

A 5W RESEARCH STUDY

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# AI and the Israeli Brand

*How LLMs and Generative Engine Optimization are reshaping consumer discovery, earned media value, and marketing spend in Israel*

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**5W**

The premier AI communications firm

# Key Findings

This study assembles more than ninety data points from published industry research to quantify how generative AI is reshaping brand discovery in Israel and globally. The conclusions point to a single underlying shift with direct consequences for how marketing and communications budgets are allocated: earned media has become the primary input to AI citation, and therefore to brand visibility in the channel that is now consumed before every other one.

## The shift in user behavior

- 35% of consumers now use AI tools at the product discovery stage, versus 13.6% who start with a traditional search engine (Similarweb, January 2026).
- 27% of US users now prefer AI tools over traditional search for discovery (Semrush, 2026).
- 58% of consumers have already replaced traditional search with AI tools for product and service discovery (Capgemini, 2025).
- 64% of consumers are willing to purchase products suggested by AI (Master of Code, 2024).
- 42% of B2B decision-makers use an LLM in the first step of the buying process (Omniscient, 2026).
- 93% of AI Mode searches end without a click; 43% of AI Overviews do; roughly 60% of all US and EU searches are now zero-click.

## The platforms

- ChatGPT reached 800 million weekly users in October 2025, doubling from 400 million in February 2025.
- Gemini grew 157% between April and September 2025 to 1.1 billion monthly visits. Perplexity processed 780 million queries in a single month, up from 230 million in August 2024.
- ChatGPT accounts for approximately 79% of global generative AI web traffic.
- 72% of global marketers expected advertising budgets to increase year-over-year entering 2025 (Nielsen).
- US enterprises dedicated an average of 12% of digital marketing budgets to GEO in 2025, and 94% plan to increase that spend in 2026 (eMarketer).
- Marketing AI investment is growing at approximately 28.9% per year across the major economies.

## The citation economics

- 85.5% of AI citations reference earned media sources (Muck Rack analysis of over one million AI prompts).
- AI engines cite earned media approximately 5x more frequently than brand-owned websites (University of Toronto research).
- Distributing content across a wide range of publications can increase AI citations by up to 325% compared with publishing on the brand site alone (Stacker, December 2025).

- When a user names a brand in a query, 48% of resulting AI citations come from earned media. When a user asks what customers think, earned media accounts for 82% of citations.
- Brands appearing on four or more third-party platforms are 2.8x more likely to be cited in ChatGPT responses than single-platform brands.
- LinkedIn is the most-cited domain for professional queries across AI Overviews, AI Mode, ChatGPT, Copilot, and Perplexity (Profound, March 2026).
- The top 10 domains capture 46% of all ChatGPT citations within a given topic; the top 30 capture 67%.
- Brand search volume is the strongest predictor of AI citation (0.334 correlation), ahead of any technical SEO signal. Traditional backlinks show weak-to-neutral correlation.

## **The commercial signal**

- AI search visitors convert at 14.2% versus Google's 2.8% — approximately 5x more valuable per visit (Semrush, 2026).
- ChatGPT referrals convert to transactional sites at 7% versus 5% from Google, with 15 minutes on site versus 8 and 12 pageviews versus 9.
- AI-driven traffic to US retailers grew 4,700% year-over-year as of July 2025.
- AI-enabled e-commerce is projected to grow from \$8.65 billion in 2025 to \$22.60 billion by 2032 at a 14.6% CAGR.
- Global SaaS market projected to reach \$344 billion by 2027, with the US alone at \$225 billion in 2025.

## **The B2B and SaaS reality**

- Median B2B SaaS company spends 8% of ARR on marketing; higher-growth companies spend approximately 40% more on marketing than lower-growth peers (SaaS Capital, 2025).
- B2B SaaS customer acquisition costs range from \$200–700 per customer in SMB, \$1,200–2,000 in mid-market and enterprise. Fourth-quartile companies spend \$2.82 to acquire \$1 of new ARR.
- CAC has risen 60% over the past five years across B2B tech, with digital channel saturation and privacy regulation as primary drivers. Some analyses report a 222% increase over eight years.
- Paid B2B search averages \$802 per customer acquired; Google Ads cost-per-lead reached \$70.11 in 2025.
- Insurance PPC keywords average \$54.91 per click, among the highest in any industry.

## **The Israeli market**

- Israel's digital advertising market is projected at \$1.58 billion in 2025, rising to \$1.91 billion by 2028. Search alone is ~\$597 million; social ~\$460 million; traditional TV ~\$260 million.
- The Israeli government's advertising arm spent approximately NIS 409 million (~\$120 million) on advertising in 2024.

- Google captures approximately 46% of Israeli digital ad spend; Meta captures approximately 15%. Roughly 61% of digital advertising flows through two AI-integrating platforms.
- Over 300 SaaS companies operate from Israel, with flagship firms reporting revenues of \$300M to \$1.1B+ and a combined ecosystem generating tens of billions in annual revenue — most sold into English-speaking markets.
- Israeli banking sector assets grew 10–12% year-over-year through 2024–2025 on a mortgage lending boom. Three international credit rating agencies downgraded Israel's sovereign rating during 2024, increasing the communications value of controlled narrative.
- 47% of brands globally have no GEO strategy. 26% of brands have zero mentions in AI Overviews. The Israeli private-sector GEO allocation materially lags North American benchmarks.

# Executive Summary

Generative AI has moved the top of the marketing funnel. In the United States, 35% of consumers now begin product discovery inside an AI tool compared with 13.6% who begin inside a search engine. In B2B, 42% of decision-makers now open the buying process with a query to an LLM. The shift is no longer a forecast; it is a measured change in consumer and buyer behavior that is reshaping which brands are seen, which are considered, and which are bought.

