


The new



# search advertising landscape

How to win when AI  
is changing everything

 Microsoft Advertising





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Introduction

# The future of search is already **here**



Search is transforming from a static list of links to a dynamic experience powered by generative and multimodal AI. What used to be a one-way query has evolved into a more intuitive, interactive, and conversational journey that helps people explore, decide, and act in real time.

For marketers, this shift brings both urgency and opportunity. Performance today is about more than visibility—it's about showing up when it matters most. The question isn't whether to adapt search strategy for AI, but how quickly brands can adapt to meet the moment.

## The new AI-powered standard



### Consumer POV

**71%** of consumers expect companies to deliver personalized interactions, and **76%** get frustrated when this doesn't happen.<sup>1</sup>



### Advertising industry POV

Companies that have implemented AI for real-time personalization see up to a **15%** increase in conversion rates.<sup>2</sup>

These shifts signal more than just rising expectations. They confirm that **AI-powered search is now central to customer experience and business outcomes.**





## Industry momentum

- eMarketer calls this shift “the new search paradigm,” where brands that fail to evolve risk losing visibility.<sup>3</sup>
- McKinsey’s [Global AI Survey](#) highlights that generative AI is no longer experimental; it’s transforming how people search, engage, and interact with brands. Traditional ways of discerning buyer intent can’t keep pace.<sup>4</sup>

This guide explores how the evolution of search is becoming increasingly essential in a world shaped by generative AI. We’ll look into the technologies pushing it forward, the behavioral shifts changing how people explore and engage with a click, and the strategies marketers can use to keep pace with it all.





## Section 1

# How search is being **redefined**

Today, people expect search engines to interpret intention, help with creation, and offer organic guidance through tasks. In this section, we'll explore what that shift looks like, why it's happening now, and what it means for how people discover and interact with information going forward.



# From queries to conversations (and creation)

Search has always been a gateway to information, discovery, and decision. But now, it's becoming a personal guide.

Today's users aren't just seeking answers. They want to refine ideas, compare options, and generate content without having to switch platforms. Thanks to generative AI and multimodal capabilities, the search experience is advancing to a more conversational and creative space.

This new model of search is faster, wiser, and built for people who want to ask, iterate, and create with the convenience of just a few keystrokes. Instead of offering a static list of links, search can engage users in dynamic, contextual interactions that evolve in real time.

## The acceleration point

While search has been evolving steadily, it took a significant leap from 2022 to 2024.

**November  
2022**

ChatGPT launches, bringing generative AI into mainstream use.

**February  
2023**

Microsoft debuts Copilot (formerly Bing Chat), the first large language model (LLM) deeply integrated with search.

**Late 2023  
into early 2024**

Gemini, DALL-E 3, and Meta AI begin introducing multimodal, image-generation capabilities.

**Mid 2024  
to present**

Search platforms—including the launch of DeepSeek—begin blending chat, generation, advanced AI-driven insights, and real-time web access into a single experience.

With generative AI tools becoming more accessible to the public and significantly improving both the search experience and relevancy, integrated search adoption has surged. Users now expect seamless, personalized, assistive, and adaptive results—not static ones.



## The impact is real

According to a [2024 Forrester report](#), traffic from traditional search engines is slowing, while AI-driven conversational search is growing at double-digit rates.<sup>5</sup>

### These shifts have far-reaching implications:



#### For searchers

Faster, customized answers tailored to their specific conversation or query, integrated creative assistance for tasks like writing and design, and richer results without toggling between tools.



#### For marketers

A collapsing customer journey, with users shifting from research to action in a matter of moments, opening up new windows of influence and intent.



#### For the advertising industry

Rapid AI-driven innovation, evolving performance benchmarks, and a renewed emphasis on measuring outcomes that align with user intent in an increasingly conversational landscape.





# Two shifts reshaping search



## Search is becoming more conversational.

What was once a one-way information retrieval process is now an interactive dialogue. Users can ask complex questions, follow up naturally, and explore iteratively, just like they would with a chatbot.



## Search is becoming more multimodal and creative.

Today's search experiences are truly multimodal—users can search with text, images, audio, or voice, and also generate content such as text, images, and summaries directly within a search interface. Multi-modality is bringing a context to search not seen before: use your camera as a prompt, or if you're having trouble visualizing an idea, just describe it in chat. This seamless blend of discovery and creation streamlines the process from inspiration to execution, making search into a multi-faceted tool for much more than just a query. Content creation has become an integral part of the search experience, transforming how we interact with information.

These shifts aren't happening by accident. They're being powered by a new generation of AI technologies that are **fundamentally changing how search engines operate** behind the scenes. Here's a closer look at the technologies fueling this transformation...



## Key AI technologies behind the shift

Generative search doesn't just respond: It reasons. It combines multiple technologies in real time, pulling data from the web while generating human-like outputs tailored to the user's context.

- **Retrieval-augmented generation (RAG)**  
Connects LLMs with live search data.
- **Intelligent sourcing**  
Pulls current information from engines like Bing and Google.
- **Contextual reasoning**  
Uses model memory and logic to craft complete, functional responses.

### For example

- Microsoft Copilot combines Bing's live search data with advanced model reasoning to deliver contextual responses in real time. This approach is now mirrored by ChatGPT, Gemini, and Meta AI.
- Gemini leverages Google Search for AI Overviews and chatbot integration.
- ChatGPT Plus and Meta AI are both powered by Bing.





