



Beyond SEO



Neil Patel on Generative Search, AI-Powered Brand Strategy, and Future-Proofing Digital Presence

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Andy Sack (00:01)

This is AI First with Adam and Andy, the show that takes you straight to the front lines of AI innovation in business. I'm Andy Sack and alongside my co-host, Adam Brotman. Each episode, we bring you candid conversations with business leaders transforming their businesses with AI. No fluff, real talk, and actionable use cases and insights for you.

So excited for today's episode. have our guests, Neil Patel and Adam. Welcome, Neil.

Neil (00:29)

Thanks having me

Andy Sack (00:38)

GEO is the new SEO. With the expert Neil Patel, Neil, tell us before we get into the topic, just give

Give our guests something unique about yourself that most people don't know.

Neil (00:57)

Sure, I've been an entrepreneur since I was 16. I'm 39 now, so I'm going 23 years strong and I feel like I've been doing it for a little bit too long. Although I think you've been an entrepreneur much longer than I have.

Andy Sack (01:13)

I mean, I'm trying to think. I don't think I started when I was 16. Tell us what was your first entrepreneurial venture at 16?

Neil (01:21)

Job board. was copying monster.com, which I don't even know exists anymore. People use Indeed or LinkedIn now to find a job and it failed miserably. Copying someone and creating a shittier version of what they do and don't doing great marketing, right? If you combine a shitty product with crappy marketing, you're definitely gonna lose.

Andy Sack (01:34)

It's a recipe for failure. So glad you could join us, Neil. Let's start with your own AI journey.

Neil (01:49)

Yeah, so I've been an early adopter of lot of these AI tools and AI technology. And I think the LLMs, especially the good ones, they're here to stay. They'll improve over time, and they're going to continually get better. We'll eventually see AGI. But I think most people are overestimating what AI can do for them, at least in the short run.

Neil (02:17)

Most people believe it's like a magic wand and you can just wave it and it solves all problems. We're so far away from that. I also think on the flip side, people really underestimate what AI is going to do for them in the long run, right? Like you imagine someone cleaning your home. You're not going to have people cleaning your home. Eventually there'll be a machine that cleans your home. You look at BMW, they already signed up with a startup that produces robots that just assembles BMW cars like humans. So that way they no longer need that.

Neil (02:47)

that human labor force. They haven't replaced all of them with these robots yet, but it's working really well. And I was waiting and I was like, huh, you know, if they want to charge \$20,000 for robot to clean your house, call it a one time fee. That's actually cheaper in the long run than continually paying someone to clean your house if you actually start doing the math over time, right? Especially there'll be financing companies that do payment plans and all this kind of stuff. I think it is tremendous. I think it's going to really change business, but

people are on too much of extremes. You're seeing people who are like, ah, know, it's not gonna replace humans. And then you're seeing people being like, it's gonna replace all of humans. And you're seeing a lot of the people coming from the AI camp, of course, being on the extreme end saying that, you know, eventually it's gonna replace most things. And you're seeing people on the other end who want to protect their jobs being like, it's not gonna replace anything. It's not gonna work the way people are saying. And I think it's gonna land somewhere in between. Because for some jobs,

like creativity, like I'll give you an example with marketing. If you ask a lot of these AI solutions to help you with marketing and assuming they improve over the future, if everyone uses them, then they're using the same technology and it's going to be hard to beat one another because you're just doing the same stuff that everyone else is doing. You still need some creativity mixed in there. Does it mean that you still need the same amount of staff number to complete the task? No, you're going to find a lot of efficiencies.

But I think what's really going to happen within the next three to five years is most large corporations are going to have AI combined with humans. Think of like an AI assistant that's working with you, a buddy that's paired with you, or agent, whatever you want to call them, that's just working with you. So that way you can just level up and do a much better job at whatever you're trying to accomplish in life.

Andy Sack (04:34)

Have you had a personal AI aha or holy shit moment? When did you realize, wow, this is a significant technological breakthrough?

Neil (04:46)

Yes, I'll give you a great example. We have a team for &A, so we try to acquire at least one company a quarter. Normally what we do is we find people to go out there and just do a ton of outbound, right? We're looking for companies with the minimum revenue size, profitability size, ideally enterprise clients. We have all these criteria's. They're reaching out to people. Now we're still a small organization.