The most important single finding for communications and marketing leaders is that this shift rewards earned media at a structural level. Muck Rack's analysis of over one million AI prompts found that 85.5% of AI citations reference earned media rather than brand-owned content. Research from the University of Toronto puts the ratio at approximately five to one. When AI assembles an answer, it prefers third-party coverage, professional-platform presence, community discussion, and independent review sites over corporate websites. Broad distribution can raise AI citation rates by up to 325%. A brand on four or more third-party platforms is 2.8 times more likely to be cited than one that relies on its own domain.

*This reframes the role of public relations. The same earned-media placements, executive thought leadership, LinkedIn presence, Wikipedia accuracy, review-platform management, and community engagement that communications firms have always produced are now also the primary retrieval inputs to AI-generated answers. Work that historically read as reputational overhead now has measurable performance-marketing value.*

Most of these levers are directly manageable — which is to say, a communications program can change them within a 60 to 180 day window and can measure the change in Share of Model at the end of it.

For the Israeli market, the opportunity is unusually well-defined and quantifiable. Israel's \$1.58 billion digital advertising economy is concentrated on two platforms (Google at 46% of local digital spend, Meta at 15%) that are themselves becoming AI-answer surfaces. Israel's largest consumer categories are oligopolistic, so share of model translates directly into share of wallet. Israeli technology exports operate in English-language AI environments where competition is already intense. And Hebrew, as a minority training language in every frontier model, has a thinner source pool, which means a disciplined Hebrew earned-media and content strategy can capture disproportionate AI citation share while competitors wait.

The commercial case is measurable. AI referrals convert at approximately five times the per-visit value of traditional organic search. US enterprises dedicated 12% of digital marketing budgets to GEO in 2025; 94% plan to raise that in 2026. The Israeli market is not yet at that level of allocation — which is precisely the reallocation gap this study quantifies. Across the ten major Israeli consumer and B2B sectors mapped in Section 3, a 15–25% reallocation from pure paid search toward earned-media-driven GEO implies a national annual reallocation in the range of NIS 350 million to NIS 600 million over the next 24 to 36 months, or roughly \$100 million to \$170 million, before any net-new spending is added.

This study presents the data underlying the opportunity and maps it to the specific communications levers that produce AI citation. The framing throughout is from the perspective of public relations and communications firms examining where the professional opportunity sits, which channels are manageable, and what the measurable returns look like.

# 1. The Shift: Search to AI Answers

Generative Engine Optimization (GEO) is the emerging discipline of structuring content, third-party coverage, and brand mentions so that generative AI systems cite a brand by name when answering a user question. GEO does not replace search engine optimization. Approximately 99% of Google AI Overview citations still originate from the organic top 10, and 87% of ChatGPT citations correspond to Bing top results. GEO layers a new requirement on top of SEO: the content must be cited inside the synthesized answer, not only ranked below it.

## Adoption is faster than any previous channel shift

- ChatGPT reached 100 million users in 60 days after its November 2022 launch — the fastest consumer adoption in technology history.
- ChatGPT reached 400 million weekly active users in February 2025 and 800 million by October 2025.
- Gemini grew 157% between April and September 2025 to 1.1 billion monthly visits.
- Perplexity processed 780 million queries in a single month as of early 2026, up from 230 million in August 2024 — more than a 3x increase in under 18 months.
- Business AI adoption rose from 14% to 29.2% in the first half of 2025.
- 84% of businesses now consider AI their top strategic priority.

## Consumer behavior inside AI is different from consumer behavior inside search

- Average session length on AI search is 6 minutes, compared with seconds on Google.
- Average AI query length is 23 words, compared with 4 words on Google — users describe entire situations rather than typing fragments.
- Median time spent in AI Mode: 77 seconds comparing brands or products, 71 seconds learning information, 52 seconds choosing or purchasing.
- Time spent in AI Mode is roughly double that of AI Overviews (49 seconds versus 21 seconds average).
- Users treat AI responses as authoritative answers rather than starting points, producing higher trust transfer to the brands cited inside them.

## The traffic is small but disproportionately valuable

- AI referral traffic is approximately 1% of total web visits globally, growing approximately 1 percentage point per month.
- AI search visitors convert 5x better per visit than traditional organic (14.2% vs 2.8%, Semrush 2026).
- Users referred from ChatGPT spend 15 minutes on site versus 8 for Google referrals, generate 12 pageviews versus 9, and convert to transactional sites at 7% versus 5%.

- AI-driven traffic to US retailers grew 4,700% year-over-year as of July 2025 — the fastest acquisition channel growth since mobile.
- Click-through rate on informational queries falls from 1.41% to 0.64% when an AI answer appears — a 55% decline.

## 2. The Israeli Advertising Market

Israel's advertising economy has been digitizing steadily for a decade and is now structurally dependent on platforms that are themselves being reshaped by generative AI.

### Market size and composition

Channel	Israel 2025 (USD)	Trajectory to 2028
Digital total	\$1.58B	\$1.91B (+21%)
Search	\$597M	\$842M nominal; unit CTR eroding
Social	~\$460M	~\$800M (+74%)
Digital video	~\$280M	Growing
Influencer	~\$67M	\$97M by 2027
Traditional TV	~\$260M	Flat to \$286M
Programmatic share of digital	>82%	Rising
Government (LAPAM)	\$120M+	Rising

### Five structural features that amplify the Israeli GEO opportunity

**Platform concentration.** Google captures approximately 46% of Israeli digital ad spend; Meta captures approximately 15%. Roughly 61% of local digital advertising flows through two platforms that are integrating AI answers directly into the user experience. The platforms Israeli brands already buy from are the platforms that are intermediating away their direct click traffic.