# What this looks like in practice

## Traditional search



Static keyword queries



Requires multiple links



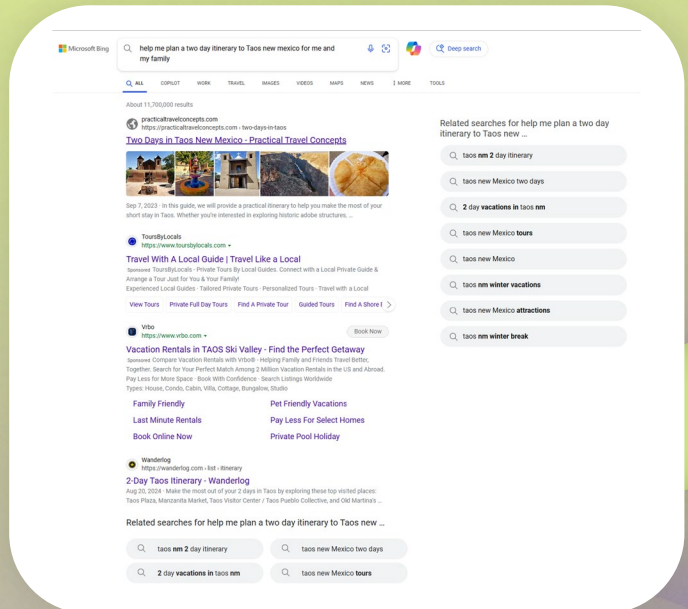
Manual exploration



External tools for creation



Fragmented journey



## Generative AI-powered search



Natural language, contextual queries



Synthesized, conversational answers



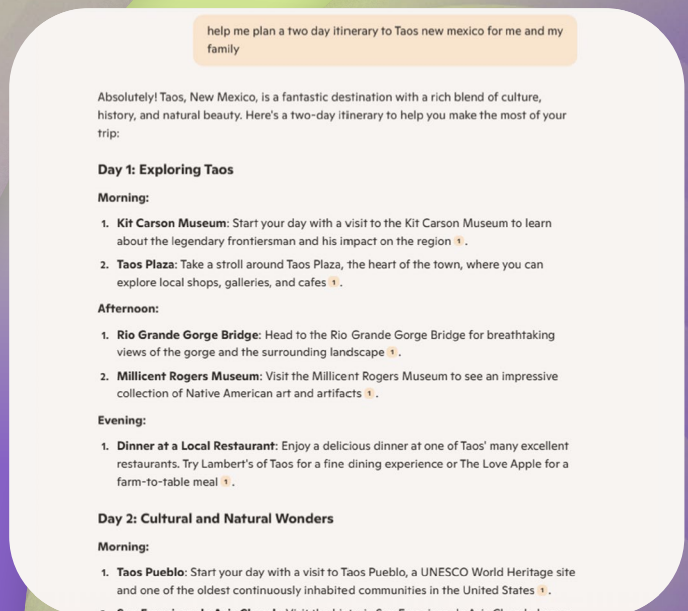
Iterative, dynamic refinement



Built-in text/image/content generation



End-to-end ideation and action







"Best sustainable travel destinations this year"

## Same query, different outcomes:



Traditional  
search

### Result

A list of **10–20** clickable links to blogs, guides, and travel booking sites.



AI-powered,  
multimodal search

### Result

- A generative overview of top destinations, pulled from multiple sources.
- A visual gallery with high-resolution photos.
- Sustainability ratings and indicators for each location.
- Carbon footprint charts.
- Follow-up options like 'show more coastal destinations'.
- The ability to generate a personalized itinerary within the search interface.
- A visual inspiration board that updates in real time.

### The difference?

The user receives planning and perspective in one seamless flow.





# Convergence is fueling innovation

Search engines and chatbots are closing the gap in capabilities. And that convergence is fueling a new wave of competition and innovation. Across the board, platforms are racing to redefine what search means.

## Converging strategies, different playbooks



Microsoft

Is integrating Copilot and generative AI tools into the search journey from end to end across its ecosystem.



Google

Is developing Gemini and AI Overviews for more dynamic search engine results pages (SERPs).



OpenAI

Is building ChatGPT into a platform for search, creation, and productivity.



## Search, supercharged: What users expect now

### Today's AI-powered search experiences support:



**Text-to-image:**  
Generate custom images based on user prompts.



**Image-to-image:**  
Upload a photo and discover visually similar content.



**Text-to-video:**  
Create short videos from written prompts.



**Natural-language dialogue:**  
Ask, clarify, and refine with chat-style input.



**Context awareness:**  
Pick up where the user left off, with no need to rephrase.



**Multimodal exploration:**  
Use voice, image, and text together.



That means search isn't just about answering questions. It's about helping users **create, compare, discover, and decide**—often in a single session, in whatever format they prefer.



# The big picture

These advancements mark a new chapter in search, one that's defined not by keywords and clicks, but by intelligent systems that understand, assist, and adapt. Creativity, personalization, and context aren't add-ons—they're built into the core experience.

## Key takeaways



Search is more important than ever, and it's evolving into something smarter.



Innovation is accelerating, driven by user expectations and platform competition.



Search engines and chatbots are improving their capabilities at an accelerating pace.

This convergence is creating new opportunities for marketers to engage across every stage of the journey.





## Section 2



# How **AI** is **reshaping** search behavior

The way people search is no longer a linear process. Journeys move across devices, from quick mobile questions to deeper desktop research, especially when making important purchase decisions. Generative AI is advancing this pace, making search more conversational, personalized, and helpful when it matters most.

In this section, we'll look at what these behaviors mean for brands trying to stay relevant, valuable, and performance-ready at every step.



