# Google’s AI Mode threatens to disrupt Reddit’s web traffic and user engagement



Google's recent announcement regarding its new AI Mode has generated significant buzz in the tech industry, with implications that could be particularly detrimental to platforms like Reddit. This newly unveiled feature promises a conversational search experience that could fundamentally alter how users access information online, potentially sidelining traditional content repositories such as Reddit.

The introduction of AI Mode, powered by Google's Gemini 2.5 model, marks a substantial shift in the search experience, transitioning from a conventional list of links to a more interactive dialogue-style interface. According to Google CEO Sundar Pichai, this overhaul aims to provide users with immediate answers drawn from a variety of sources, including Reddit, without necessitating a visit to the platform. This change is particularly concerning for Reddit, as it has enjoyed a surge in user traffic largely due to its prioritisation in Google search results. However, if users can receive curated answers directly from Google, the site may experience a decline, especially among casual, logged-out visitors who constitute a significant portion of Reddit's traffic.

Market reactions have already reflected these anxieties. Following the announcement, Reddit's stock fell sharply by 5%, a trend exacerbated by Wells Fargo's prediction of a continued decrease in traffic as Google's integration of AI tools becomes more aggressive. This drop is not an isolated incident; past alterations in Google's search algorithms have similarly affected Reddit's stock performance, highlighting a precarious dependency on Google's search landscape. Despite a recent recovery in user engagement metrics, there are concerns that changing search behaviours could impose long-term challenges for Reddit's visibility and growth.

However, Reddit maintains a staunch position regarding its logged-in user segment, which it asserts is the backbone of its business. Jen Wong, the company's Chief Operating Officer, emphasised that these users provide long-term engagement that fuels Reddit's advertising inventory. This confidence is echoed by CEO Steve Huffman, who argued that the platform's unique value lies in the authentic, subjective advice and discussions it fosters—essentials that AI-driven tools cannot replicate. Huffman pointed out that while summarised responses from AI tools may suffice in some instances, many users still desire the nuanced perspectives that a community like Reddit offers.

To further enhance its service, Reddit is actively developing its own internal AI tool, known as Reddit Answers. This feature aims to compile and deliver relevant information from existing posts in response to user queries, allowing Reddit to remain competitive in the evolving digital landscape. Yet, this initiative raises questions about maintaining the organic and dynamic nature of Reddit discussions, a key element that defines its brand identity.

Despite the potential drawbacks of increasing reliance on AI, Reddit's adoption of this technology could prove beneficial in certain contexts, particularly as it seeks to reach a broader audience. The platform has demonstrated resilience, reporting a significant increase in daily active users and overall revenue growth, in part due to AI integration efforts and strategic licensing agreements with larger tech firms like Google and Microsoft's OpenAI. As Reddit navigates the complex interplay between AI advancements and its community-driven ethos, the challenge will be to harness these technologies while preserving the authentic user experience that has attracted its audience.

In summary, Google's AI Mode represents both a challenge and an opportunity for Reddit. The platform must balance the integration of AI features such as Reddit Answers with its core identity as a space for genuine user interaction. The coming months will be crucial as Reddit adapts to the shifting dynamics fostered by AI-powered search, striving to maintain its relevance and appeal in a rapidly evolving digital ecosystem.

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://www.businessinsider.com/reddit-google-ai-mode-search-traffic-2025-5> - Please view link - unable to able to access data
2. <https://apnews.com/article/5b0cdc59870508dab856227185cb8e23> - Google has unveiled 'AI Mode,' a new AI-powered search tool that offers users a conversational experience, potentially impacting platforms like Reddit. This feature integrates Google's Gemini 2.5 model and is part of a broader AI-driven transformation in Google's search capabilities. Despite initial concerns about AI reducing web traffic, Google continues to dominate with 136 billion monthly visits, while ChatGPT has 4 billion. The company also introduced an 'Ultra' AI subscription at $250/month with 30TB storage, highlighting its commitment to AI advancements amid evolving information access dynamics.
3. <https://www.reuters.com/technology/reddit-shares-plummet-investors-fret-over-miss-in-daily-active-unique-visitors-2025-02-13/> - Reddit's shares fell 13% after missing expectations for daily active unique visitors, attributed to changes in Google's search algorithm affecting Reddit's visibility. Despite this, Reddit's traffic from Google search recovered in the first quarter. The company reported a 39% increase in daily active users to 101.7 million in Q4, though it fell short of the 103.3 million estimate. Reddit's fourth-quarter revenue exceeded expectations, and an optimistic first-quarter revenue forecast was provided. The company also benefited from AI content licensing deals with Google and Microsoft's OpenAI.
4. <https://www.theatlantic.com/technology/archive/2025/01/reddit-answers-ai-chatbot/681502/?utm_source=apple_news> - Reddit is beta-testing 'Reddit Answers,' an AI-powered interface that curates responses from various threads into concise summaries for user inquiries. This move aims to enhance user experience but raises concerns about authenticity and the potential reduction in user engagement. The integration of AI could diminish the dynamic dialogue characteristic of Reddit discussions, potentially harming the community-driven essence of the platform.
5. <https://www.ft.com/content/9898b848-921a-4e2e-bfff-3b2033987503> - Reddit relies on unpaid labor from content moderators to maintain its niche communities, known as subreddits, and generates significant value through user-generated content. The company has seen substantial growth, with its shares quadrupling since its IPO in March 2024 and revenue increasing by 68% in Q3. Unlike other social media companies, Reddit's unique strength is its community-driven content, managed by volunteer moderators. Despite the benefits, this model requires investment in tools and technologies to support moderators and has faced challenges, such as a moderator strike before the IPO. Additionally, Reddit's traffic heavily depends on Google's search engine, posing a risk if Google changes its algorithm. CEO Steve Huffman must balance keeping moderators satisfied while pursuing revenue growth, particularly as the company explores new ad placements and AI-powered features. Reddit's elevated valuation suggests confidence in its model, but preserving its core community-driven element is crucial for sustained success.
6. <https://www.reuters.com/technology/artificial-intelligence/google-brings-ai-answers-search-new-countries-2024-08-15/> - Google expanded its AI-generated summaries in search results to six new countries, including Brazil, India, Indonesia, Japan, Mexico, and the UK. This feature, which appears above traditional results, faced criticism for inaccuracies, prompting Google to implement updates to improve quality and restrict content sources. The company added links in AI summaries to benefit both consumers and publishers, addressing industry concerns about losing referral traffic and a legal ruling that could dismantle Alphabet.
7. <https://www.apnews.com/article/5a9e32159a947094ae801ab107c950da> - Reddit reported its first-ever profit as a public company, achieving $29.9 million in earnings and surpassing analyst expectations with $348.4 million in revenues for the period ending in September. The company's daily user base grew 47% year-over-year, reaching 97.2 million users. Key to this growth was Reddit's new AI translation feature, which enhanced international user engagement by allowing posts to be translated into multiple languages. CEO Steve Huffman highlighted that Reddit's popularity as a source for answers, advice, and community interaction was demonstrated by the U.S. government using the platform during recent hurricanes for critical communication. The company also benefited financially from data licensing agreements with Google and OpenAI. Since going public in March at $34 per share, Reddit's stock has tripled, closing recently at $116.05.