**Oligopoly structure.** Israel's largest consumer categories are concentrated: five major banks, three cellular carriers, four HMOs, two dominant supermarket chains, four to five top insurers. In oligopoly, share of model maps more directly onto share of wallet than in fragmented markets, and early GEO investment has outsized defensive and offensive consequences.

**Mortgage and credit cycle.** Israeli banking sector assets grew 10–12% year-over-year through 2024–2025, driven by a mortgage lending boom. High-intent Hebrew financial queries are currently among the most valuable uncontested AI real estate in the market.

**Export dependency.** Israel's largest corporates derive significant revenue from overseas. Their visibility inside English-language AI answers is a direct input to export demand and enterprise sales pipeline. The English-language citation environment operates as a separate market that must be worked independently of the Hebrew one.

**High digital engagement.** Israeli consumers index above OECD averages on smartphone penetration, e-commerce adoption, and digital service use. AI-answer behaviors arrive earlier and faster than in peer markets, which means the Israeli market both sees the shift sooner and rewards early movers at a higher rate.

### 3. Category Exposure: Where the Money Moves First

The shift from search to AI answers does not affect all categories equally. Exposure correlates with three variables: the share of consumer decisions that begin with an informational query, the financial value of a converted customer, and the maturity of the category's digital funnel.

Sector	Query categories most reshaped by AI	Exposure
Banking	Mortgage comparison, business account selection, fee analysis, fintech alternatives, credit products	High
Insurance	Policy comparison, claim processes, rate questions, pensions, life insurance	High
Telecom	Cellular plan comparison, fiber speed and availability, coverage, bundle pricing	Very High
Retail & FMCG	Grocery delivery, product substitutes, recipe-driven brand surfacing, dietary and ingredient questions	High
Travel & Hospitality	Destination discovery, hotel selection, flight comparison, itinerary planning, safety and timing questions	Very High
Pharma & Health	Medication questions, symptom checks, HMO comparison, specialty drug information, supplements	High
Automotive	Model comparison, EV selection, financing, service costs, resale value	High
Energy & Utilities	Pricing, supplier switching, B2B energy contracts, renewables	Medium
Tech & SaaS	Software comparison, alternatives, integration questions, vendor evaluation, B2B shortlisting	Critical
Defense & Industrial	Capability queries, procurement research, geopolitical framing, reputation	Sovereign

#### Category observations

**Banking.** Hebrew AI answers to high-value financial queries default to generic guidance or aggregator content. Major Israeli banks rank well on traditional SEO but are rarely named inside AI responses, leaving significant uncontested share of model during a period of record mortgage origination. Financial comparison queries in Hebrew represent one of the highest-value uncontested pockets of AI real estate in the market today.

**Telecom.** AI answers about Israeli cellular plans and fiber frequently cite Hebrew-language reviews containing outdated promotional pricing. Real-time plan updates do not propagate into the model's retrieval layer, creating a structural lag that reduces the efficacy of live acquisition campaigns.

**Travel.** Global aggregators dominate AI citations for Israeli hotel and flight queries. Direct-to-consumer hospitality and airline brands rarely surface in AI answers unless named explicitly, suppressing direct-booking revenue and increasing dependence on commission channels.

**Tech and SaaS.** This is the single most exposed category. 42% of B2B decision-makers now open evaluation inside an LLM, and the AI response functions as the shortlist. Israel's tech sector sells disproportionately into English-speaking markets, where competition for AI citation is already intense and where most Israeli vendors have not yet invested.

**Defense and industrial.** This is a sovereign-level narrative risk rather than a marketing problem. Multiple independent audits of leading AI models have documented uneven and at times unfavorable framing of Israel-related subject matter in English-language responses. The narrative inherited inside an English-language AI answer is not controllable unless citation surface area is actively built on authoritative domains.

## 4. The Earned Media Imperative

The single most consequential finding in the body of 2025–2026 GEO research is that AI systems prefer earned media at a structural level. This reverses two decades of digital marketing orthodoxy, which held that owned channels deliver the highest-margin, longest-duration brand value. In the AI-mediated discovery environment, owned content is a secondary input. Third-party coverage is the primary input.

### What the citation data shows

- Muck Rack analyzed more than one million AI prompts and found that 85.5% of AI citations reference earned media sources. The remainder splits between Wikipedia, academic sources, and occasionally authoritative brand content.
- University of Toronto research found that AI engines cite third-party publications approximately 5x more frequently than brand websites.
- When a user mentions a brand by name in a query, earned media accounts for 48% of resulting citations — nearly half — compared with a minority share for owned content.
- When a user asks what customers think about a brand, earned media accounts for 82% of citations. Owned content has almost no role in reputation and consideration queries.
- Owned content performs best only for functional and specification queries (approximately 50% citation share), where users ask literal product questions.

### Distribution mathematics favor disciplined PR

- Distributing the same piece of content across a wide range of publications can increase AI citation rates by up to 325% versus publishing only on the brand's own site (Stacker, December 2025).
- Brands appearing on four or more third-party platforms are 2.8x more likely to be cited in ChatGPT responses than single-platform brands.
- Domains with more than 32,000 referring domains are 3.5x more likely to be cited by ChatGPT than domains with fewer than 200.
- Domains with profiles on review and listing platforms (Trustpilot, G2, Capterra, Yelp) have 3x higher citation rates than those without.
- The average domain age of ChatGPT-cited sources is 17 years — AI systems display strong preference for established entities with long track records.

### The new citation stack

The sources that feed AI answers are a specific, increasingly concentrated set. The top 10 domains capture 46% of all ChatGPT citations within a given topic; the top 30 capture 67%. The dominant citation sources now include Reddit (the most-cited single domain in multiple 2025–2026 analyses), Wikipedia (26–30% of B2B factual queries), YouTube (16% of LLM answers), LinkedIn (most-cited domain for professional queries across all major AI platforms), tier-one editorial (Forbes, Business Insider, WSJ, NYT, TechCrunch), and review platforms (G2 leads in software).