# Search isn't just faster— it's fewer phases and more agentic

Customer journeys used to unfold in distinct stages—awareness, research, decision—across multiple tabs and platforms. Today, AI-powered search compresses that funnel. A single query can now spark an entire journey: discovery, comparison, personalization, and even purchase.

But the future goes further. As conversational AI evolves into autonomous agents, we're entering an era where a customer's agent can interact directly with a brand's agent to get things done—negotiating, booking, customizing, and resolving—all within a seamless, intelligent exchange.

This shift from **search as a tool to agents as collaborators** marks a **major evolution**: from finding answers to organizing outcomes.

## Example: A one-query journey

"Best laptop for video editing under \$1,500"

### Results delivered in one interface:

- Synthesized product rankings and summaries
- Spec comparisons
- Personalized suggestions
- Current pricing and retailer links

What once took hours (and many open tabs) now happens in minutes in a more streamlined journey.





# The new consumer search mindset

AI-powered search is influencing not just how people ask, but how they decide. Three macro shifts are driving the change.

## Expectation #1

“Help me decide, not just search”

Searchers don't just want results. They want a partner in the decision process.



Deloitte's Connected Consumer survey reveals that nearly **two-thirds** of users are interested in using generative AI for personalized shopping help and discovering new options, reflecting growing comfort with AI-enhanced, exploratory solutions.<sup>6</sup>

**68%** of consumers value AI that helps them discover unexpected options.<sup>7</sup>

To meet this need, marketers must go beyond surface-level messaging and create assets that assist in real-time decision-making. This means guiding users with comparison content, explainer formats, and educational elements designed for high-intent moments across conversational interfaces.





## Expectation #2

### “Speak my language (and remember it)”

Users are engaging in more complex, natural, and context-rich conversations.



AI-triggering queries are longer than navigational but shorter than conversational queries according to [Semrush's search report 2025](#).<sup>8</sup>



According to a Statista 2024 survey, **76%** of internet users regularly use question-format searches, up from **52%** in 2022.<sup>9</sup>

**22%**

increase per session in Copilot 'chat turns' (the number of unique responses Copilot provides within a conversation).<sup>10</sup>



[McKinsey](#) found that **76%** of users are frustrated by non-personalized experiences.

Brands need to adapt by optimizing for natural language queries and ensuring their content can easily connect across different moments in a user's journey. It's not just about showing up once; it's about building familiarity and relevance over time, as AI tools remember past conversations and preferences.



## Expectation #3

“Give me options—however I ask”

Consumers are embracing multimodal search, particularly Gen Z and millennials.



**46%** of Gen Z and **35%** of millennials prefer social media over traditional search engines for their search needs, according to [eMarketer](#), highlighting a generational shift in discovery habits.<sup>12</sup>



Additionally, according to [DemandSage](#), approximately **27%** of the online global population uses voice search on mobile devices, and in the US, **58.6%** of people have tried voice search at least once.<sup>13</sup>



Users leveraging voice and text search via Microsoft Copilot have increased by **270%** in less than a year.<sup>14</sup>

**37%** of under-35s prefer chat interfaces to traditional search for news.<sup>15</sup>



Copilot voice usage grew **2.5x** in three months after its 2024 relaunch.<sup>16</sup>

Marketers should treat multimodal discovery as an integrated experience, not a collection of isolated entry points. That means tailoring content and assets to be discoverable via voice, visual, and social interfaces while ensuring each format is optimized to influence user choice.



# The strategic role of traditional search

Even as generative AI transforms how people explore and engage with information, traditional search remains essential. It continues to serve as both a user tool and the foundation of AI experiences.

Today's chatbots and AI assistants increasingly rely on real-time search engines to ground their responses in relevant, trustworthy content. That means high-quality, search-optimized content not only reaches people directly through search results but also shapes what AI systems say and suggest.

For marketers, this dual role reinforces the value of investing in content depth, authority, and SEO best practices. Traditional search still supports key use cases like deeper research, comparison shopping, and fact-checking. However, it also indirectly powers the conversational and creative experiences that are redefining how searchers make decisions.

Maintaining a strong presence in search isn't just about visibility; it's about influence across both old and new paradigms.





# What the data says about AI and search synergy



Microsoft's latest research shows that AI and search don't compete—they amplify each other.

**53%**

Purchasing behavior significantly improves following Copilot interaction—user journeys including Copilot showed a **53%** higher likelihood of purchase within 30 minutes compared to those without.<sup>17</sup>

**194%**

Chat shopping intents lead to **194%** more purchases right after the chat.<sup>18</sup>

**3 in 4**

**3 in 4** users say AI assistants complement traditional search versus replace it.<sup>19</sup>

**38%**

After using Copilot, **38%** of users increased their Bing usage.<sup>20</sup>

**25%**

Ads on Copilot have a relevancy that is **25%** better than traditional search as measured by quick back rates.<sup>21</sup>







AI is changing how we shop, and it's happening faster than we expected. With Copilot and Bing, we've seen the path to purchase shrink by **30%**. That's not just efficiency—it's a shift in how people make decisions."

**Rukmini Iyer**

Corporate Vice President  
Microsoft

This **ecosystem effect** means brands need content that works in both environments, achieving the **conversational flow of chat** and the **browsable depth of core search**.





# Why desktop still counts for big decisions

Despite the rise of mobile, chat, and voice, desktop remains essential, especially for high-consideration, task-oriented searches.

When the stakes are high, people need more space to think, explore, and evaluate. Whether they're researching financial options, comparing enterprise software, or planning travel for a large group, desktop supports deeper focus and more confident decisions.

