WEEKLY INTELLIGENCE REPORT

Linkexis X-Change

August 18 – 24, 2026

www.linkexis.cn · Shenzhen · Singapore

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THIS WEEK

Global B2B Advertising

Platform economics keep shifting under B2B marketers' feet this week — a real new bidding option from Microsoft, a quiet but consequential change to how Google Smart Bidding behaves, and fresh benchmark data showing account-based marketing has fully graduated from pilot program to default strategy.

80%	84%	45%
of B2B orgs now actively running ABM	of buyers use AI to shortlist vendors	rank AI tools their #1 investment priority

MICROSOFT ADS

Microsoft Advertising Makes a Real Play for B2B Budgets

Lower-cost clicks, LinkedIn-powered audience signals, and a broader inventory pitch aim to pull B2B spend off Google and LinkedIn alone.

MS
ADVERTISING

WHAT WE FOUND

Microsoft Advertising used its August update to make an unusually direct pitch to B2B marketers: lower-cost clicks, faster campaign testing, and “smarter B2B targeting” across a rapidly expanding inventory pool that now spans search, shopping, audience ads, video, and Performance Max — delivered across Bing, Yahoo, DuckDuckGo, and a network of syndication partners. The headline feature for B2B specifically is Microsoft's ability to layer LinkedIn's professional graph — job function, seniority, industry, and company size — directly onto search and display targeting, something neither Google Ads nor native LinkedIn Ads can offer in quite the same combination. Microsoft owns LinkedIn, and it is finally leaning on that asset inside its ad platform rather than keeping the two properties siloed.

WHY IT MATTERS

For B2B marketers, this is a genuine third option in a channel mix that has otherwise consolidated around Google Ads and LinkedIn Ads. Microsoft's B2B audience signals are attractive precisely because CPCs on LinkedIn have crept upward for years, and Google's B2B query volume is increasingly crowded by AI Overviews eating into organic and even some paid real estate. A channel with lower cost-per-click and comparable audience precision is worth testing, especially for teams with modest budgets who can't yet afford a meaningful LinkedIn Ads presence. It's also relevant for companies expanding into Western markets from Asia: Bing still holds a meaningfully larger share of enterprise and government search traffic in North America and Europe than most marketers assume, particularly on managed corporate devices where Edge and Bing are the default.

NEXT STEPS

Worth a pilot budget test if your LinkedIn CPCs have maxed out — particularly for enterprise software or industrial brands targeting North American or European buyers. Compare cost-per-lead and lead quality against existing LinkedIn campaigns over a 4-6 week window before committing to a permanent budget shift. Expect more platforms to lean harder on first-party professional data like this as CPCs across the major channels keep climbing — Microsoft is unlikely to be the last major platform to make this kind of pitch.

Source: blog.mean.ceo, August 2026

GOOGLE ADS

Google Quietly Rewires How Budget-Capped Campaigns Hit Targets

A August 17 change to bidding target-optimization logic means budget-constrained campaigns now converge faster on CPA/ROAS goals as spend expands — a real shift in how Smart Bidding behaves.

WHAT WE FOUND

On August 17, Google changed the mechanics behind its bidding target-optimization system. Previously, campaigns that were budget-constrained — meaning they could theoretically spend more but were capped by a daily or campaign budget — often drifted away from their stated CPA or ROAS target as Google tried to maximize volume within the available spend. Under the new logic, as those campaigns' budgets are raised or as they naturally expand, Smart Bidding realigns more tightly and more quickly to the original CPA/ROAS target rather than treating budget expansion as license to chase volume at any cost. In plain terms: the gap between “what you told Google you wanted to pay” and “what Google actually delivered” should narrow, particularly for accounts that have historically been budget-limited.

WHY IT MATTERS

This is a meaningful shift for anyone managing Google Ads accounts, and doubly so for B2B teams where cost-per-lead discipline determines whether a campaign keeps its budget. Accounts that have been budget-capped for months — common for teams still building confidence in paid search — may see CPA/ROAS numbers move noticeably after this update, for better or worse, purely from the algorithm re-targeting rather than from any change made on the account. That's the kind of shift worth flagging to stakeholders proactively, before they notice a number move and ask why. It also changes the calculus on budget-increase decisions: raising budget on a constrained campaign should now produce a more predictable path back to target than it did two weeks ago.