Big enough to go public, but still small when you compare it to like a Microsoft or Amazon, et cetera, right? We're in the thousand something employee count. Because we're in so many countries, we're paying people to go and outreach and find all these corporations to outreach to, and they actually reach out. And then from the ones that hit us back up, we're able to then go and have conversations and try to close them. With AI, we're now able to scrape results faster in many languages with more accuracy and not relying on this low cost labor or mid cost labor. They're not only reaching out to people and setting up calls. When we get on the calls, you have live translation where it's telling you what the person is saying and you can now respond to them and have a conversation without a translator because a lot of this is sensitive information and no one wants to reveal their numbers with translators on the phone.



Neil (06:09)

and you're building a relationship one-on-one. And this speeds up or this sped up the amount of outreach that we're doing to from 50 companies a day to no joke, over 370 companies a day that we're reaching out to, at least on the weekdays.

and a fraction of the cost with better results because they make less errors than humans when it's black and white. Like when you say look for a company with a minimum employee count of X, humans still make errors. AI, when you give it that number, it's less likely from what we've seen to make that error. It's like you talk about security within companies. People have a lot of security issues, not because of the technology they're using. It's because of human error.

Andy Sack (06:56)

Yep, totally. Let's get into GEO, known as Generative Engine Optimization. And it's become a hot topic as a result of AI. GEO is the new SEO.

Can you break down for our listeners who are predominantly CEOs and C-suites at consumer brands, the rise of this new area, GEO, and how it's impacting consumer behavior and more broadly, SEO?

Neil (07:29)

Sure, so I'm going to take you back a little bit and break down some stats. Google is known as a main search engine solution in today's world. They have 8.5 billion daily searches on average, all right? This is all public data that you can just get from Googling and searching. When you add up all the major platforms, including Baidu and YouTube and even the Apple App Store and ChatGPT, you're roughly between 45.1 to 46.1 billion searches a day, all right?

Neil (07:59)

That's a large number. So when you think about Google's number of 8.5, they're roughly 18 % of the market. Even though Google is known as a main search engine, they're not actually the leader when it comes to total volume. Google is still growing in popularity, but so are all the other platforms. So in theory, even though Google's becoming more popular, their percentage of market ownership is continually going down. For example, Amazon, which is in your guys' neck of the woods, 3.5 billion searches a day that happen on Amazon.

Neil (08:27)

Think about that. And those are more transactional searches. So one can say, hey, they're more valuable. And you look at Instagram, 6.5 billion searches a day. Now, most people are searching for friends on Instagram, right? Chat GPT is roughly at a billion. Apple app stores at 500 million to give you guys idea. So it's really spread across a lot of different platforms with Google being the most popular. And then there's being a huge long tail.

All these platforms are integrating AI. If I ask my parents about chat GPT, they assume when they do a Google search and they get an AI response, that is chat GPT. We all know that's not chat GPT, but from a lot of surveying we've done, a lot of people think that chat GPT is integrated into Google results when there's AI. And that word chat GPT is becoming synonymous with AI. Whether it's a Google product or a Facebook product, people just assume when the AI is talking back to you,



a percentage of people at least that it's chat GPT and all these platforms including Instagram and Facebook are integrating AI. So if you go and you do a search on Instagram, you'll notice that Facebook's AI platform is pulling stuff out there and giving you a response. Now companies used to just search on or hoping that people to search on Google and find them. But if you're Louis Vuitton and you sell a handbag, when someone types in handbag on Amazon, of course you want to show up.

When they type in a handbag on Instagram, even if you don't sell your product on Instagram, you want your products to be featured all over for inspiration for future generations to be like, I get a handbag, it needs to be a Louis Vuitton handbag. Same thing with Chad GBT. If you ask them questions to the most reliable, best built, most luxurious, you want Louis Vuitton to show up and be recommended over other brands like Chanel or Hermes or whatever they may be. So in essence,

Companies no longer have to optimize for just Google. They have to optimize for these AI platforms, plus all these other social platforms and new channels that are emerging. So we look at SEO as no longer SEO or even GEO. We look at it as search everywhere optimization because AI is becoming a default for a lot of these platforms. And if you don't optimize for all the platforms, you're missing out on a ton of traffic.