## 5. The Israeli Tech Export Premium

Israel's technology sector is the single most AI-exposed segment of the Israeli economy. Over 300 Israeli SaaS companies operate internationally, with flagship firms reporting 2024–2025 revenues between \$150 million and \$1.1 billion. The combined ecosystem — including cybersecurity, fintech, mobility, digital health, workflow, and e-commerce infrastructure — generates tens of billions of dollars in annual revenue, the large majority sold into English-speaking markets where 42% of B2B buyers now open their evaluation inside an LLM.

This section applies the published B2B marketing benchmarks to the Israeli tech export context to quantify the specific cost of AI invisibility for Israeli exporters and the specific opportunity of early GEO investment.

### The marketing spend reality in B2B SaaS

- Median B2B SaaS company spends 8% of annual recurring revenue on marketing (SaaS Capital, 2025 survey of 1,000+ private companies).
- Higher-growth B2B SaaS companies spend approximately 40% more on marketing than lower-growth peers.
- Equity-backed B2B SaaS companies spend approximately twice as much on marketing as bootstrapped companies — which describes most Israeli venture-backed tech.
- Applied to the Israeli tech ecosystem's top 50 private SaaS firms alone, median marketing spend conservatively exceeds \$1.5 billion annually. The full sector including publicly traded Israeli tech (Wix, Fiverr, monday.com, CyberArk, Check Point, Tower Semiconductor, Plus500, NICE, and others) is materially larger.

### Customer acquisition cost benchmarks for Israeli exporters

Segment	CAC (USD)	Payback (months)	Trend
SMB SaaS	\$300 – \$800	6 – 7	Rising
Mid-market SaaS	\$1,200 – \$2,000	12 – 18	Rising sharply
Enterprise SaaS	\$2,000 – \$15,000+	18 – 30	Rising
B2B paid search (avg)	\$802 per customer	n/a	+5.1% YoY
B2B organic / content	\$647 – \$1,786	12 – 24	Compounding
Fintech average	~\$1,450 per customer	15 – 24	Rising
Referral programs	\$141 – \$200	3 – 6	Stable
Insurance PPC (reference)	\$54.91 per click	n/a	Rising

## The AI invisibility premium for Israeli tech

The compounding effect of these benchmarks produces a specific cost estimate for Israeli tech exporters that fail to invest in GEO. Three variables drive it: customer acquisition cost in the target segment, the share of buyers now beginning evaluation inside an LLM, and the share of model captured by the brand's nearest competitors.

- CAC has risen approximately 60% over the past five years across B2B tech, with some analyses putting the eight-year surge at 222%. Privacy regulation, platform saturation, and diminishing marginal returns from paid targeting are all accelerating. AI citation is one of the few channels with improving unit economics.
- For an Israeli mid-market SaaS exporter with 500 new customers per year at \$1,500 CAC, total acquisition spend is approximately \$750,000 annually. If 42% of target buyers now open evaluation in an LLM (Omniscient, 2026), approximately \$315,000 of that spend is exposed to whether the brand is cited inside the AI answer during the initial shortlist stage. A brand absent from AI answers is not absent at the click stage; it is absent at the shortlist stage, which is earlier and more consequential.
- For an enterprise-tier Israeli security or identity vendor, where CAC can exceed \$10,000 per customer and buying committees of 5–7 people each run independent LLM queries, AI absence functionally raises CAC by compressing the early funnel. Industry estimates put the effective CAC premium for AI-invisible B2B tech brands in the 15–35% range, depending on category density.
- AI search visitors convert 5x better per visit than traditional organic (14.2% vs 2.8%). For an Israeli SaaS company already running a \$2 million annual content and inbound program, capturing even a small share of AI referral volume produces a measurable uplift in pipeline quality before any additional spend is added.

## The compounding earned-media dividend

Thought leadership content directly triggers B2B RFP invitations. 94% of B2B marketers agree trust is foundational to the sale; 42% of B2B decision-makers rank brand awareness and reputation as a top business priority. Every unit of earned media invested in an Israeli tech brand — tier-one feature, bylined article, executive podcast appearance, conference keynote, data report placement — now produces two stacked returns: the traditional reputational return and the AI citation return. A single Forbes placement in 2026 will produce citation surface area that feeds AI answers for years, compounding against the 17-year average domain age of ChatGPT-cited sources.

For the Israeli tech export economy, this is a structural advantage that is available now and will close as more competitors allocate. The firms that move in the next 12 to 18 months are building AI-citation infrastructure that will remain in place as retrieval preferences stabilize.

## 6. How Communications Firms Produce AI Citation

Every service line that public relations firms have historically sold — earned media placement, executive thought leadership, LinkedIn and social strategy, Wikipedia and reference-site accuracy, press release distribution, awards, data-led research, podcast bookings, review-platform management, crisis response — is now also a direct input to AI citation. The work has not changed. The value of the output has. A placement that a decade ago was valued only for its reputational effect now additionally indexes into the retrieval layer that determines what generative AI systems say about a brand.

The table below separates the principal communications levers by how manageable each one is. Manageability matters: in the next 12 months, the first wins will come from the channels a firm can directly change. The less manageable channels — broad sentiment, organic user-generated content, competitor coverage — require longer-horizon editorial and relationship investment.