NEXT STEPS

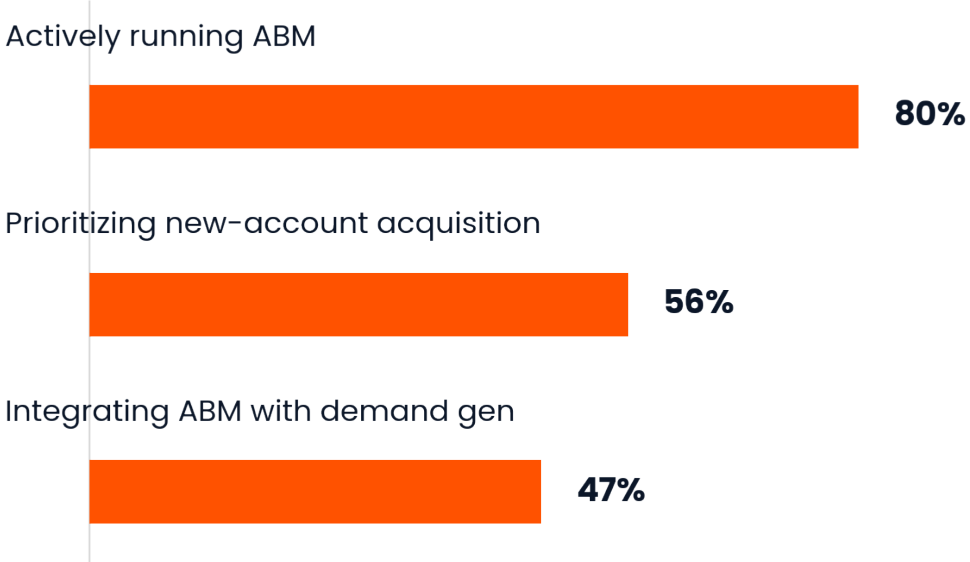
Worth pulling CPA/ROAS trend lines for any budget-constrained account back to August 10 and flagging campaigns showing a meaningful shift after August 17. For teams that have been hesitant to raise budgets, this is a timely, evidence-backed moment to revisit that conversation — the “more spend chases more volume regardless of efficiency” objection is now weaker than it was.

Source: PPC News Feed, August 2026

ABM

ABM Graduates From Pilot to Default Strategy — and Starts Merging With Demand Gen

Demand Gen Report's 2026 ABM Benchmark Survey finds nearly 80% of B2B organizations are now actively running account-based marketing, and almost half are deliberately blending it with broad-based demand generation rather than treating the two as rivals.



WHAT WE FOUND

Demand Gen Report's newly released 2026 Account-Based Marketing Benchmark Survey shows ABM has decisively left the pilot-program phase: nearly 80% of surveyed B2B organizations say they're actively executing an ABM strategy, with most of the remainder planning to add one soon. More interesting than the adoption number is the shift in how ABM is being run. Rather than pitting account-based programs against broad-based demand generation for budget and attention — the old "ABM vs. demand gen" debate — 47% of mature teams now deliberately integrate the two, using demand gen to build awareness and pipeline breadth while ABM programs concentrate resources on named, high-value accounts. Separately, 56% of respondents said new account acquisition, not just expansion of existing accounts, is now their top ABM priority. The survey also points to a structural change in how B2B buying groups are targeted: ABM increasingly means orchestrating outreach across a buying group of 5 to 16 stakeholders per deal, not a single contact.

WHY IT MATTERS

This should look familiar to anyone marketing into Chinese enterprise buying cycles, where purchasing decisions for Western market entry or major vendor relationships routinely involve multiple stakeholders across finance, operations, and leadership — a buying-group dynamic Western B2B marketing is only now catching up to formally. Companies coming from a Chinese enterprise buying culture may, in some respects, be better prepared for buying-group-native ABM than competitors still adjusting from single-contact playbooks. It's also a useful data point for any team still running demand gen and ABM as separate, competing budget lines — the benchmark gives cover to blend the two rather than defend one approach against the other.