Adam Brotman (10:52)

So the question, the million dollar question, so speak, Neel is how do you do that? or put it this way, our audience are not tacticians. And even if they are, I'm not asking you a tactical question, although you may say I can only answer tactically, but how should someone like me, yeah, like just generally understood what you just said, but like, what do I do differently? What do I tell my team? I want to see them do differently. What am I looking for from my team if I'm...

Neil (11:09)

They think about it.

Adam Brotman (11:21)

you know, if I want to do what you just said, how do you do that?

Neil (11:24)

So we've done a study on this and we saw one on search engine land as well. There's a high correlation between Google rankings and being recommended by chat GPT. All right. And even if you're looking at some of the other platforms that are leveraging AI, you're seeing a high correlation between either Bing rankings or Google rankings to them serving up a website. And what we're finding when we optimize for these platforms, there's really not much of a difference from SEO. There may be some slight nuances like they may care more about.

brand mentions, which is how many times your company or product or services being mentioned around the web or how old the company is or how many reviews you have. But these are all factors in SEO as well. The big differences is their weight on some of these components of the algorithm may be a little bit different than SEO. But because it's such a strong correlation between Google rankings and chat GPT rankings and being recommended on many other platforms, what we see is the best thing to do is do SEO from a quote unquote best practices standpoint and don't just focus on Google, know that it'll help you with all these platforms.



And a great example of this, I know this is long winded, when people search on chat GPT search or search GPT, whatever you want to end up calling it, people are like, wow, a lot of the results come from Bing or a lot of the results are similar to Bing. But what they don't understand is when chat GPT doesn't have the answer, it's pulling directly from Bing, right? So when you optimize for a lot of these platforms, you will get love from these AI platforms as well.

Adam Brotman (12:55)

So I just want to, that's really helpful, Neil. So I'm going to repeat back what I think I understand what you're saying. You're saying, first of all, just because, and we're to get into referral traffic and the implications of that in a minute, but you're just, you're just pointing out like, listen, people are doing, searches are still happening more than ever. And they're happening on all these different platforms, not just Google. And when you're getting an AI result back and answer back instead of a bunch of links,

The way you show up, you still want to show up in that answer, of course, even if it's not a link per say even though the links are kind of below on some of the, on some of the citations, your point is to get to show up in GEO, you still got to be good at SEO because SEO feeds GEO maybe slightly differently. And then you're saying, look, if you really want to pro tip, make sure you're showing up in not, you're not just doing SEO for Google or Bing, but think about

Adam Brotman (13:52)

Think about Yelp and Instagram and think about all these other ways in Amazon. Remember the holistic point you're making and then show. And then that will help you show up there potentially better. Now you're saying that when they do the AI overviews, there are these. These are called GEO type answers that come back on searches are, are they're drawing on a combination of their training and they don't know the answer. They might just go do a search. So that's where it's like literally SEO.

But is there anything, let's go to that first part. Is there anything you can think of that lets you show up better in the training or is that still the SEO best practices you mentioned or is there.

Neil (14:32)

it's still SEO best practices. And I'll give you a great example of this. So we took results from Google rolling out their AI overviews. That's their version of chat GPT, you know, because they're just integrating into Google search. And side note is we haven't seen Google's traffic really decline from the release of chat GPT. People still keep using Google and they also have another option. Just like the average person according to Sprout Social I believe uses 6.6 social networks.

on a monthly basis, either 6.6, 6.7 or 6.8. It's one of those three numbers. search is becoming the same thing where people are just searching on multiple platforms. But going back to what I was talking about, with the AI overviews, we looked at data a week prior to Google rolling out AI overviews in the US and a week post them rolling out in the US. So what were the results? And our ad agency, NP Digital, our clients on average ranked really well. we saw them getting mentioned left and right within

Neil (15:29)

these AI overviews or these generative AI responses. And what ended up happening is our clients didn't see a dip in traffic. They didn't see much of an increase, but they did see it was a 1. something percent increase in traffic. It wasn't 2%, it was more than 1%, and this is just from organic traffic. In essence, if you rank high, we see a very high correlation of you just being mentioned by a lot of these platforms and ranking higher there as well.



Andy Sack (16:00)

How do you explain the least the discussion of the drop in referral traffic by 50 estimated at 15 % like that's been the recent number that's been circulating online.