Lever	AI citation mechanism	Manageability
LinkedIn program	Most-cited domain for professional queries across all major AI platforms. Executive profiles, company page content, thought leadership posts, and employee advocacy all feed citation directly.	Fully manageable
Wikipedia accuracy	Cited in 26–30% of B2B factual queries; second-most-cited domain overall. Entry creation, factual correction, and source strengthening within Wikipedia's independent-editor rules.	Highly manageable
Press release & data report distribution	Wire services (BusinessWire, PR Newswire, Reuters) syndicate to hundreds of publications that feed AI training and retrieval. Proprietary data reports become citation sources in their own right.	Fully manageable
Executive thought leadership	Bylines, op-eds, podcast appearances, conference keynotes, expert quotes in news coverage. Feeds multiple AI-preferred formats simultaneously (publication pages, YouTube transcripts, LinkedIn posts).	Highly manageable
Review platform presence	Profiles and responses on G2, Capterra, Trustpilot, Yelp. Domains with presence on these platforms have 3x higher AI citation rates.	Highly manageable
Earned media (tier-one)	Placements in Forbes, Business Insider, WSJ, NYT, TechCrunch, Reuters, Bloomberg, and trade publications. Top 30 domains capture 67% of AI citations in a topic.	Relationship-driven
YouTube and podcast distribution	YouTube cited in 16% of LLM answers and approximately 200x more than any other video platform. Podcast placements produce transcripts that LLMs read even when video is not directly processed.	Manageable
Awards and rankings	Comparison and "best of" content drives 32.5% of AI citations —	Manageable

Lever	AI citation mechanism	Manageability
	the single largest format category. Awards submissions convert into cited editorial.	
Reddit / Quora / community	Reddit is the most-cited single domain in many LLM responses; 99% of cited Reddit threads are unique discussions, not brand profiles. Requires authentic subject-matter-expert engagement under community rules.	Partially manageable
Crisis and AI-answer audit	New service category. Continuous monitoring of what AI systems say about a brand; remediation of inaccurate or outdated source material when answers drift.	Manageable

## LinkedIn: the highest-ROI manageable channel

LinkedIn warrants separate attention because it sits at the intersection of highest manageability and highest AI citation weight. Profound's March 2026 analysis found LinkedIn to be the most-cited domain for professional queries across every major AI surface — AI Overviews, AI Mode, ChatGPT, Microsoft Copilot, and Perplexity. Superlines' February 2026 dataset of 62 brands over 30 days recorded 15,835 LinkedIn citations, nearly matching YouTube's 15,735 and significantly ahead of most other owned or semi-owned properties.

What makes LinkedIn uniquely actionable for communications firms is that nearly every citation input is directly controllable. Executive profiles, company page content, published articles, posts, comments, and employee activity are all first-party assets. A communications program that systematically manages executive LinkedIn presence — structured bios, consistent posting cadence, data-backed commentary, industry engagement, and cross-linked bylines — produces measurable citation lift within 60 to 90 days, faster than any earned media program can deliver.

## Where communications programs measurably move AI Share of Model

- Tier-one and trade earned media: placements on high-authority domains index into the retrieval layer and compound across years. Average domain age of cited sources is 17 years — earned-media investment has an unusually long half-life in AI citation.
- Wikipedia: for established entities, an accurate, well-sourced entry is quasi-permanent citation infrastructure. Communications firms experienced in Wikipedia's independent-contributor framework create, correct, and defend entries within platform rules.
- Press release syndication: a single release distributed through wire services lands on hundreds of publication sites that feed AI training and retrieval. Each syndication produces a separate citation opportunity.

- Data-led research and original studies: PR-driven data reports become citation sources in their own right. A research study placed as earned media becomes a source LLMs cite when users ask related category questions — the piece you are reading is an example of this mechanism.
- LinkedIn thought leadership: the most-cited professional domain, directly controllable, fastest to move.
- Executive media positioning: specific, data-backed, attributable executive quotes in news coverage are approximately 28% more likely to be cited by AI than generic on-message quotes. Media training shifts from "stay on message" to "produce cite-worthy content."
- Podcast and YouTube placement: executives booked on established podcasts with YouTube distribution create multi-format citation surface — audio, video transcript, LinkedIn post, publication recap.
- Awards and rankings: comparison and "best of" articles account for 32.5% of AI citations, the largest single format. Awards submissions convert into that format.
- Review platform management: G2, Capterra, Trustpilot, Yelp presence delivers a 3x citation multiplier versus absence.
- Community engagement: authenticated subject-matter expert participation in Reddit, Quora, and specialized forums. Requires genuine contribution under platform rules; brand-profile shortcuts do not work.

## **What communications firms audit and report**

- Share of Model: percentage of AI answers to a defined query set that name the brand, tracked monthly in Hebrew and English.
- Citation source mix: which domains are feeding the AI's answer about the brand, and whether those domains are trending up or down in model preference.
- Sentiment in citation: whether the brand is characterized positively, neutrally, or negatively when named.
- Prompt-level movement: each query tracked from absent to cited, with associated domain attribution.
- Competitive benchmark: the same metrics for the top three to five category competitors, producing a category share-of-model leaderboard.
- Platform split: ChatGPT, Gemini, Perplexity, and Google AI Mode each report separately because only 11% of domains earn citations across both ChatGPT and Perplexity — platform-specific strategies outperform single-message campaigns.

## 7. Sector Spend Economics

The preceding sections established the shift, the category exposure, and the earned-media mechanics. This section translates those findings into sector-level reallocation math for the Israeli market. The figures below are estimates built from published Israeli advertising data, sector revenue disclosures, and applied international marketing spend benchmarks; they are indicative, not audited. Their purpose is to quantify the scale of the reallocation opportunity category by category.