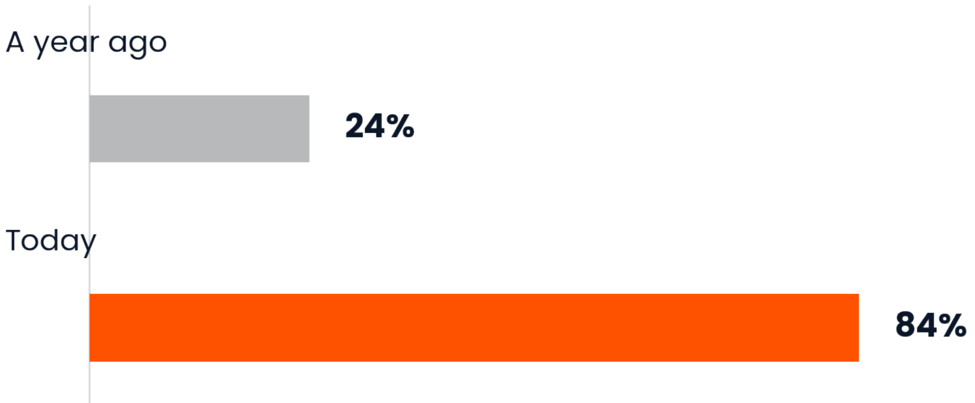
NEXT STEPS

Worth reviewing whether ABM and demand gen are being run as separate line items with separate KPIs, and testing a blended pilot on one or two accounts this quarter. Expect the "ABM vs. demand gen" framing to keep fading as more teams adopt the integrated model this benchmark describes.

Source: Demand Gen Report, 2026 ABM Benchmark Survey

84% of Enterprise B2B Buyers Now Use AI Tools to Shortlist Vendors

Up from just 24% a year ago — and case studies are the content AI recommendation engines cite most, meaning unpublished results are effectively invisible to today's buyer.



WHAT WE FOUND

New research on B2B case study usage puts a hard number on a trend most agencies have felt anecdotally: 84% of enterprise B2B buyers now use AI tools somewhere in their vendor discovery process, up from just 24% twelve months ago. That's a roughly 3.5x jump in a single year. The same research identifies case studies as the content type most likely to be surfaced and cited when AI tools recommend vendors to a buyer — more than product pages, more than blog posts, more than most other content types agencies typically prioritize. The implication is blunt: if a company's results aren't published in a structured, citable format, they are increasingly invisible in the channel where B2B buyers are now doing a large share of their earliest vendor research.

WHY IT MATTERS

This connects directly to the GEO story elsewhere in this report — AI-assisted vendor discovery and generative engine optimization are the same underlying shift viewed from two angles: buyer behavior and content strategy. For most mid-size B2B enterprises without large in-house content teams, this is often a low-cost, high-leverage gap — many have delivered strong results for customers that were never written up as a structured case study, or were written up once and never optimized for how AI tools parse and cite content (clear quotes, concrete statistics, explicit before/after framing). Given 84% buyer usage, a company with zero published case studies is now arguably at a bigger disadvantage than one with a mediocre paid media budget.

NEXT STEPS

Worth auditing your own case study inventory — count, recency, and whether each one follows a citation-friendly structure (clear stat callouts, direct quotes, before/after framing). Companies with fewer than two recent case studies should treat this as a near-term priority: it's a comparatively cheap fix relative to the visibility it now buys.

Source: Digital Agency Network / B2B case study research, 2026

THIS WEEK

02 Marketing Technology

The AI-visibility shift dominates this week's martech news — both in the West, where the gap between Google rankings and AI citations keeps widening, and in China, where Baidu is running its own version of the same transition on the world's largest non-English search engine.