Neil (16:13)

So we work with a lot of companies and through our tools, Uber suggests an answer to the public. We have a lot of data that we're gathering and we're looking at people's analytics data and all this kind of stuff in aggregates, right? Not individually, but based on what we're allowed to do based on our terms of service and stuff like that and privacy policies. We haven't seen massive drops in referral traffic. People can say what they want. And when I say we look at data, I'm not looking at data for a thousand websites or...

you know, 100,000 websites, talk about more than a million, right? Like it's well into the millions actually. Yes, we're seeing traffic go up and down just like seasonality. But when you're looking at traffic as a whole holistically, yes, maybe some referral traffic is dropping here and there, but we're seeing direct traffic increase for certain sites. We're seeing it roughly awash. We're not seeing too many sites lose tons of traffic.

Andy Sack (17:03)

So do you see a consumer behavior change as a result of AI? Like I'm hearing no, but I just want to check with you that that is in fact what... Like, do you see consumer behavior change?

Neil (17:16)

it depends. Do we see a change versus how it was traditionally in Google search? Yes. Do we see it changing too much based on how it is on Instagram and some of these social networks? No. And let me explain this. You usually do a Google search, you find your answer. If you're just asking a question, you don't go to website, you type in something like to buy, you may end up going to clicking on one of the blue links, going to a site and then doing whatever you want to end up doing purchasing, adding some of the card not completing or just bouncing away and coming back later.

With social media, we've done a lot of studies where companies stop using social media because they believe it's not driving revenue. And I'm talking about organic social, not paid. And what ends up happening is, is not right away, but over time, we usually see companies seeing a decline in revenue. And these are with companies who believe social media is not driving anything and they have at least 100,000 followers on the social platforms, right? You have a 500 followers, it's not going to do much.

Neil (18:14)

But it just shows over a six month period, we're seeing revenue drop in the mid single digits. It just shows that a lot of social media, the way it works is people do research, they see things, and if they like something, they just go directly to a website or they tell their friends about it. That brand awareness, like those Nike commercials you always see, gets ingrained in people and it causes a lot more direct traffic. We're seeing the similar type of experience with AI.

People use a lot of these platforms, ask questions, get results. They may not click on anything, but they're like, cool. They recommended this corporation. Let me just hit them up. And we've gotten customers from that.



Adam Brotman (18:56)

That's interesting, Neil. I, in real world, sort of my, my sort of, you know, every day being on boards and advising retailers and restaurant chains and the like, and consumer brands. What I just heard you say is we've gone from this world 10 years ago, tell a couple of years ago, maybe it was a marketers were just highly analytical and data-driven. could be, they could just look at SEM. They could look at paid media that's programmatic and whatnot and targeted. And they would just look at like ROI and they would look at like attribution and they felt confident in attribution and ROI and digital media. And then there's been these shifts like Andy was asking you around more people are using social media and TikTok and video than ever. More people are starting to use AI. And as a result, like awareness and sort of 360 degree exposure to brands.

has become more important or just as important, but it's less measurable on the referral traffic clicks. But you're seeing it pan out in the wash overall, because if you're good at it, traditional SEO, traditional programmatic advertising, but don't just assume that because you're not seeing as much ROI or direct clicks from your social media to your site, that that means you shouldn't be investing in it. It's not as important. You're pointing out like, be aware of what's happening kind of under the hood or behind the curtains in terms of consumer behavior. Okay, that's interesting.

Neil (20:26)

Yes. What are people saying when you're not there in the room, right? And that's really what's happening with social media. And that's what's happening with AI. For our business, know, when chat GPT first came out within the first 12 months, we picked up three enterprise corporations. And when we asked them how they heard about us, they said, we are asking Chad GPT, which ad agencies to recommend and NP digital was recommended a lot. we hit you up.

So we're starting to get business from these AI platforms, even though I can't directly attribute a click going to my website and then someone signing up.

Adam Brotman (21:05)

Amazing. So, Andy, got to kind of jump in with a segue. So Neil, you know, getting this abstract a little bit from SEO, GEO, we were actually Andy and I were on a call earlier today and I want to get your comment about something. Somebody brought up a really good comment. They brought up that human experiences, real world experiences might become really important more than ever as people sort of seek out human connection, they're over digitized.