This is especially true in B2B and productivity-driven sectors, such as software development and graphic design, where professional environments are still largely desktop-first. According to [GMI Insights](#), the B2B desktop PC market is expected to grow at a rate of 7.5% annually through 2034, driven by the need for scalable, high-performance tools across enterprise use cases.<sup>22</sup> As generative AI becomes more integrated into workplace platforms like Microsoft Copilot, desktop is increasingly the hub for action-oriented search, not just passive browsing.

It's a reminder that in a fast-moving landscape, depth still matters. Being present on desktop isn't just about reach—it's about showing up where trust is built, research happens, and decisions get made.

## How desktop still drives decision-making

**25%** Consumers are **25%** more likely to use a PC, laptop, or tablet for important tasks than mobile users.<sup>23</sup>

**19%** Desktop users are **19%** more likely to click on an ad and 20% more likely to add an item to their cart than mobile users.<sup>24</sup>

**86%** Between November 2024 and February 2025, traffic from generative AI sources is coming through desktop devices at a rate of **86%**, compared to mobile devices, according to [Adobe Analytics](#).<sup>25</sup>

**52%** Desktop has **52%** higher conversion rates compared to mobile.<sup>26</sup>

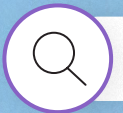


# A real-world look:

## Planning a family reunion with AI

### 01. Initial discovery

Sarah starts planning on mobile with a broad search:



"Best places for a family reunion this year"

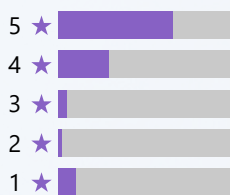
Powered by a search engine, AI-enhanced results showcase travel brands with strong SEO and AI-ready content, from sponsored summaries with location suggestions to personalized offers, setting the stage for deeper exploration.

### 02. Research deepening

She shifts to desktop to compare destinations, open tabs, and dig into blogs and travel reviews.

Travel review

**4.5/5**



Here, traditional search results and AI-driven answers work together: Hotel chains optimized for search surface naturally with rich snippets addressing her group pricing, accessibility, and kid-friendly amenities needs.

### 03. Conversational exploration

Using an AI assistant embedded in her search platform, Sarah asks follow-up questions like:



+

"Which resorts have family discounts and accessible rooms?"



+

"What's the best time of year to visit Colorado with kids?"

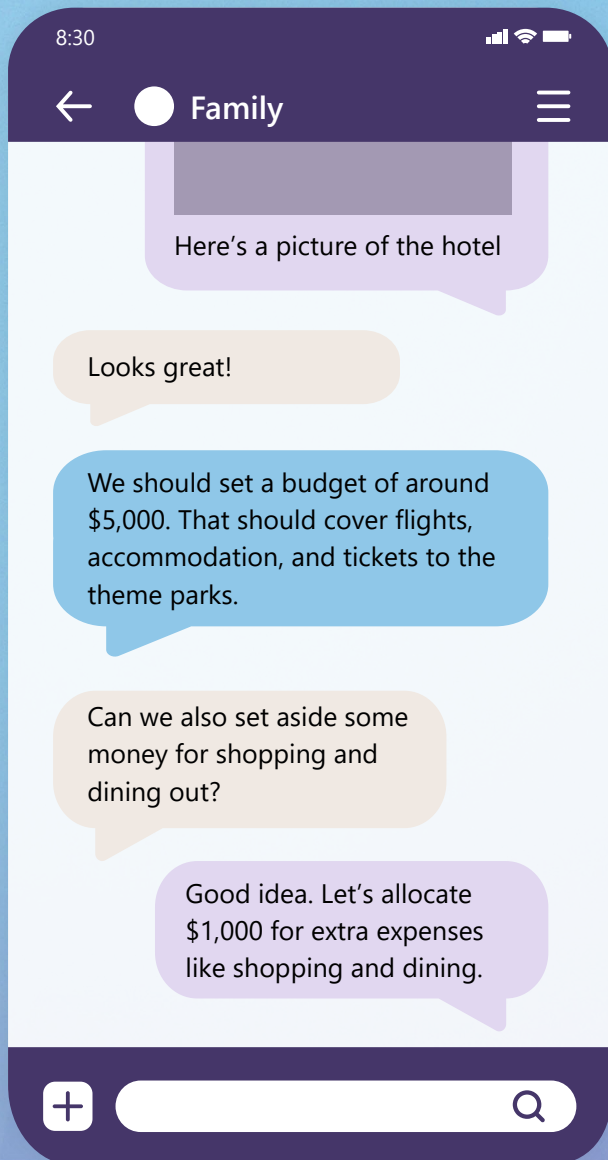


Behind the scenes, these AI-powered conversations still rely on live search results to provide up-to-date, contextual answers. Targeted brand content appears based on her device, location, and query history, including packing suggestions and flight deals.



## 04. Collaboration

Sarah shares the options with her family in a group chat. Search-enabled AI previews such as maps, estimated budgets, and images make decision-sharing faster and easier.



Brand sites that were optimized for AI-enhanced search maintain clickable, compelling experiences across devices.

## 05. Booking

With everything aligned, the family books their trip, all within a few days of starting their search.



Brands that optimized early for search visibility, AI adaptability, and user intent were the ones that ultimately captured the booking.



### The takeaways

Modern performance marketing is about being seamlessly discoverable, contextually relevant, and dynamically present across every step of the search-powered journey.

In an AI-driven world, it's still search engines that connect consumers to the right content, the right brands, and the right decisions.