$365M
2026 US GEO market size, +42.9% CAGR

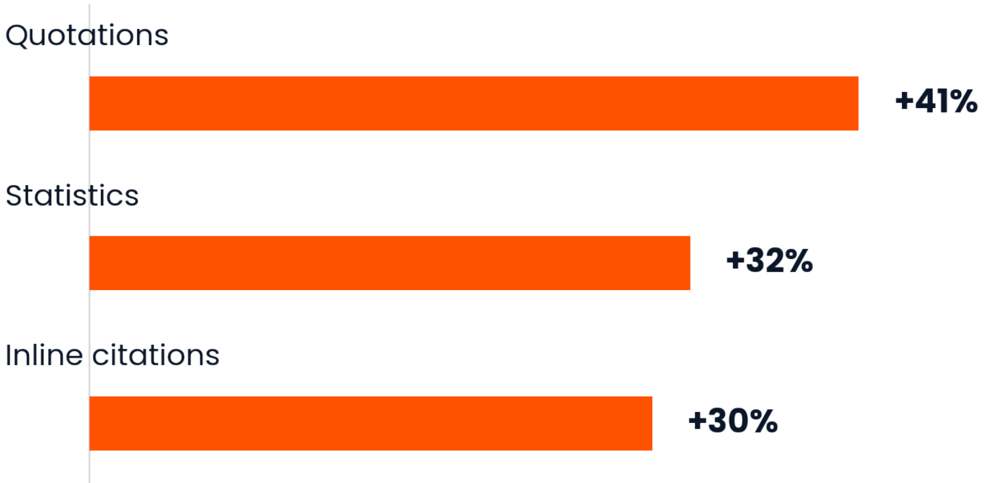
97%
of Perplexity answers cite a source

83%
YoY growth in ERNIE Assistant users

GEO

GEO Is Now a Real Market — and the Research Says It Works

Generative Engine Optimization is projected to hit $365.4M in 2026 at a 42.9% CAGR, and peer-reviewed Princeton research shows specific tactics lift AI citation rates by up to 40%.



WHAT WE FOUND

Generative Engine Optimization — the practice of making content easier for AI systems like ChatGPT, Perplexity, and Google's AI Overviews to read, trust, and cite — has moved from buzzword to a sized, growing market: the U.S. GEO market alone is projected to reach $365.4 million in 2026, growing at a 42.9% compound annual rate. What makes this more than hype is a peer-reviewed study out of Princeton showing GEO techniques produce measurable results: content using direct quotations sees a 41% lift in AI citation rates, content with concrete statistics sees a 32% lift, and content with explicit inline citations sees a 30% lift. Separately, research from GEO analytics firm Brandlight found that the overlap between what ranks at the top of Google search and what AI tools actually cite has collapsed — from roughly 70% overlap down to under 20%. Traditional SEO rankings are no longer a reliable proxy for AI visibility.

WHY IT MATTERS

That collapsing overlap is the headline number for anyone still selling or buying SEO as if it fully covers discoverability. A brand can rank well organically and still be functionally invisible inside ChatGPT or Perplexity responses, which is exactly where an increasing share of B2B research now happens (see the 84%-AI-vendor-discovery item elsewhere in this report). For most content and SEO teams, GEO is a natural extension of existing work rather than an entirely new capability to build — the tactics (quotable stats, structured citations, clear before/after framing) don't require new tooling, and the Princeton lift numbers give a credible, cited basis for prioritizing them over vague “optimize for AI” advice.

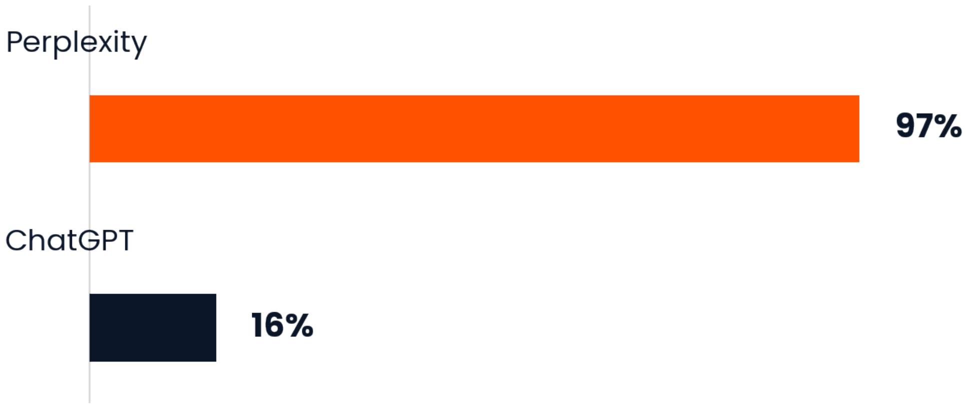
NEXT STEPS

Worth building a one-page GEO audit checklist based on the three proven tactics (quotations, statistics, inline citations) and running it against your top 3-5 content pieces. Expect “optimize for AI” to keep getting more specific and more measurable over the next year — the vague version of this advice is already dated.