Adam Brotman (21:35)

They're kind of AI everywhere. And he came up with, he mentioned a term or came up with this term, human experience optimization. Like, can you comment on that? Like, what are your thoughts on that, on that point?

Neil (21:48)

I agree with whoever said that. And the main reason being is we're getting into a world where everyone's like virtual reality, augmented reality, whatever you want to end up calling it, more interactions online, less human connections, having agents help you do your job, less meetings. People crave still that experience. You I watched the Avicii documentary recently on Netflix.



The amount of people that loved his music and were in person watching him, the crowds that he would bring wherever he would go, people would, people love those experiences and you're still seeing them. Hence these events like EDC that they put on Vegas or whatever they're called, I don't really go to them. They're extremely popular. People love those interactions, those connections. And

A small example of this, it's not really a vent that someone throws, but Apple does an amazing job at this. You go into an Apple store, it is very delightful experience, right? That experience you have with their products, the education, them helping you, them guiding you, being so friendly, it makes their products that much better. I even bought the Vision Pro when it first came out.

I thought it was the coolest thing since sliced bread and then after wearing it for an hour I had a massive headache and I'm like screw this and then it's too heavy. I'm like who's going to wear this bulky thing around the whole time? But the overall concept was great. I just wish it was in a form of glasses and I know Zuck ended up showcasing it like oh it would be 10 grand. I'm like I would buy it for 10 grand if it worked like the Vision Pro or even 15 or 20. I think a lot of corporations would, right?

But at the end of the day, it's we crave human interactions and connections. Deals still happen that way. Go try to sell, know, people are like, oh yeah, I'm just going to hire all these agents to sell my products and services. Go try selling a multimillion dollar deal. People still want to meet each other face to face. I don't see that changing. You want to go sell something on the phone for, you know, a few thousand bucks or 10,000 through AI. Go for it. But I really do believe when you talk about big enterprise deals. people still want to meet each other face to face.

Andy Sack (24:06)

Yeah, I agree. Anything else, Adam?

Adam Brotman (24:11)

Yeah, Neil, I mean, think to wrap up, I'd love to ask you, what advice would you give? And let me make it a little less cliché. What advice would you give to a leader, et cetera? Let me make it more tangible. If you were being brought into specifically like a CPG company or an omnichannel retailer, either one, like a typical kind of consumer brand where they've got

They got to think about all the marketing funnel. They've got to think about creative. They're thinking about digital marketing for a direct retailer and omnichannel retailer. They're definitely thinking about both earned media as well as own channels and paid. What would you like if you came into a company like that and you and they just were like, Neil, we're in the age of it. Gen AI here, Gen AI everywhere.

Like I can't keep up with all the news. I'm feeling more behind than ever, which is what we hear from a lot of our clients and our listeners. Like what is your high level sort of framework that you Neil Patel would come in and say, let me kind of get your head on straight a little bit. Or what would you be checking for?

Neil (25:21)

Yeah, so I would be first looking at brand mentions. How many times are people mentioning your brand over the competition and is it growing or declining? Because a lot of these channels don't cause a direct conversion, but they cause an indirect conversion. And the more you're getting mentioned, usually the better you're going to do.



You look at DeepSeek, I believe is what it's called. It did really well and took the internet by storm because everyone was talking about it over a few day period and it caused Nvidia to drop 16%.

Although today I think they rebounded to 3 % but still that's nothing you've heard of the 16 % drop in one day. The Nvidia co-founder his net worth on Forbes dropped 20 billion dollars in one day from that news, right? You look at the brand mentions the more someone a company product service gets mentioned the more likely it's in people's goodwill's right? If it's negative press you're kind of screwed but you got to think about how can you get mentioned not from a paid perspective but organic.

Cause word of mouth marketing and being mentioned online is kind of like the new word of mouth marketing is really what drives business. Whether it's Instagram or social media or chat GPT, right? Or a search engine or people just writing articles. If you can get mentioned more chances are assuming it's positive or neutral, you're going to end up getting more sales in the long run. May not kick in right away, but that's why Nike is synonymous with athletic shoes.

Neil (26:48)

They've just been around so long and so many people have mentioned them. People think that if you want athletic shoes, you just go to a Nike store, you go to nike.com and you just purchase. And the best way CPG companies should look at this is think of it as real estate. The more you get mentioned online, the more real estate you're taking up, the better you're going to do in the long run. The more value your brand is, the more revenue you're going to end up driving.

