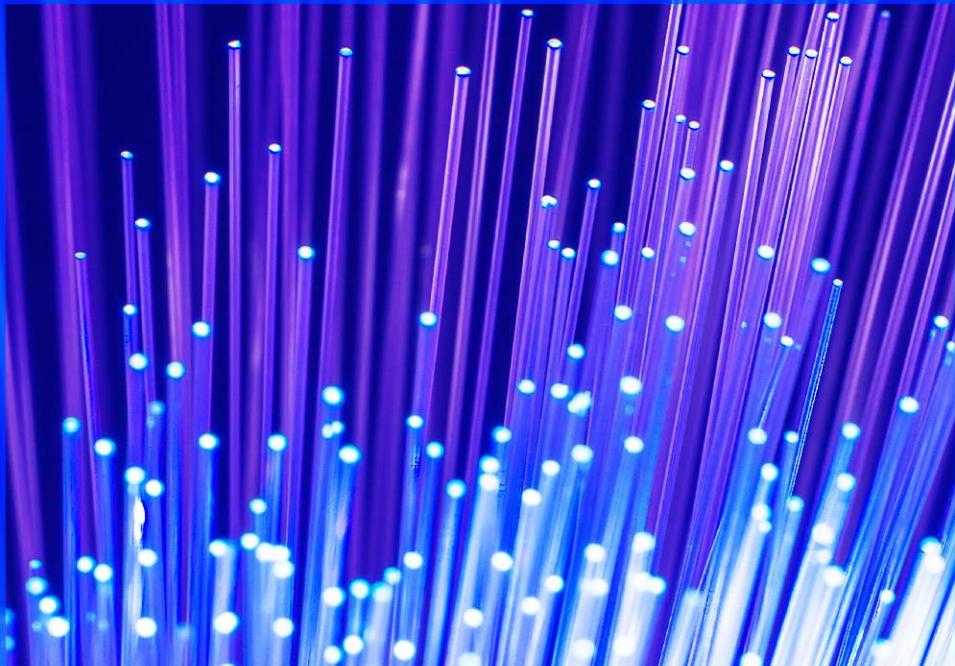




The AI Funnel

Where Discovery, Creativity and
Commerce Converge



January 2026

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Introduction

Delivering the right message, to the right audience, at the right time has always been the holy grail of marketers. Now Artificial Intelligence is rewriting the rules of how consumers discover products and how marketers drive growth. In an era where AI leads the user discovery process, algorithms and agents are becoming the gatekeepers of information, deciding what content, brands, and products get seen first.

The message for Martech founders and investors is clear: **adapt early or risk obsolescence.**



Discovery Rewired by AI

Search is no longer the first step. Traditional funnels are fading as algorithmic visibility becomes the new moat. Mastering AI-native distribution is key.



AI Agents Are Changing Commerce

Agentic Commerce is becoming the new default e-commerce interface. AI driven chats and agents now predict needs and serve answers, sometimes before a query is even fully typed.



Creative Gets Quantified

The performance of creative content is now more measurable than ever. AI can be used to analyze and measure which images, designs and copy drive engagement vs. a historical focus on paid media channel optimization.



First Mover Opportunity

AI-led shifts in the marketing landscape, combined with a rapidly growing e-commerce market creates room for Martech category leaders to emerge. The window to adapt is now.



AI-Led Discovery Creates a New Buyer Journey

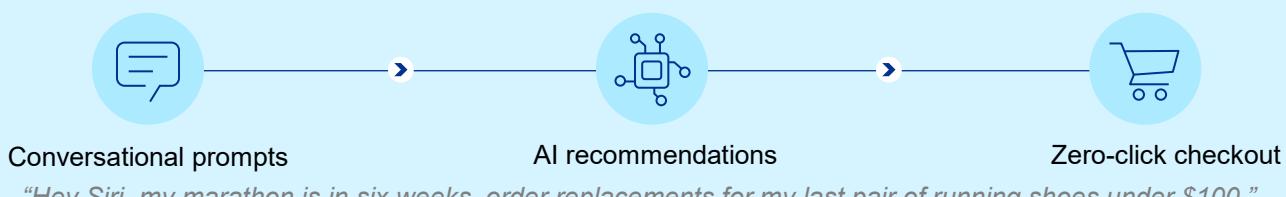


AI-led product discovery is now happening directly on social media and e-commerce platforms, or within chat interfaces

