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THE AI VISIBILITY GAP

Why Established Brands Must Stay Visible Above the Fold in AI-Generated Results – and What Happens When They Don't

REPEAT PURCHASE FELL BY MORE THAN 50% WHEN BRANDS WERE DISPLACED BELOW THE AI OVERVIEW FOLD

Executive Summary

As AI-generated overviews (AIO) transform the search engine results page, brands relying solely on organic positioning face new risks. Based on a controlled experiment with 604 participants in the dog food category, this study reveals four critical findings:

- **Displacement damages loyalty:** When a brand is pushed below the fold, repeat purchase drops by more than 50%.
- **Most users never look below the fold:** Approximately two-thirds never click "Show More" — rising to 91% when text ads are present.
- **The AIO is a confirmation engine, not an acquisition tool:** AIO presence increased repeat purchase for the leading brand while simultaneously decreasing first-time purchase. The AIO validates existing choices — it does not create new ones.
- **Paid Search can recover lost value — but only through clicks:** Text ad impressions alone show zero improvement; the ad must earn the click to deliver results.

The Challenge: Displacement Below the Fold

When brands fall below the "Show More" toggle in an AI Overview, they effectively disappear. Approximately 66% of users never expand the list — and among those who don't, displaced brands show sharp declines across the purchase funnel:

- **–8.9% point** drop in Repeat Purchase, statistically significant ($p = .015$), representing a greater than 50% decline in loyalty-driven buying.
- **–7.2% point** drop in Purchase Intent (directional)
- **–7.5% point** drop in Brand Favorability (directional)

Why Displacement Hurts: The AIO Reinforces Loyalty — It Doesn't Build It

Displacement is especially damaging because the AIO only works for consumers who already know your brand. It reinforces existing preferences — it does not create new ones. The evidence:

- **Repeat purchase increased when brands appeared prominently in the AIO.** For the brand with the largest loyal customer base in the study (Purina Pro Plan), repeat purchase increased when the AIO was present (+6.6pp, p = .030), consistent with a validation effect among existing customers.
- **First-time purchase declined** when the AIO was present — even though the AIO explicitly named and recommended those brands for the first time in the search experience. For Purina Pro Plan, first-time purchase fell from 10.0% to 4.2%, a significant −5.8pp decline (p = .048). Hill's Science Diet showed a similar directional decline (−1.1pp) but did not reach significance.

Key insight: The AI Overview functions as a **confirmation engine** — consumers who already know a brand see Google's recommendation as validation. Consumers who don't know the brand are not converted by the recommendation alone.

This confirmation effect has a corollary: the AIO cannot create brand awareness from scratch. We promoted two niche brands to the first position in the AI Overview:

- **JustFoodForDogs:** Zero purchases across all conditions, despite being promoted to first AIO mention.
- **PetPlate:** No significant movement on any metric despite prominent placement.

The pattern is consistent across all levels of brand equity. Established brands with measurable purchase activity saw the AIO reinforce loyalty but fail to drive acquisition. Smaller brands with low baseline purchase rates generated too little first-time activity to even estimate an effect. And niche brands with near-zero awareness saw no movement at all. Together, these findings point to a clear role for the AIO: it is a powerful reinforcement mechanism for brands that already have equity, and essentially invisible for brands that don't. This has direct implications for how much damage displacement actually does — and for how much any remedy can realistically recover.

Can Paid Ads Recover the Damage? Yes — But Only Through Clicks

When Paid Search text ads are deployed above the AI Overview, they act as a critical safety net. But the mechanism is specific: **users who saw a text ad but didn't click it showed zero improvement over the displaced group on any metric.** The ad must earn the click. Among users who clicked, the recovery was substantial:

- **Purchase Intent Recovery:** Ad clickers showed 67.0% Purchase Intent, significantly higher than both the displaced group (49.3%) and non-clickers (49.6%) — a +17.7 percentage point lift over the displaced baseline (p = .002).
- **Purchase Behavior Recovery:** Ad clickers demonstrated a 29.6% Overall Purchase rate, nearly double the 16.6% rate in the displaced group (p = .010).
- **The Click Imperative:** Non-clickers were statistically indistinguishable from the displaced group across every metric tested, confirming that passive ad exposure does not offset displacement. Ad creative must be compelling enough to drive the click to capture this value.

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But There's a Catch: The Toggle Suppression Effect

The same text ads that recover performance also change user behavior in a way that makes displacement **even worse** for brands that don't run ads:

- **Without text ads:** 34–36% of users expanded the AIO brand list.
- **With text ads**: Only 9% expanded the list. When paid ads appear above the AIO, users treat the above the fold content as sufficient and nearly all skip the detailed brand list below.

The implication: The 66% non-expansion rate observed without ads is the *optimistic* scenario. With ads present, invisibility may approach 91%. For brands considering paid search as a displacement hedge, this creates a paradox: the very ads that recover your performance also suppress the toggling behavior that would have let some users discover you organically below the fold.

What This Means for Brand Strategy

1. AIO visibility is binary, not ranked

The critical threshold isn't where your brand appears within the AI Overview — it's whether your brand appears above the fold at all. Two-thirds of users never expand the full list when no ads are present, and over 90% skip it when text ads appear above. If your brand falls below the fold, it effectively doesn't exist for most searchers.

2. Protect your loyalists

The AIO's biggest measurable impacts are on repeat purchase and existing-customer validation, not new customer acquisition. Losing AIO visibility means losing the "validation signal" that reinforces your existing customers' buying behavior. This was true both for displacement and for the text ad recovery—the entire AIO ecosystem operates as a loyalty engine.