And with CPG companies, a lot of what they've been doing over the last few years is they've been buying up a lot of startups that have their products in stores, okay, and they've taken up a lot of shelf space. And if you look at these corporations, like the Coca-Cola's, Pepsi's, they're buying these smaller CPG companies up for multiples of revenue, which don't financially really make sense. But the main reason they're doing a lot of this is saying, 'oh, on the protein aisle, you take up 70 % of the space for vegan protein options. So we will buy you at a three, four times multiple of revenue or two and a half times multiple revenue, even though you make no profit, because we want to make sure we own that space.'

That's like being mentioned. That's inventory where people walk by, they can too see your brand. That's the goal, but from an organic perspective on the internet, because paid, even though it's great, it just doesn't produce the same results as something that's organic.

Adam Brotman (28:12)

That's awesome. Thanks, Neil.

Andy Sack (28:13)

Yeah, it's really well said, buddy. I'm curious, I want to go back to for a moment to the last few years and the introduction of Chat GPT 3.5 and saying at the same level, talking to predominantly business leaders of consumer brands. What do you see as the opportunities and the threats to acquisition as a result of AI?



Neil (28:42)

The big advantage is if you can opt in. Yeah, so the big opportunity is as a business, if you can optimize for a lot of these channels like Google, Instagram, etc., know, Snap, Facebook, Amazon, you're more likely to get mentioned everywhere on these platforms. and you'll end up owning a lot of the real estate and you'll start becoming more of the quote unquote default player, especially when they start serving up one answer. And a lot of it is based on how many times you're mentioned on the internet. And if it's a positive sentiment versus a negative sentiment, and if the threat is, if you're not early to the race and you're not pushing hard, you may end up losing that spot. And we're not seeing too many startups have this issue. We're actually seeing incumbents have this issue because they're adapting much slower than the startups. And it's hard to change it.

If they're only gonna mention one person and you don't have 10 blue links, you wanna make sure you're the one who's being mentioned as much as possible.

Andy Sack (29:44)

Awesome. What I heard, and I just want to make sure I want to check with you that I heard correctly, I basically heard you say, the change in consumer behavior as a result of AI is not as significant as it's being told in the press. That's thing one I heard. And thing two I heard was that

Neil (30:05)

Based on the data that we see from websites and their sales and their conversions, right, because we track a lot of this.

Andy Sack (30:09)

Yeah, that based on the data that I mean, based on the data that you're seeing, and you have a dashboard that's better than than Adam and I, but I just want to make sure that that was thing one that I heard. The other thing that I heard was really the behavior change from a marketer's perspective. You're not really recommending it's like stick with the SEO. What's good for SEO is good for GEO. And as long as you're following those practices, it's going to this Google is still a major player.

And referral traffic from SEO is still a major source of traffic. Just keep doing that. And that'll be effective as it comes to the large language models. was the other big major takeaway for me from this. Did I get that right, Neil?

Neil (30:54)

Yes, and a lot of people are saying Google is dead, but here's the reality, because we have data going back many years. We took a lot of that data, aggregated it, and see are people actually losing traffic or gaining traffic over time from referral traffic from Google organic, not paid, just looking at organic. We're seeing slight increases each year. And Danny Sullivan, the search liaison of Google, said, each and every single year since Google's existence, we've driven more traffic to websites than the previous year.

People complain, there's no clicks, like 60 % of the results get into no clicks, but Google's growing in popularity so much each and every single year that the percentage that do click are still making up a huge chunk of traffic and we're seeing websites in general get more traffic. And it's not by leaps and bounds, but it all does add up and it just shows it's not a dying channel.



Adam Brotman (31:45)

Now the one thing I heard is the kind-

Andy Sack (31:47)

Wait, Adam,

Adam, can I just, can I, okay, I'm sorry. Just hit drive. want to, the thing about that summary that I gave is that summary doesn't jive with my own personal anecdotal experience, which is my behavior has changed materially as a result of AI. I, you know, I use Perplexity.

A lot more than I ever used Google. I definitely am looking for answers and not looking and not clicking on any links. So I don't really go to Google the homepage, the search engine homepage, really at all. And so my instincts of what you're saying like is that there's a there's a contradiction. Yeah.

