader view of brand impact beyond direct conversions. Funnel stages will be more difficult to integrate into an attribution model.

AI OVERVIEW & AI MODE IN A NUTSHELL

AI Overviews (AIO) and AI Mode are revolutionizing search by transforming it into an "answer engine", fundamentally altering user behavior and the rules for SEO and SEA.

- AIOs provide direct answers above organic results, reducing clicks to traditional listings.
- AI Mode acts as a full AI assistant, handling complex queries and aiming to keep users within Google's ecosystem.
- Ads within AIOs and AI Mode are already being tested in some markets, indicating a future where ads seamlessly integrate into AI-generated answers, moving beyond traditional placements.
- This shift necessitates new strategies for visibility, content and ad formats, as traditional metrics and approaches become less effective.

IMPLEMENTATION & SUCCESS MEASUREMENT:

Our strategy must evolve from pure keyword optimization to a holistic target audience and intent-based approach. This requires a fundamental shift in how we measure success:

- Traditional metrics (CTR, rankings) will become secondary
- New primary KPIs will likely include citation frequency, brand visibility in AIOs and assisted conversions.
- Scenario planning will replace rigid point forecasts for costs and traffic to account for inherent volatility.

BEYOND THE CLICK: AN ADVERTISER'S ACTION PLAN FOR FUTURE-PROOFING SEARCH

SHORT-TERM ACTIONS:

Focus: Rapid adaptation, risk mitigation and leveraging immediate opportunities.

- **Performance Audit & Vulnerability Assessment:** Analyze current paid and organic performance to identify campaigns/content most impacted by AIOs (reduced visibility, traffic loss).
- **Optimize AI-Driven Campaigns & Bidding:** Enhance PMax, Demand Gen and Broad Match campaigns with rich assets and first-party data. Shift bidding to tCPA/tROAS, focusing on conversions over clicks.
- **Prepare for New AI Ad Formats:** Start developing concise, natural-language creatives for AIO/AI Mode integration and begin internal approval processes for specific wording.
- **Enhance Content for AIO Citation:** Identify and structure key informational content (Schema, conciseness) to be easily cited by LLMs, ensuring factual accuracy.

LONG-TERM ACTIONS:

Focus: Strategic reorientation, channel diversification and building future-proof capabilities.

- **Invest in Brand Awareness & Diversify Channels:** Significantly increase brand-building efforts via push channels (YouTube, GDN, Social) to be "top of mind" pre-search. Actively explore and scale Microsoft Ads for additional reach.
- **Develop Advanced Measurement & Attribution:** Implement new KPIs (citation frequency, brand visibility in AIOs, assisted conversions) and evolve to holistic, multi-touch attribution models. Adopt scenario planning for forecasting.

- **Reimagine Content for Authority & Multimodality:** Create granular, authoritative content that positions your brand as an expert. Prepare for multimodal searches with diverse content formats (video, images).
- **Strengthen Technical SEO for AI:** Ensure comprehensive crawler access (Google, GPTBot, CCBot, Claude-Web) and continuously refine structured data implementation.

ONGOING ACTIONS:

Focus: Continuous monitoring, adaptation and refinement.

- **Monitor AI Developments & User Behavior:** Stay updated on Google's AI features and observe how users interact with your brand post-AIO/AI Mode. Identify compelling "reasons to click."
- **Data Management & Cross-Functional Collaboration:** Continuously enrich first-party data for AI campaigns. Foster strong collaboration across SEO, SEA, Content and Brand teams for unified strategy.
- **Embrace Experimentation:** Maintain an agile mindset, continuously test new ad formats, bidding strategies and content approaches, learning and iterating quickly.

**WPP MEDIA GERMANY CAN HELP YOU
NAVIGATE THESE CHANGES AND PUT AN
ACTION PLAN IN PLACE FOR YOU.**

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SOURCE REFERENCES:

- <https://search.google/>
- <https://search.google/ways-to-search/ai-overviews/>
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