### Estimated annual marketing and advertising spend, by Israeli sector

Sector	Est. annual spend (NIS)	AI-exposed share	Indicative GEO reallocation (NIS)
Banking	600M – 900M	40 – 55%	40M – 125M
Insurance & pensions	500M – 700M	45 – 60%	35M – 100M
Telecom	350M – 500M	55 – 70%	30M – 85M
Retail & FMCG	1.2B – 1.8B	30 – 45%	55M – 200M
Travel & hospitality	250M – 400M	55 – 75%	20M – 75M
Pharma & health	350M – 500M	35 – 50%	20M – 60M
Automotive	400M – 550M	45 – 60%	30M – 80M
Energy & utilities	150M – 220M	25 – 40%	8M – 25M
Tech & SaaS (export)	5.5B – 8B	60 – 80%	500M – 1.6B
Government	450M+ (LAPAM)	40 – 55%	30M – 65M

The reallocation figures above assume a 15–25% migration of the AI-exposed share of marketing spend toward GEO, earned media, structured content, LinkedIn programs, and AI-answer management over 24 to 36 months. This is the range observed in North American enterprise allocations and in published GEO benchmark reports. Summing across all sectors, the aggregate national reallocation opportunity falls in a range of approximately NIS 750 million to NIS 2.4 billion — roughly \$215 million to \$680 million — over the next 24 to 36 months, before any net-new advertising spending is added. The tech and SaaS export component alone accounts for the majority of the upper bound because of the sector's size, its English-language exposure, and the elevated customer acquisition costs that make AI citation particularly valuable.

## What this looks like at the individual brand level

**A large Israeli bank.** Working budget of NIS 120–180 million annually. Of that, an estimated 45% (NIS 55–80 million) addresses informational and comparison queries where AI answers are now structurally positioned to intercept intent. A 20% reallocation of that exposed slice implies NIS 11–16 million redirected toward Hebrew earned media, structured comparison content, Wikipedia accuracy, LinkedIn executive programs, and AI-answer monitoring — spending that is measurable in Share of Model lift within 6 months.

**A top-three insurer.** Annual marketing spend of NIS 100–140 million, of which NIS 45–80 million is exposed to AI discovery. A 20% reallocation of the exposed share is NIS 9–16 million per year. Given insurance PPC keywords among the most expensive in digital advertising, the unit-economic case for shifting toward compounding earned media is stronger in insurance than in most verticals.

**A cellular carrier.** Marketing and advertising spend of NIS 90–140 million annually, with 60%+ addressing high-intent comparison queries that AI is already intercepting. A 20% reallocation of the exposed share implies NIS 11–17 million redirected. The defensive case is particularly strong: a carrier that does not appear in AI cellular-plan comparison answers is functionally absent from the early consideration set.

**A mid-market Israeli SaaS exporter at \$25M ARR.** Marketing spend of approximately \$2 million (8% of ARR median). B2B export sells into markets where 42% of buyers now open evaluation in an LLM. A 12% allocation toward GEO — matching the US enterprise benchmark — is \$240,000 annually, or roughly one-eighth of total marketing spend. That budget funds a structured program of earned media, LinkedIn executive visibility, comparison and review-site presence, Wikipedia accuracy, data-led research placements, and monthly Share of Model reporting. The expected return in the published benchmark ranges (+22% ROI, +40% visibility, 4.4x qualified traffic) pays back within one to three sales cycles at typical mid-market contract values.

**A publicly traded Israeli tech company.** For listed companies, AI citation has an additional dimension beyond pipeline: it shapes equity analyst and retail investor perception, which flows into valuation. Investor relations in the AI era has to account for what LLMs say about the company when retail investors prompt them for investment ideas, which means that the same earned-media, Wikipedia, LinkedIn, and executive thought leadership program that serves marketing also serves IR.

## 8. Comparative Market Benchmarks

Understanding how Israel sits relative to other developed markets clarifies both the size of the current allocation gap and the timeline on which it will close. The benchmarks below compile published data on GEO adoption, marketing allocation, and AI user density across the markets where Israeli brands are most commonly active.

Metric	United States	United Kingdom	Germany / EU	Israel
Digital ad market	\$325B	~\$40B	~\$50B	\$1.58B
Enterprise GEO allocation 2025	12% of digital	~9%	~7%	<5% est.
Share increasing GEO in 2026	94%	~85%	~75%	n/a (early)
AI-at-discovery user share	35%	~28%	~22%	Above EU avg
B2B buyers starting in an LLM	42%	~35%	~30%	Above average
Brands with zero AI Overview mentions	26%	~35%	~40%	~50% est.

### What the comparison shows

- The US enterprise GEO allocation benchmark (12% of digital marketing budget) is a forward indicator for other markets. Historically, US digital-marketing allocation practices have reached European and Israeli enterprise adoption with an 18 to 36 month lag.
- Israel's digital ad market is smaller in absolute terms than the US, UK, or EU, but Israeli consumer AI adoption is ahead of European averages. The gap between user adoption and brand allocation is wider in Israel than in comparable markets, which enlarges the first-mover advantage.
- The estimated share of Israeli brands with zero AI Overview mentions (~50%, extrapolated from global data applied to local citation density) is higher than in the US or UK. This reflects the Hebrew-language thin-corpus effect and the low private-sector GEO allocation.
- In the United States, 94% of enterprises plan to increase GEO spend in 2026. If Israel follows the US trajectory with the typical 18–36 month lag, the Israeli enterprise GEO allocation curve begins steepening in 2026–2027.

### Global PR industry context

- The global public relations and communications market is estimated at approximately \$110 billion in 2025, with compound growth of 6–8% annually driven substantially by data-led, digital, and AI-adjacent services.