Neil (32:27)

Well, let's back up here. You said you mainly go to Perplexity for specifically majority of the time answers to questions. Did you know out of the 8.5 billion searches on Google, roughly only 680 million of them daily are question and answer related searches. A lot of those searches that happen on Google, EX, what is the weather today? Right? What's two plus two? I know these are basic, but Google, of course, answers more complex questions.

Andy Sack (32:35)

for answers. Yeah.

Neil (32:57)

A lot of those were not clicks to websites anyways, right? So you got to look at the 7.8-ish billion searches that are remaining, 7.82, right? And a lot of those are still going to websites. It's a question and answers. Yes, that's changed, but a lot of those are not transactional searches that really make an impact.

Andy Sack (33:09)

Yeah. Got it. So your summary is that what my own personal experience and what you're saying as advice and what the data is, they're not at odds, is what you're saying.

Neil (33:29)

Correct, because the people who are searching on Google, websites weren't getting a lot of traffic from that. That's been declining for a long time. That's not the opportunity.

Andy Sack (33:36)

Yeah. Got it. Thank you. Sorry, Adam. Got it. It didn't mean to.

Adam Brotman (33:40)

No, that was a good clarification because I agree. It's not jiving with what I do too, but I also think, Neil, that Andy and I are in this sort of category. Well, no, a category of like super adopters of AI and stuff. I don't think the average household even knows about perplexity right now. Now, the thing I was going to say, and tell me this is a correct clarification to Andy's summary.



is you're talking about, and Danny Sullivan and others are talking about aggregate numbers. Now there's individual companies, and I think I heard you say this, that they may anecdotally be feeling like less referral traffic from Google. And your point is, I think I heard you say, yeah, things are shifting in an individual company level. If you're not starting to get to that be everywhere, think more holistically, you could start to, and you were just relying on one type of SEO from Google only, you might be one of the companies that's net losing while others are net gaining and overall there's a kind of a wash to slight uptick. That's kind of what I heard as well.

Neil (34:57)

Correct. And to give you another data point, out of the 8.5 billion searches on Google a day, roughly 70 ish million of them daily are people trying to buy a product right now, like buy aqua panna water, right? Like very specific search queries where they're actually looking to buy aqua panna water. They're not typing aqua panna of water. They're talking about like buy aqua panna water, get it delivered today.

Neil (35:25)

Right? Like I'm just going very extreme with a long tail example, but a lot of that's still driving revenue. And what you're mentioning on perplexity, we saw when chat GPT and perplexing, all these players started coming out, people started going to them to get their questions answered. And a lot of people still do. And they're extremely popular. I actually think perplexity answers questions better than chat GPT for many instances for my personal use case. Right? I think chat GPT and Google do some things better than perplexity, but

Andy Sack (35:33)

Totally.

Neil (35:54)

Perplexity, if you have specific questions, it does an amazing job. And I found it personally to be more accurate than chat GPT. But here's the kicker. When they started coming out, we started seeing a shift of people using these platforms to get their questions answered.

Google has caught up a lot and they've improved the quality of their AI overviews and responses dramatically since they first released it. When they first released it, it was like for like 80, 85-ish percent of the queries, then it dropped down all the way to around 15 % of the queries on Google. And then it started climbing back up.

It's gotten to a point where it's so good that the average person, a lot of them are just using Google to get their questions answered. Not because perplexity or chat GPT is worse or better. It's that Google is good enough. And it has all the other stuff that they need in a search experience, right? Like when you go to chat GPT and you want to book a

Neil (36:50)

an airline ticket or a hotel, or you want to do that through Perplexity It's too hard, it's just easier to go to Google. And for them to build all of that, that's going to take an extremely long time, and it's easier for Google to build in a lot of their basic functionality to satisfy the average searcher. I'm not talking about sophisticated users like you guys, I'm talking about the average user, which is the majority of the searchers.



Andy Sack (36:56)

Correct, yep. Yeah, well said. I'm curious, Neil. I've seen in my own portfolio that the early stage consumer, predominantly e-commerce players, the game of consumer acquisition as customers for any of those e-commerce providers, let's just let's take a coffee, for instance, that the game has gotten a lot harder for the startups that the pendulum of

specifically when it comes to trying to figure out how to acquire customers as an early stage, smallish, \$10 million e-commerce, consumer-based company. Are you seeing that? And what advice do you have for people in terms of trying to crack and improve their customer acquisition?