Traditional search flow



Emerging model (zero-click flow)



Algorithms may not only influence purchasing decisions, but could end up making them on the consumer's behalf

Discovery is becoming a non-linear process in a highly fragmented landscape

Platform dynamics (other than Google) are increasingly playing a role in controlling discovery

- ★ Digital marketing efforts have historically focused on SEO rankings and paid ads driving audiences to websites.
- ★ Now, AI is collapsing the path from intent to action into a single moment. Generative AI chatbots, voice assistants, and algorithmic feeds proactively deliver answers and recommendations, often eliminating the need for any search query.
- ★ Experts note that many users have begun skipping Google searches and using ChatGPT in place of Google.
- ★ In 2024, an estimated 65% of Google searches ended without a click to another site. Users are now able to find answers in AI-generated overviews or snippets.

Visibility Relies on Algorithmic Discovery



Being favored by AI-led algorithms is critical for brand marketers

Algorithmic discovery means that **AI platforms decide who or what gets seen**. Rather than a consumer browsing dozens of search results, a single AI-curated answer or recommendation might dominate their choice. For marketers, being favored by the algorithms is a defensible advantage that can make or break growth.

This major shift in the discovery process **fundamentally changes the go-to-market strategy for any brand**. Being on at the top of Google search results won't drive as much traffic in when consumers are turning to social platforms, marketplaces, chatbots and AI recommendations.



Brand content must be structured and fed into AI-accessible formats. Visibility increasingly depends on how well content is organized and labeled for LLM readability.



Traditional Search Engines

A small number of players dominate the market

New Discovery Start Points are Fragmented

AI Chatbots	AI Overviews	Content Platforms
Messenger Apps	Virtual Assistants	Voice Assistants
Social Media	Online Marketplaces	Online Stores

Structured Data is a Key Differentiator

- Structured data (like clear product specs, reviews, metadata) and algorithmic fluency (understanding how AI ranks and retrieves information) become as important as the product itself.
- A brand that consistently surfaces as the top recommendation from an AI assistant enjoys a powerful position, capturing the consumer's attention in that moment.

Opportunity for Creative Data Analytics

- Marketers have historically left the creative element to "gut feel", as it's difficult to measure creative components.
- The AI era opens opportunity to take performance data and apply it to creative decisions - **why does one piece of creative outperform another? What creative aspects drive visibility?** AI can help answer these questions in real time.

The Role of Creative Intelligence



Creative intelligence can help marketers leverage AI to drive performance in a world where the rules of visibility are shifting monumentally

Creative intelligence can help marketers become visible in this new dynamic landscape. Specifically, AI-driven creative intelligence means combining data analytics and creativity to create unified marketing intelligence. This intelligence can be used to make content as effective as possible when an algorithm or platform puts that content in front of a consumer.

Traditionally, "creative" has lacked a measurement standard. Marketing experts have focused analytical rigor on media placement and audience targeting. But now, AI and metadata can create a more informed and measured approach to creative decision making.

This is not about using generative AI to generate copy, images and videos. That is its own separate and distinct shift in the marketing technology landscape). **Instead, creative intelligence is about treating marketing images, words, and designs with the same data-driven scrutiny you would treat ad spend and targeting.**

Creative Intelligence is the ability to analyze creative decisions against performance data and drive audience engagement and campaign effectiveness

Creative decisions and assets drive a significant portion of campaign performance, however "creative intelligence" is not heavily utilized as a measurement tool

Pillars of Modern Marketing



Media Intelligence (established)

- When, where, how content is consumed
- Media centric—aligning spend to channels (TV, print, digital, omnichannel)



Audience Intelligence (established)

- Delivering targeted messaging to a certain audience
- Leverage digital platforms and ID resolution to target and measure



Creative Intelligence (new)

- Understanding why consumers engage with content
- Collect, structure and analyze creative decisions against data → **measure creative LTV of assets**
- Historically deprioritized, not the same as traditional creativity (generating copy or imagery)

When creative data is infused with media and audience data in one system, AI can see the full picture: who was targeted, where they saw it, what they saw.