Source: MarTech Series, 2026 AI-Visibility Landscape

Not All AI Platforms Cite Sources Equally — GEO Needs a Platform-by-Platform Playbook

Perplexity cites its sources 97% of the time. ChatGPT does so only 16% of the time. A single GEO strategy can't serve both.



WHAT WE FOUND

Buried inside the broader GEO market research is a detail that changes how any GEO program should actually be built: AI platforms vary enormously in how often they cite the sources behind their answers. Perplexity, which is built around search-and-cite behavior, links back to its sources roughly 97% of the time. ChatGPT, by contrast, cites sources in only about 16% of responses — it more often synthesizes an answer from training data and retrieval without a visible attribution trail. That's not a small gap; it's close to a 6x difference in how "visible" a well-optimized page becomes depending on which AI tool a prospective buyer happens to be using.

WHY IT MATTERS

This undercuts any GEO plan that treats "AI visibility" as a single target. Asking "why don't we show up in ChatGPT" may be the wrong question if ChatGPT structurally cites sources less often regardless of content quality — the more measurable, controllable win may be optimizing for Perplexity and Google AI Overviews first, where citation behavior is more consistent and traceable, while treating ChatGPT visibility as a longer, less directly attributable game. It's also a useful reality check for anyone who's heard "GEO" as a buzzword and assumed it works uniformly across every AI tool — it doesn't.

NEXT STEPS

When scoping GEO work, segment success metrics by platform rather than reporting a single blended "AI visibility" number — track Perplexity and Google AI Overview citations directly where possible, and set different expectations for ChatGPT. Worth folding into the GEO audit checklist from the previous item as a platform-weighting layer.

Source: MarTech Series, 2026 AI-Visibility Landscape

EU AI Act Transparency Rules Are Now Binding — AI Ad Creative Needs Disclosure

Since August 2, any AI-generated or deepfake-style content in ads served to EU users must carry a clear disclosure. Meta has already started enforcing related labeling in its ad tools.

EU

AI ACT

WHAT WE FOUND

The EU AI Act's transparency obligations became legally binding on August 2, 2026. The practical effect for advertisers: AI-generated or deepfake-style content — synthetic voices, AI-generated avatars, AI-edited video — used in ads served to EU users now requires a clear, visible disclosure that the content is AI-generated. This lands at the same time platforms are pushing AI creative tools harder than ever; Meta's own August rollout of generative ad tools (AI Connectors, an Enhanced Pixel, expanded creative generation) arrives alongside compliance requirements for exactly that kind of content when it reaches EU audiences.

WHY IT MATTERS

This is a direct compliance flag for any brand running AI-generated creative into EU markets — including companies expanding from Asia into European markets, and any team that has leaned on generative ad tools without building a compliance checklist around them. The risk isn't hypothetical: enforcement of AI Act transparency rules is a live regulatory priority in the EU right now, and getting caught without disclosure on AI-generated ad content carries real penalty exposure, not just reputational risk. It's a small operational fix but an easy one to miss, especially for teams that adopted AI creative tools quickly over the past year.

NEXT STEPS

Worth an immediate account-level check: flag any active campaign running AI-generated or AI-edited creative into EU geos and confirm disclosure labeling is present. This kind of proactive compliance check is far cheaper to run now than to explain after the fact.

Source: AdMake AI, Meta Ads Updates August 2026

BAIDU

Baidu's AI Search Summaries Are Rewriting the China SERP — China's Own GEO Moment

Since Baidu AI Search's full rollout in March, question-style queries surface an AI-written summary above both ads and organic results, and ERNIE Assistant usage is up 83% year-over-year.

百度

BAIDU / ERNIE

WHAT WE FOUND

Baidu's AI Search product, fully rolled out since March 2026, now inserts an AI-written summary above both paid ads and organic results for question-style queries — a structural change to the search results page that mirrors what Google's AI Overviews have done in Western markets, but on China's dominant search engine. Baidu has paired this with ERNIE Assistant, its conversational AI layer, which has seen daily active users grow 83% year-over-year as one-time search answers evolve into multi-round conversational interactions. Baidu has been deliberate about not aggressively monetizing this new AI search layer yet, prioritizing getting the product experience right before introducing ads into it at scale.