3. The AIO reinforces—it doesn't introduce

In this study, AIO visibility validated choices for existing customers but did not convert new ones. First-time purchase did not increase for any tracked brand when an AIO was present, and for the brand with the most baseline activity (Purina Pro Plan), it declined significantly. Brands whose strategy depends on AIO-driven discovery may be overestimating what that visibility delivers in terms of new customer acquisition.

4. In a displacement context, text ads function as a loyalty recovery tool

The recovery we observed when text ads appeared above the AIO was conditional:

- Benefits depended on users **actually clicking the ad** and were concentrated among existing customers.
- Non-clickers showed no improvement over the displaced group.
- For brands with strong loyalty bases (like Purina Pro Plan, where 40% clicked the ad), defensive paid search may be a viable strategy for re-engaging loyal customers displaced from AIO visibility. Brands should evaluate their defensive search budgets on this basis.

5. Start building your AIO visibility strategy now

The costs of displacement are measurable and concentrated where they matter most — among your existing customers.
Two actions to consider now:

- **Answer engine optimization (AEO)** to protect organic AIO placement.
- **Defensive paid search** to hedge against displacement, treating AIO visibility as a performance metric alongside traditional search rankings.

Appendix: Research Methodology & Data Specifications

1. Study Design & Participants

This independent research utilized a 4-cell between-subjects experiment involving 604 U.S. adults who currently purchase products in the dog food category. During onboarding, participants were asked which of three dog food topics -- best dog food, dog food for sensitive stomachs, or fresh dog food -- were most relevant to them right now, allowing us to simulate the context of a real search experience.

To trigger an AI Overview with brand recommendations above the fold, the actual queries used were: *"What are examples of high-quality dog food brands and how can you tell they are good," "What are examples of dog food brands for sensitive stomachs and how do they help digestion,"* and *"What are examples of fresh dog food brands and how do they compare to kibble."*

To ensure data integrity, the study employed Purchased's Observed Purchase Decision (OPD) methodology. Rather than relying solely on stated intent, participants were required to identify the specific product they would purchase, navigate to a real retailer, and submit a screenshot of the product to validate their choice.

2. Experimental Conditions

The study isolated the variables of AI Overview (AIO) placement and Paid Search presence across four distinct cells:

- Cell 1 (Control): Standard organic search results with no AI Overview (these same organic results appeared in all four cells).
- Cell 2 (AIO Baseline): Displayed the AI Overview with brands in their natural placement.
- Cell 3 (Brand Swap / Displacement): A smaller brand was promoted to the first AIO position, displacing the incumbent brand to a "below the fold" position within the AI list.
- Cell 4 (Brand Swap + Text Ads): Replicated Cell 3 (displacement) but added paid search text ads above the AI Overview for the displaced brand.

3. Data Tables: Impact & Recovery

Table 1: The Cost of Displacement (Non-Expanded AIO) *Comparing performance of brands visible in the AI Overview vs. those displaced to hidden positions among users who did not expand the list.*

Metric	Visible in AIO	Displaced (Hidden)	Net Change	Significance
Favorability	84.6%	77.1%	-7.5pp	--
Purchase Intent	57.3%	50.1%	-7.2pp	--
Overall Purchase	19.8%	13.4%	-6.4pp	--
Repeat Purchase	15.6%	6.7%	-8.9pp	p = .015

Table 2: Paid Search Recovery (Engagement Dependent) *Comparing the displaced group against users exposed to text ads (split by click behavior).*

Metric	Displaced (No Ads)	Ad Non-Clickers (Passive Exposure)	Ad Clickers (Active Engagement)	Significance
Favorability	76.1%	73.9%	87.1%	--
Purchase Intent	49.3%	49.6%	67.0%	p = .002
Overall Purchase	16.6%	17.4%	29.6%	p = .010
Repeat Purchase	10.7%	9.1%	16.8%	--

Note: Non-clickers showed zero improvement over the displaced group, confirming that the ad must be engaged with to drive recovery.

Our models control for prior brand purchase, which addresses the most obvious confound (that clickers are simply existing customers). However, ad clicking remains a post-treatment behavioral choice—clickers may differ from non-clickers on unobserved engagement characteristics we cannot measure. The strongest evidence that the ad itself matters comes from the non-clicker comparison: their metrics are virtually identical to Cell 3, suggesting that passive ad exposure alone does not restore brand equity.

4. Statistical Analysis & Validation

- **Weighting:** To account for residual demographic imbalances (specifically a higher proportion of female respondents in Cell 4), inverse probability weights were estimated using multinomial logistic regression on gender, age, income, and topic.
- **Modeling:** All models used IPW-weighted logistic regression with robust standard errors. Three primary contrasts were pre-specified based on the experimental design: Cell 1 vs Cell 2 (AIO presence effect), Cell 2 vs Cell 3 (displacement effect), and Cell 3 vs Cell 4 (ad recovery effect). P-values for these planned contrasts are reported without multiple-comparison adjustment.
- **Control Validation:** Design validation was confirmed using a control brand (Purina ONE) that never appeared in any AI Overview or text ad. As expected, this brand showed no significant metric movement across any of the pairwise comparisons (all Bonferroni $p \geq .25$), confirming that the changes seen in the test brands were due to the experimental conditions.
- **Sensitivity Analysis**: The finding regarding Repeat Purchase decline was stress-tested. When restricting the model to prior purchasers only, the displacement effect became even larger (−40.3pp) and remained significant (p = .010).