A New Playbook for Marketing Technology



AI is both rewriting the rules for marketers, as well as opening the use case possibilities for linking data, technology and performance

AI marks a new era of intelligence for marketing technology. Where historically marketing technology has been siloed between creative (non-measurable) and media & audience (measurable), now there is opportunity to integrate the three into a unified intelligence system.

When creative data is infused with media and audience data in one system, AI can see the full picture: who was targeted, where they saw it, what they saw. Over time, marketers can build a “creative feedback bank”, containing knowledge of what visuals and messaging resonates for each audience or context.

Combined with AI, it also enables a new era of “dynamic creative optimization” where AI can auto-adjust and swap out creative content on the fly based on performance signals. For example, if an e-commerce banner B is outperforming A, an AI system can learn and shift more impressions to B, or suggest a new variation C that incorporates the performance elements of both.

A few years ago, this was largely impractical. Now, there is a path for marketers to successfully navigate this new landscape of AI-led discovery and win with the next generation of AI-first consumers.

A New Generation of Consumers



Gen Z and Millennials represent a significant and growing amount of spending power



46% of Gen Z and Millennials use AI platforms daily. Gen Z is nearly 3x more likely than Gen X to use AI for product research



23% of Gen Z and 27% of Millennials trust AI product recommendations more than human recommendations

Human in the Loop Caveat



While AI opens a world of options: consumer trust and brand authenticity remain vital to performance and long-term success



AI might deliver options, but users will only act if the recommendation feels credible and relevant



Winning in an AI-driven market means balancing algorithmic optimization with genuine customer value

KPMG Corporate Finance: Leading Global Middle Market Investment Banking Platform



Mid-Market Deals Over Past 20 Years ⁽¹⁾		
Firm		No. of deals
1	KPMG⁽²⁾	8,842
2	PricewaterhouseCoopers	7,890
3	Houlihan Lokey	6,080
4	Deloitte	5,520
5	Ernst & Young LLP	5,076
6	Rothschild & Co	4,922
7	JP Morgan	3,770
8	Goldman Sachs & Co	3,722
9	Lazard	3,660
10	Morgan Stanley	3,484

Mid-Market TMT Deals Over Past 20 Years ⁽¹⁾		
Firm		No. of deals
1	Houlihan Lokey	1,860
2	KPMG⁽²⁾	1,789
3	PricewaterhouseCoopers	1,486
4	Deloitte	1,214
5	Ernst & Young LLP	1,177
6	Goldman Sachs & Co	1,024
7	Morgan Stanley	903
8	JP Morgan	879
9	Rothschild & Co	855
10	Jefferies LLC	840

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- Strategic advisory services

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- Exchange offers
- Debt capacity analysis
- Business plan and financial forecast assessment
- Liquidity forecasting

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(1) Thomson Reuters SDC; Each set of figures is taken from the league table press releases issued for that year. Middle market is defined as deals less than US\$500 million
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Appendix



Glossary

Term	Definition
AI-Led Discovery	The process by which algorithms and AI platforms proactively surface content, products, or brands to users—often before a search query is made.
Creative Intelligence	The ability to analyze and optimize creative content (e.g., imagery, copy, tone) using performance data and AI tools to drive engagement and outcomes.
Agentic Commerce	A new e-commerce model where AI agents act on behalf of consumers to discover, recommend, and even purchase products.
Zero-Click Results	Search or discovery outcomes where users receive answers or take action without clicking through to external websites.
Algorithmic Visibility	The degree to which a brand or product is favored and surfaced by AI algorithms across platforms.
Creative LTV	A proposed metric measuring the long-term value generated by specific creative assets or campaigns.
Unified Marketing Intelligence	The integration of media, audience, and creative data into a single system to enable full-funnel optimization.

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