# Performance matters— just in new places

Search is evolving rapidly, shifting from merely providing links to actively guiding actions, shaping decisions, and building trust in moments.

For brands, the challenge is enabling that guidance by ensuring AI systems have the right content, data, and context to surface when needed.

The upshot? Whether a user is searching or chatting, they're in a decision-making mindset. And resourceful brands will be well-positioned to respond.

## Key takeaways



Search is no longer a static list—it's an adaptive, multi-touch journey.



Brand visibility now happens in moments of discovery, refinement, and decision-making.



Context and cadence matter more than click volume.



Marketers must deliver value across mobile, desktop, chat, and AI interfaces.







## Section 3

# How to win in the **AI-powered** **search** era

AI is transforming search marketing by changing how we recognize intent, create assets, target media, and measure success. This section outlines what marketers need to prioritize to stay ahead.



# A new era of relevance and precision

AI is reshaping the relationship between people and platforms. For brands, that means reshaping how they plan, deploy, and measure content.

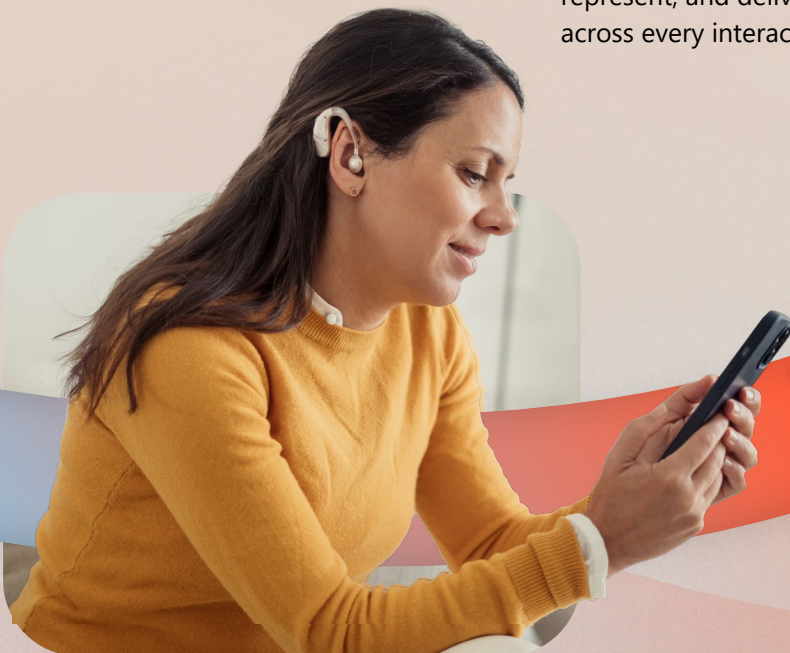
Winning in this next era requires more than tools. It necessitates a mindset shift from focusing on outputs to achieving outcomes, from fixed assets to flexible ecosystems, and from optimization to orchestration.

In this new era of search, the brands that guide AI to represent them helpfully and authentically will be shaping the future of performance.

Search is shifting from one-size-fits-all targeting to personalized, predictive, and context-aware dialogue.

The new search experience is designed to be assistive, conversational, and customized to each user by default. As more people adopt generative AI tools, their expectations are rising rapidly. They want answers that are accurate, relevant, contextual, and trustworthy. They seek content personalized to both who they are and to the context of the conversation for a truly personalized experience.

To keep pace, marketers must evolve from static content to dynamic, adaptive, and personalized creation by enabling AI systems to understand, represent, and deliver their brand with precision across every interaction.





# The AI toolkit for marketing transformation

As the search experience transforms, so do the metrics that define success. Marketers are expanding their lens to track more than reach and clicks, monitoring engagement quality, speed to conversion, and overall journey momentum.

With Copilot and Performance Max, you can measure campaign performance in smarter, more actionable ways aligned with the most critical outcomes.

The real magic happens when those tools are **powered by high-value, permissioned data**, helping marketers **identify and reach** the right audience at precisely the right moment.



[Performance  
Max](#)

Automatically assemble and deliver the best asset mix for each user and context across all of Microsoft's properties.



[Copilot for  
Ads studio](#)

Scale content production with on-brand, AI-generated creative variations.



[Audience  
ads](#)

Extend your message to your audiences across MSN, Outlook, Xbox, Microsoft 365, and partner publishers.



[Automated  
bidding](#)

Use comprehensive intent and behavioral signals to intelligently adjust bids in real time to maximize results.



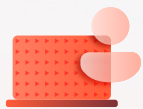
[Broad  
match](#)

Tap into extensive signals to match user intent with relevant keywords—essential when **35%** of daily search queries are entirely new.<sup>27</sup>



## Resonate with your audience

Microsoft's data ecosystem helps marketers tap into high-value audiences using real-time, consented behavioral signals:



Windows users

**20%** **19%**

more likely  
to purchase,

more likely  
to click.<sup>28</sup>



Gen Z

**76%**

more likely to support brands with  
authentic, inclusive advertising.<sup>29</sup>



Microsoft audiences

**48%**

more likely to have purchased  
in the past week.<sup>30</sup>

These insights drive  
targeting strategies  
that create **meaningful  
engagement and resonance.**





# Five imperatives for modern marketers

## 01. Optimize for real language and intent

Go beyond keyword matching. Design content for how people talk and what they mean.

- Write the way people speak.
- Anticipate clarifications, comparisons, and follow-ups.
- Design content to adapt across various formats, including voice and chat, as well as images and traditional queries.

## 02. Prepare your content for conversation

Your SEO and paid strategies must reflect how people interact in chat.