- 72% of global marketers expected their advertising budgets to increase year-over-year entering 2025 (Nielsen). Within that growth, earned-media and content allocations are disproportionately increasing as paid search unit economics degrade under AI-answer pressure.
- 94% of B2B marketers agree that trust is fundamental to success, with 47% strongly agreeing. In AI-mediated discovery, trust is transferred from cited source to brand — which structurally advantages brands that invest in third-party coverage rather than only owned content.
- The global AI-enabled e-commerce market is projected to grow from \$8.65 billion in 2025 to \$22.60 billion by 2032 at a 14.6% CAGR. For brands selling internationally, AI-answer share becomes a direct input to e-commerce revenue.

## 9. Measuring Communications ROI in the AI Era

A central obstacle to GEO allocation has been measurement. Earned media has historically been valued through media-impression and audience-reach metrics that do not translate naturally into AI citation outcomes. Published research in 2025 and 2026 has begun to produce a working framework that communications firms can apply to demonstrate measurable return.

### The primary metrics

- **Share of Model (SoM):** the percentage of AI-generated responses to a defined query set that name the brand. This is the headline GEO metric and the analog to Share of Voice in traditional media measurement. Typical programs track 50–200 category queries in each relevant language.
- **Citation source mix:** which domains are feeding the AI's answer. Indicates whether the brand's retrieval layer is built on owned content (low resilience), earned media (high resilience), or hostile third-party sources (requires remediation).
- **Domain influence reporting:** which specific placements have moved AI citation. Makes the contribution of individual earned-media wins directly measurable, something traditional PR attribution has historically struggled with.
- **Sentiment in citation:** the directional characterization of the brand when named. Positive, neutral, and negative mentions are separated because in AI answers they carry different commercial weight than in traditional media coverage.
- **Prompt-level movement:** individual query outcomes tracked over time. Makes it possible to say with precision that a given query moved the brand from absent to cited between month two and month four, and which publication or LinkedIn program drove the change.
- **Platform split:** separate tracking across ChatGPT, Gemini, Perplexity, Google AI Mode, Microsoft Copilot. Only 11% of domains earn citations across both ChatGPT and Perplexity, so platform-specific strategies outperform unified approaches.

### Indicative return math

The published benchmark ranges give communications firms a starting point for ROI modeling:

- +22% higher ROI on GEO spend compared with equivalent SEO investment (Incremys).
- +40% brand visibility increase on AI answer surfaces with structured content and third-party presence.
- 4.4x higher qualified-traffic share from AI referrals versus legacy organic.
- 5x per-visit conversion advantage on AI referral traffic (14.2% vs 2.8% for Google).
- 3x citation multiplier for brands with review platform presence.
- 2.8x citation likelihood for brands on 4+ third-party platforms.
- Up to 325% AI citation lift from broad-distribution earned media (Stacker).

## Applied calculation example

A mid-market Israeli B2B SaaS exporter with \$30 million ARR, a \$2.4 million annual marketing budget (8% of ARR per SaaS Capital), and a target market where 42% of buyers now begin evaluation in an LLM allocates \$300,000 (12.5% of marketing budget, matching US enterprise benchmark) to a 12-month GEO and earned-media program. Baseline pipeline attribution shows approximately 18% of new pipeline originating in search. Over 12 months, the program moves Share of Model across 100 tracked category queries from 8% to 23% (baseline to program-end). AI referral traffic grows from 0.3% to 1.8% of site visits. Given a 5x per-visit conversion advantage on AI traffic, the incremental AI-referred pipeline contribution is measurable and, at typical mid-market ACVs in the \$30–80K range, pays back the program investment within one to three new customer wins. The reputational and recruiting halo benefits of the earned-media component are additional.

## Where measurement is still developing

- AI citation volatility is real: there is less than a 1-in-100 chance that ChatGPT or Google's AI will produce the same brand list on two identical queries. Monthly averages and rolling three-month windows are more reliable than point-in-time snapshots.
- Platform-specific measurement remains fragmented. Tools from Similarweb, Profound, Bluefish, Superlines, Ekamoira, and Semrush each cover subsets of the generative AI landscape.
- Only 11% of domains earn citations across both ChatGPT and Perplexity. Any single-platform measurement will understate true brand presence.
- Standardized third-party AI citation audit is emerging as a managed service in its own right, analogous to the rise of SEO audit services in the late 2000s.
- Frontier models rebuild answers from scratch on each query and rebalance citations for freshness and diversity; consistent investment holds ground while episodic campaigns do not produce durable share of model.

## 10. The Economic Opportunity

GEO is not an incremental optimization of existing marketing. It is a reallocation opportunity with measurable and improving unit economics and a compressed first-mover window.

### Reported returns from early GEO programs

- +22% higher ROI compared with equivalent SEO investment (Incremys GEO benchmarks, 2026).
- +40% increase in brand visibility across AI answer surfaces.
- 4.4x higher share of qualified traffic from AI referral channels versus legacy organic.
- 30–40% higher AI citation rates for content with proper schema, primary-source statistics, and expert attribution (Princeton, 2023; replicated 2025–2026).
- Content with three comparison tables earns 25.7% more citations; with eight list sections, 26.9% more; with sentences averaging ten words or fewer, 18.8% more (AirOps, April 2026).
- Citations concentrate in the opening third of a cited article: 44.2% of all LLM citations come from the first 30% of text. Structure and lead quality are measurable variables.
- 65% of AI bot traffic targets content published within the past year; 79% accesses material updated within two years. Freshness is a direct citation input.
- 86% of SEO teams have adopted some form of GEO practice, confirming the discipline's transition from experimental to mature.

### Budget reality in North America as a forward indicator

- US enterprises dedicated an average of 12% of digital marketing budgets to GEO in 2025 (eMarketer).
- 94% of US enterprises plan to increase GEO spend in 2026.
- Marketing AI investment is growing at approximately 28.9% per year across the major economies.
- AI-enabled e-commerce is projected to grow from \$8.65 billion in 2025 to \$22.60 billion by 2032 at a 14.6% CAGR.
- The Israeli market is not yet at North American allocation levels. The gap defines the scale of the reallocation opportunity for the next 24 months.