WHY IT MATTERS

This is China's version of the GEO shift covered elsewhere in this report, and it directly affects any brand relying on Baidu SEO or Baidu PPC for visibility. The same dynamic playing out with Google AI Overviews in the West — organic rankings no longer guaranteeing visibility once an AI summary sits above the fold — is now happening on Baidu. For marketers building China-inbound capability, this is worth getting ahead of early: China-specific GEO (optimizing content so ERNIE's summaries cite it) is a genuinely new and largely uncontested discipline, since most teams serving China-inbound audiences are still thinking in traditional Baidu SEO/SEM terms.

NEXT STEPS

Worth tracking which of your own content actually gets surfaced in Baidu AI Search summaries versus buried beneath them — this requires manual query testing for now, since tooling here lags the Western GEO-analytics market. Expect “Baidu GEO” to become a mainstream conversation in China-marketing circles well before most Western brands catch on.

Source: Digitimes, August 2026

THIS WEEK

03 China Market & Cross-Border

Trade tension, chip export politics, and platform enforcement all moved at once this week — each with direct implications for how China-facing B2B campaigns get planned, budgeted, and published.

-19%	50%	43
Baidu legacy ad revenue, YoY	of Baidu revenue now AI-powered	more Chinese firms added to MOFCOM list

XIAOHONGSHU

Xiaohongshu Enters Its Strictest Enforcement Phase Yet — Compliance Is Now Non-Negotiable

Community Guidelines 2.0, mandatory AI-content and plot-acting disclosure, and a 30%+ increase in content-review investment mean the old growth shortcuts are now ban risks.

小红书
XIAOHONGSHU

WHAT WE FOUND

Xiaohongshu (RED/Rednote) has entered what its own ecosystem partners are calling an "unprecedentedly strict" enforcement phase. The platform rolled out Community Guidelines 2.0, emphasizing "sincere sharing, friendly interaction" while explicitly targeting antagonistic content and fake engagement. New mandatory declaration requirements now cover AI-generated content, staged or scripted "plot acting" content presented as authentic, and reposted material — all of which must now be disclosed to viewers. High-risk advertising categories, including real estate, face stricter review with outright prohibitions on guaranteed-outcome claims. Xiaohongshu has also increased its content-review investment by more than 30% and expanded its moderation team, leaning more heavily on automated keyword monitoring that catches violations before content even goes live, rather than after the fact.

WHY IT MATTERS

This directly affects every brand running KOL partnerships, livestream commerce, or content on Xiaohongshu — a core channel for both China-inbound brand building and China-outbound brands using RED to reach diaspora and cross-border audiences. Tactics that worked twelve months ago — undisclosed AI-generated content, staged testimonials framed as organic, aggressive outcome claims in regulated categories — are now genuine account-ban risks, not just faded best practices. Given how automated and pre-emptive the new enforcement is, an account can now get flagged before a human ever reviews the post, which changes the risk calculus around cutting corners on content sourcing and disclosure.