- Create content in Q&A formats.
- Cater to varying knowledge levels.
- Surface clear, actionable snippets.
- Design journeys, not one-offs.

## 03. Build modular, AI-ready content ecosystems

AI thrives on flexibility. Create assets that can adapt to multiple formats, tones, and scenarios.

- Include short-form, long-form, and visual variants.
- Organize content with clear signals so AI systems can identify your offer and match it to high-intent moments.
- Ensure each asset answers a clear need and reflects your brand voice.

## 04. Use first-party data for more personalization

Behavioral signals can add even more context to audience demographics. Use your data to fuel precise, privacy-safe targeting to refine beyond basic segmentation.

- Build targeting segments based on intent and interest beyond just age or location.
- Create adaptive journeys triggered by website, advertising, and search actions.
- Tap into Microsoft's permissioned signals for real-time precision.

## 05. Embrace automation and dynamic asset generation

Tools like Copilot and Performance Max not only save time but also improve performance.

- Dynamically generate creatives at scale.
- Test variations across channels and formats automatically.
- Let automation optimize for every combination of user, moment, and message.



# Elevating trust, safety, and ecosystem intelligence

As AI systems make more decisions on your brand's behalf, marketers must control how their brand shows up safely, ethically, and accurately. Transparency and trust should be as important as efficiency.



## How to put it into practice

### 01.

Use customizable brand safety controls and AI-powered moderation.

### 02.

Stay compliant with privacy laws, including GDPR and CCPA.

### 03.

Leverage Microsoft's premium placements across trusted properties like MSN, Outlook, LinkedIn, Xbox, and Microsoft Casual Games.

### 04.

Rely on MRC-accredited environments for clarity and accountability.

### 05.

Reduce reliance on third-party cookies by prioritizing the use of first-party signals.



## Real-world proof: How brands are activating AI



### Retail

Retail advertisers using AI-powered formats experienced more site visits and conversions compared to standard campaigns.



### Finance

Financial institutions using conversational AI reduced search time and increased user trust, accelerating conversion paths across complex decision journeys, boosting engagement and satisfaction.



### Travel

Travel agencies that leverage Copilot within customer messaging channels, such as WhatsApp, saw more efficient and enjoyable trip planning, as well as higher booking rates.



Copilot has been an invaluable asset in the process of writing new ad copy for our client, Marks & Spencer. It's sparking new ideas and helping us craft compelling messages that resonate with M&S customers. By leveraging Copilot's easy-to-use features, we have not only saved time, but also seen improvements in CTR on Generics."

#### Lauren Howell

Senior Account Executive  
Marks & Spencer





Microsoft's product adoption has brought us unexpected results, comparing to other search engines and even surpassing them in several key metrics, with these positive results is a platform that we will maintain in our strategy to accomplish more goals in the future."

**Camilo Restrepo**

Digital Marketing Coordinator  
Kalley



During the critical Black Friday period, our Performance Max campaigns delivered results on par with Search in terms of both ROAS and conversion rate—proving their value in reaching new audiences and driving performance. Based on this success, we've expanded PMax across additional product categories and made it a core part of our long-term digital marketing strategy."

**Marina Korenkova**

Digital Performance Marketing Manager D2C  
Samsung Electronics Germany



# Redefining performance in an AI-powered world

Today's search journey is dynamically optimized at every step. As tools like Copilot and Performance Max reshape how searchers discover, refine, and act, the definition of performance is no longer just about clicks. It has expanded to include contextual engagement, accelerated timelines, and higher relevance.



Let's revisit Sarah's family reunion planning journey—this time, from the marketer's perspective.

## A marketer's lens: Activating Copilot and Performance Max across the journey



### 01. Discovery

Sarah begins her search on Bing with the query:



"Best family-friendly destinations"

#### Microsoft Advertising impact

Responsive search ads and Performance Max campaigns deliver personalized destination content, lodging options, and travel tips based on intent signals and audience data.



## 02. Research

She uses desktop to compare accessibility, pricing, and local experiences.

Could you provide three family vacation options in Colorado, comparing accessibility, pricing, and local experiences?

Here are three great family vacation options in Colorado, compared based on accessibility, pricing, and local experiences:

1. Wild Creek Ranch (Contoso)
  - **Accessibility:** 1.5 hours from Denver, scenic mountain roads.
  - **Pricing:** Premium, all-inclusive.
  - **Local Experiences:** Horseback riding, hiking, ranch activities.
2. Evergreen Summit Lodge (Margie's Travel)
  - **Accessibility:** Idaho Springs, 9,600 ft elevation, mountain roads.
  - **Pricing:** Mid-to-high range. Local
  - **Experiences:** Hiking, fishing, historic mining ruins.
3. Timber Valley Retreat (Reclud.com)
  - **Accessibility:** Near Cripple Creek, easily accessible.
  - **Pricing:** Budget-friendly. Local
  - **Experiences:** Hiking, historic mines, casinos.

Each offers a unique adventure—let me know if you need more details!

Microsoft Advertising

Here are three incredible family vacation destinations in Colorado, each offering unique experiences—whether you're looking for adventure, relaxation, or a mix of both.

Sponsored...



Wild Creek Ranch  
from \$450 per night  
Contoso.com



Evergreen Summit  
Lodge  
\$250 per nigh  
Margie's Travel



3. Timber Valley  
Retreat  
from \$150 per night  
Reclud.com

### Microsoft Advertising impact

Performance Max dynamically serves multimedia and product ads that reflect Sarah's browsing behavior, highlighting options like family packages and accessible lodging.