### The first-mover window

AI systems reinforce their own citation preferences over time. A domain cited today is more likely to be cited tomorrow because the model's retrieval patterns, external link economies, and human evaluation signals all tilt toward established authority. The average domain age of ChatGPT-cited sources is 17 years — the system is biased toward entities with durable track records. Brands investing during the 2026 window are building citation surface area that compounds, in a way directly analogous to the early SEO advantages accrued during 2005–2012.

The current competitive floor is unusually low. 47% of brands have no GEO strategy in place. 26% of brands have zero mentions in AI Overviews. Only 11% of domains are cited across both ChatGPT and Perplexity, meaning most brands are absent from at least one major retrieval environment. The arbitrage is available now. It will be substantially smaller in 18 to 24 months.

## **Where the money reallocates**

- Earned media and PR move from reputation line item to performance line item. The same placement now delivers reputational value plus measurable retrieval-layer contribution.
- LinkedIn and executive thought leadership become a named budget category rather than an incidental activity.
- Wikipedia, review platforms, and community engagement are professionalized as managed services with monthly reporting.
- Structured content — comparison pages, FAQ blocks, data with primary sources, expert quotes — delivers the highest marginal return inside generative answers.
- Paid search ROI on informational queries degrades as AI answers resolve user intent before the click. A 15–25% reallocation from pure search toward GEO, PR, and structured content over 24 months aligns with published benchmarks.
- Crisis and reputation work expands to include AI-answer auditing and remediation — an entirely new service category.

# 11. The Hebrew Data Gap

Hebrew is a minority training language in every major frontier AI model. This creates two asymmetric effects for brands operating in the Israeli market, and a third effect at the state level that both validates the thesis and defines the competitive landscape.

## **Effect one: thin source pool, low competitive floor**

In Hebrew-language queries, the available pool of sources that AI systems draw from is materially smaller than the English, French, German, or Spanish pools. Frontier models still prioritize English-language training data by large margins, and Hebrew corpora — news, reviews, forums, product pages, regulatory guidance — are under-represented relative to the economic size of the market. The Nagel Committee's August 2025 report to the Israeli government identified the absence of a Hebrew national language model as a digital sovereignty issue and recommended substantial public investment to address it.

For brands, this is an opportunity. A disciplined Hebrew earned-media and content program can capture disproportionate share of model quickly, because citation density is lower. Structured Hebrew content with primary-source data, expert attribution, and authoritative third-party coverage is surfacing at citation rates that would be difficult to replicate in English-language categories. The first 12–24 months represent the maximum arbitrage window; every month that passes adds Hebrew content to the training and retrieval pools and closes the gap.

## **Effect two: inherited English-language narratives**

In English-language queries about Israeli companies, Israeli categories, or Israel itself, the source pool is dominated by international media whose coverage is uneven and, on some topics, systematically skewed. Independent audits of leading AI models have documented inconsistent and at times unfavorable framing of Israel-related subject matter in English-language responses. For Israeli corporates with international revenue exposure — technology, pharmaceuticals, defense, consumer goods, tourism — the narrative inherited inside an English-language AI answer is not under the company's control unless citation surface area is actively built on high-authority English-language domains.

## **Effect three: state-level recognition**

The Israeli state has already begun to act on this shift. In addition to the Nagel Committee findings, Foreign Agents Registration Act filings made public in late 2025 disclosed that Israel's Ministry of Foreign Affairs contracted a US firm on a multi-million-dollar engagement to build websites and content specifically designed to influence how generative AI systems frame Israel-related queries. Industry reporting has put total Israeli state spend on what it calls "chatbot optimization" in excess of half a billion shekels across multiple vendors. Israeli government advertising on Google and YouTube platforms alone exceeded NIS 409 million (~\$120 million) in 2024.

The private sector has not matched this urgency at scale. For communications firms operating in the Israeli market, the asymmetry between state-level sophistication and private-sector allocation defines the current professional opportunity.

## **Implications**

- The arbitrage between the difficulty of ranking inside Hebrew AI answers and the economic value of those answers is currently wide and will close within 18–24 months.
- Israeli brands with international exposure must invest in English-language citation surface area independently of their Hebrew strategy. The two languages are separate retrieval environments with separate competitive dynamics and require separate earned-media programs.
- Because frontier models rebuild answers from scratch on each query and rebalance citations for freshness and diversity, visibility is volatile — an AI recommendation list has a less than 1-in-100 chance of being identical on any two queries. Consistent, compounding investment is required to hold ground; episodic campaigns do not produce durable share of model.
- The Israeli state's own investment in generative-AI narrative infrastructure is a leading indicator. Private-sector allocation historically follows state recognition of structural shifts by 18 to 36 months. The window for early private-sector moves is now.

# Methodology and Sources

This study synthesizes published data from industry research, academic research, regulatory filings, and platform analytics disclosed between 2023 and April 2026. Sector spend estimates in Section 7 combine Israeli advertising market data with published international marketing allocation benchmarks applied to sector revenue profiles; these are indicative ranges, not audited figures. Where figures have been rounded, original source precision is retained in the underlying references.

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- Master of Code Global: AI commerce adoption research, 2024.
- eMarketer: US GEO budget allocation, 2025.
- GetLatka Israel SaaS database, 2025.
- Bank of Israel Annual Report 2024; Israel Marketing Association benchmarks.
- Nagel Committee Report on Accelerating AI in Israel, August 2025.
- Bank Hapoalim 2024 Annual Report (public disclosures).
- Foreign Agents Registration Act filings, US Department of Justice, 2024–2025.

- Calcalist, Globes, Times of Israel, Ynet industry coverage.

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