Neil (38:04)

Yes, when we see e-commerce or companies going after the e-commerce game for mass use products like coffee, everyone, you I don't know how many cups a day the average person drinks, but I bet you it's more than the US population. And just in the United States are close to it, right? Adam probably knows better than me on that stat. But it's extremely high number. And when you look at that, there's people like Emma Chamberlain, you know, that influencer who tried to create a coffee company.

Failed miserably, I don't know what she got to revenue, it was like either 30 something or 40 or 50 million. And it was a hard business. It doesn't matter how strong of a personal brand you have. If you can't really offer anything new with coffee, you're going to have a hard time getting people to switch. But the reason Tesla did well, whether people like Elon or hate Elon, it was one of really the first mainstream electric cars with crazy cool technology on a screen in front of you that could self drive.

that's really propelled up, right? And you can say BYD or some of these other players have better or worse cars, but what really propelled Tesla is being an early adopter and doing something that's differentiated. And in the game of e-com, if you're going to compete in something massive like cars or coffee or something that's just mass produced, if you don't really have a differentiator, paid traffic and advertising and marketing doesn't work well no matter how popular of a brand you have. But on the flip side, if your startup with very little money, but you have something really unique and novel and gives people a very different perspective. And I'll give you example of this. I cannot compete with a oral B, right? You know, the toothbrush company. If I said tomorrow, you just put this piece of gum in your mouth. It cleans your teeth better than oral B. You don't even have to buy toothpaste. It's a similar cost. And in five seconds, it cleans your mouth better, wider teeth, no plaque or any of this kind of stuff, it would sell like hotcakes because people don't want to spend, you know, five to 10 minutes a day brushing their teeth. If you combine the morning and nighttime and sometimes in in between as well. Exactly. That would do well. Yes, that would do well, even if I didn't have a big marketing budget. And that's the key coming up with something that's differentiated. Everyone's doing me to companies that just copy each other. And that's done.

Andy Sack (40:16)

Yeah, Neil, I want that gum, man. That's that's the next venture. That's the next venture.

Neil (40:32)

If you can't do something differentiated and really differentiated that's not easy to copy, it's not going to work well.



Andy Sack (40:40)

Awesome. Adam, what are your big takeaways? Let's summarize this for our audience. I mean, I tried to do that a little bit earlier, but just in wrapping it up, yeah, but can you encapsulate this for us?

Adam Brotman (40:54)

I would say SEO was king and still is king even in the world of AI that you can't just say it doesn't matter anymore because SEO is important for GEO. I think you got to think holistically in 360 degrees about how your brand shows up and how you're talked about. I love Neil's point about it's like real estate. You just need to be talked about and think about word of mouth and don't think just about immediacy. And

You know, we learned a lot about getting on top of sort of the nuances of how you accomplish what we just said, as opposed to just saying it's just going to happen. You still have to be more thoughtful about, you know, you know, maybe a little bit more patient and a little bit more thinking about how your brand shows up, how you're differentiated, like Neil just said, and, you know, understand that consumer behavior is changing slowly, but surely.

And you got to understand that, don't throw the baby out the bathwater. You still got to be good at SEO and you still got to have a differentiated product.

Andy Sack (42:03)

Yeah, awesome. Neil, is there anything that you want to plug or I mean, thank you so much for being on the the pod. I really appreciate it. But is there anything you want to plug with our audience?

Adam Brotman (42:11)

Yeah, it was great to see you.

Neil (42:15)

Check out my ad agency, NP Digital. We're global and I don't know how many countries. I think 20 plus at this point, so.

Adam Brotman (42:23)

NPDigital

Andy Sack (42:23)

Awesome.

Well, you so much for being on. I want to thank you all for listening to AI First with Adam and Andy. For more resources, check out our website, forum3.com. We have new PDF summaries that you can get there, as well as you can follow us on LinkedIn.

Neil (42:25)

Thank you.

Andy Sack (42:45)

Join our email list. With that, Neil, Adam, this brings to a conclusion another great episode of AI First with Adam and Andy. We truly believe you can't over-invest in AI. Onward.



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