## 03. AI assistance

Sarah asks Copilot about trip budgets and compares itineraries.



+

"Can you compare a four day itinerary in Colorado Springs vs. Boulder for a family trip?"



+

"Which Colorado trip is better for kids' outdoor activities: national parks or ski resorts?"

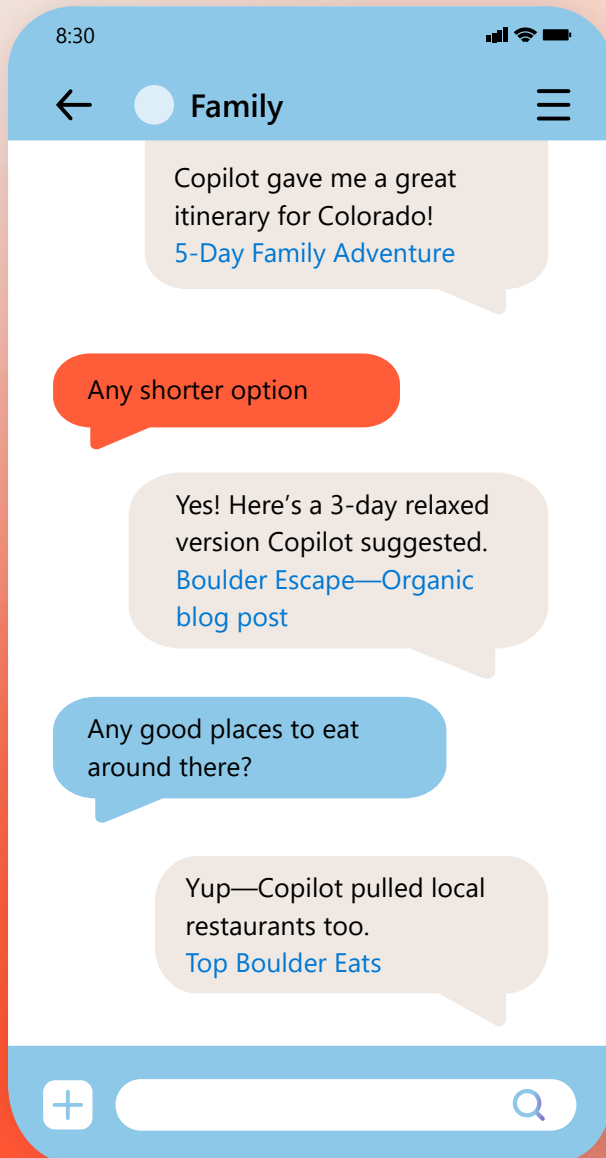


### Microsoft Advertising impact

Copilot delivers branded answers and tailored content aligned to her questions, combining organic and sponsored content for deeper decision support.

## 04. Decision-making

Sarah then shares links and plans with her family for input.



### Microsoft Advertising impact

Audience ads and automated bidding strategies prioritize visibility during this critical decision window, helping brands remain top-of-mind as group consensus forms.

## 05. Booking

Sarah completes her purchase across devices.

### Microsoft Advertising impact

Ad automation detects purchase intent and serves up optimized creative at just the right moment, seamlessly connecting the experience across desktop and mobile.





## Performance today

**4x** faster customer journeys when Copilot is involved versus traditional search alone.<sup>31</sup>

**40%** reduction in touchpoints when ads are integrated with Copilot.<sup>32</sup>

**1.5x** higher CTR for responsive search ads with Copilot integration.<sup>33</sup>

**1.7x** CTR boost for enterprise, **1.7x** for small to medium-size businesses, and **6.5x** for multimedia formats.<sup>34</sup>

**2.6x** Performance Max campaigns drive **2.6x** more site visits and **4.2x** more conversions for retail advertisers compared to those not using Performance Max.<sup>35</sup>

**10%** higher return on ad spend (ROAS) in global markets with Performance Max campaigns.<sup>36</sup>

**32%** lower cost per acquisition when adding Performance Max alongside search campaigns.<sup>37</sup>

## Ad performance is evolving, too

Conversational search is improving more than user experience. It's streamlining ad performance.

### Ad outcomes in AI-powered search environments



Ads within Copilot reduce customer search journeys by **40%** fewer touchpoints based on searches and messages per conversation.<sup>38</sup>



Users are **1.5x** more likely to engage with ads in conversational contexts.<sup>39</sup>



Weekly conversational search queries per user have increased **65%** year-over-year, adding more opportunities for ads to appear in contextually relevant, high-intent moments.<sup>40</sup>

This shift provides advertisers with **new opportunities and innovative ways** to reach high-intent audiences.



Copilot in Microsoft Advertising Platform just makes our lives as search people easier.”

**John Frazee**

SVP, Paid Search, Carat  
Dentsu



# Ad experiences in Copilot

## Text ads

What are the top sushi restaurants near me? I'm looking for something authentic

Here are some top sushi restaurants in Austin that offer authentic and delicious experiences:

- 1. Uchi Austin:** Founded by James Beard Award-winning Chef Tyson Cole, Uchi offers non-traditional Japanese cuisine with signature tastings, sushi, and seasonal omakase. It's known for its elevated food and impeccable service.
- 2. Lucky Robot:** This is the first sustainable sushi restaurant in Texas, recognized by the James Beard Foundation's Smart Catch Program. They source their ingredients from local farms and cooperatives, ensuring high environmental and sustainability standards.
- 3. Uchiko Austin:** Originating from the famed Uchi restaurant, Uchiko specializes in upscale sushi, cool tastings, omakase, and small plates in a farmhouse-chic space. It's another creation by Chef Tyson Cole.


These spots should give you a great start on your sushi adventure in Austin! Do any of these sound like what you're looking for?

Microsoft Advertising

If you want to ensure you get a table at your preferred time, you might want to book a table beforehand. Here's a link from Contoso to help you book your place in top Austin sushi restaurants.

Sponsored ---

Book Now on Contoso and Secure Your Spot at Austin's Top Sushi Restaurants.

 Reserve with Contoso on Top Sushi Restaurants  
Contoso.com



Message Copilot



## Feed-based ads

I'm attending a party next April and the dress code is "elegant early 2000s", what do you think I could dress like?

Alright, let's channel that early 2000s chic. Think of timeless icons like Gwyneth Paltrow and Kate Moss. Here's the vibe:

- **Dresses:** Go for a slip dress with delicate straps or a sleek halter-neck dress. Satin or silk fabrics are perfect for that era's elegance.
- **Shoes:** Strappy heels or delicate sandals to keep it classy and stylish.
- **Accessories:** Small shoulder bags, chokers, and minimalistic jewelry to complement the look. Maybe even a touch of glitter on the eyes for that subtle glam.

You're going to nail it. Ready to strut down memory lane?

Microsoft Advertising

Here are some inspiring picks for an early 2000s party look in spring. Depending on what you're looking for you can go for colorful and airy, or maybe you prefer a two-piece suit that's more formal.

Sponsored ---



**Satin Kimono Midi Dress**  
\$119.97 \$134  
Contoso.com



**Black and White Midi Dress Angel...**  
\$87  
Fabrikam



**Halter Tie Neck Midi Dress in Pleat**  
\$122.99  
Contoso.com



**Muse Dropped Hem Mini Dress**  
\$155.97  
Contoso.com



**Classic Wo...**  
\$176.50  
Fabrikam



Message Copilot



## Multimedia ads

What vacation rentals would you recommend in Leavenworth?

Leavenworth is such a charming place, like stepping right into Bavaria! Here are a few vacation rentals to consider:

- 1. Icicle Village Resort:** A great spot with a nice balance of comfort and amenities. Perfect for families or couples.
- 2. Sleeping Lady Mountain Resort:** If you're into eco-friendly stays and a more rustic vibe, this place has cozy cabins and beautiful scenery.
- 3. Pine River Ranch:** Offers a more romantic and secluded setting, ideal for couples looking for a quiet getaway.
- 4. Haus Hanika:** Right on the river and only a short walk to downtown. It has that authentic Bavarian feel.

Each of these places has its own charm and appeal, depending on what kind of experience you're after. How does that sound?

Microsoft Advertising

Contoso.com may be worth considering: with its unique rentals, easy booking, and verified reviews, you're sure to find the perfect stay in the charming Bavarian village of Leavenworth. Discover your ideal getaway today.



Sponsored ---

Book your Hotel in Leavenworth WA online with no reservation costs. Benefit from great rates.

 Leavenworth Vacation Rentals | Book with Contoso  
<https://www.contoso.com>

Book Now



Message Copilot

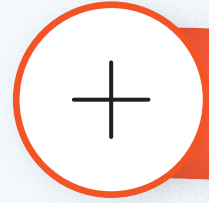


# Succeeding in a smarter search ecosystem

In the AI-powered era of search, success depends on both embracing automation for ads and creative development while equipping systems with the right creative assets, structure, and strategy.

Marketers must lean into AI-driven tools while ensuring their sites are search engine-optimized by supplying strong signals, flexible content, and intelligent inputs needed to guide performance. Being prepared at every moment of intent is imperative for success.

## How to lead the AI-powered search shift



Embrace automation and AI-driven tools to scale discovery, engagement, and personalization.



Structure campaigns to guide conversational and multimodal discovery experiences.



Provide AI systems with the right signals, context, and creative assets to surface your brand.



Develop modular, flexible content that can dynamically adapt to user intents and journeys.



Optimize beyond keywords and demographics by focusing on intent signals and cross-channel behaviors.



Invest in automation and optimization tools like Performance Max and Copilot to accelerate the journey from discovery to decision.





## Conclusion

# The search experience has **evolved**

and so have performance expectations.

What was once a series of disconnected steps is now a single, adaptive experience driven by AI and built around user intent. Marketers have had fewer chances to make an impression, but greater opportunities to deliver impact when it matters most.

Generative AI is streamlining the customer journey, compressing touchpoints, and raising the bar on personalization and return on investment. Brands that adapt early aren't just seeing incremental improvements—they're outperforming the market.

## What performance-focused teams are achieving

AI-driven search and chat experiences see:

**1.5x**

better click-through rates  
(since the Copilot refresh.)

**25%**

better ad relevance and accelerated  
customer journeys by more than **30%**.<sup>41</sup>

These results aren't theoretical. They're happening now, driven by AI, automation, and high-quality data signals that align with real user behavior.

## Key priorities moving forward

To create a buffer between your brand and the competition in this new landscape, marketers should:



Focus on supplying AI systems with rich content signals, flexible creative, and clear contextual structure.



Prioritize intent-based discovery across voice, chat, desktop, traditional SERPs, and multimodal experiences.



Deepen first-party data strategies to fuel privacy-safe personalization at scale.



Leverage automated tools like Performance Max to scale and optimize content creation, delivery, and performance with greater efficiency.



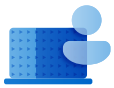
# Have more questions?



**Get in touch** with your account representative or connect with an [expert](#) today to learn more.



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Connect with us to identify where  
AI can make the most impact  
for you and your customers.



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