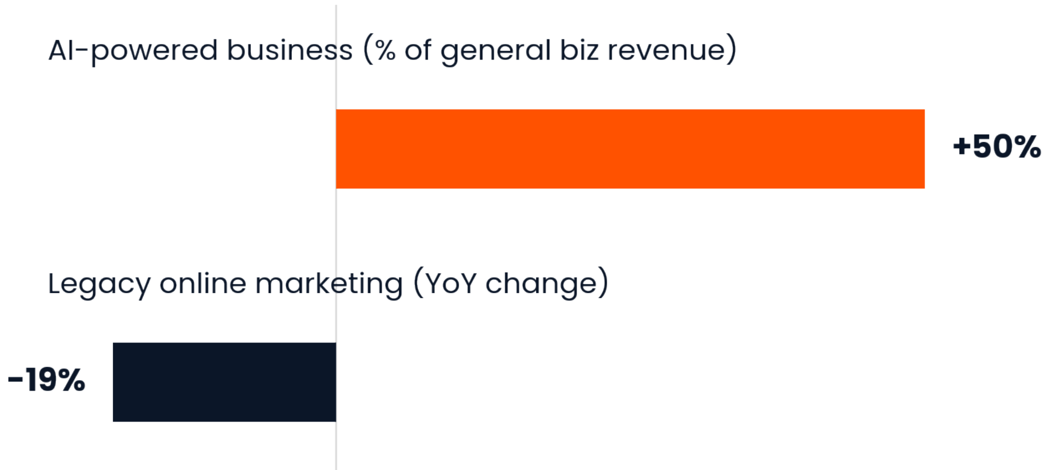
NEXT STEPS

Worth a compliance audit across any Xiaohongshu account and KOL partnership you run this month: check for undisclosed AI content, unverified claims in regulated categories, and repost attribution. Expect enforcement here to keep tightening rather than easing — this is a good moment to build disclosure checks into the content process by default, not just react to takedowns.

Source: Nobody Digital, Q1 2026 Rednote Rule Update Guide

Baidu's Ad Business Shrinks as AI Cannibalizes Its Own Search Revenue

Legacy online marketing revenue down 19% year-over-year, while AI-powered business now accounts for 50% of Baidu's general business revenue — a deliberate trade-off, not a market failure.



WHAT WE FOUND

Baidu's Q2 2026 earnings show a company deliberately trading near-term advertising revenue for long-term AI positioning. AI-powered business now generates roughly RMB 12.5 billion per quarter, representing 50% of Baidu's general business revenue and growing 25% year-over-year — largely driven by AI cloud infrastructure demand. At the same time, Baidu's legacy online marketing and advertising business is down 19% year-over-year, with the broader legacy business down 23%, missing profit expectations. Management has been explicit that this isn't a market downturn — it's a deliberate decision to hold back on monetizing the new AI Search product while the team perfects the user experience, rather than rushing ads into it and risking user trust. Management has guided that advertising revenue pressure will continue through the second half of 2026.

WHY IT MATTERS

Any brand currently budgeting for Baidu PPC should expect continued volatility in performance and cost metrics through H2 2026 — not because campaigns are underperforming, but because Baidu itself is mid-transition on the ad platform underneath those campaigns. It's a useful, credible data point for setting expectations proactively rather than reacting to confusing shifts in CPCs or impression volumes. It's also a forward signal: once Baidu does begin monetizing AI Search at scale, the ad formats and targeting mechanics will likely look meaningfully different from today's Baidu PPC — brands that adapt early will have an edge over those caught flat-footed.

NEXT STEPS

Worth factoring Baidu's platform transition into any performance read-outs through H2 2026, so volatility doesn't get misread as a targeting or creative problem. Keep an eye on Baidu's quarterly disclosures for signs of AI Search monetization beginning — that will be the signal to start testing new ad formats early, before broader market adoption drives up costs.

Source: Investing.com / Digitimes, Baidu Q2 2026 earnings

04

THIS WEEK

Other News This Week

Global B2B Advertising

in

LinkedIn Caps Matched/Predictive Audiences at 1,000 DMP Segments; Marketing API v202508 Sunsets Aug 17

A new per-account cap on Matched and Predictive Audience segments, paired with the sunset of the Marketing API's August 2025 version, means advertisers managing multiple audience libraries on LinkedIn need to consolidate and clean up segments now to avoid disruption to active campaigns.

Source: Microsoft Learn, LinkedIn Marketing API changes

G

Google Ads Auto-Labels Customer Lists by “Customer Type” Starting Aug 18

Conversion-based customer lists are now automatically tagged unless advertisers disabled the feature beforehand. Worth checking account settings to confirm audience segmentation and reporting haven't shifted silently.

Source: Digital Applied, August 2026

eM

AI Tools Now B2B Marketers' #1 Investment Priority (45%), Ahead of Events and Owned Media

With 75% of marketers calling first-party data “critical” post-cookie, AI-powered marketing tools have overtaken events (33%) and owned media (32%) as the top planned investment area for B2B teams — a useful data point for anyone building next year's marketing budget case.

Source: eMarketer, 2026 B2B Marketing Trends

Marketing Technology

Meta

Meta Launches “Meta Business Agent” for WhatsApp, Messenger and Instagram

An AI agent that answers customer questions, recommends catalog products, qualifies leads, and can close sales across WhatsApp Business, Messenger, and Instagram — directly relevant for any cross-border business using WhatsApp as a primary lead-capture channel.

Source: MM+M, August 2026

HS

HubSpot Embeds Agentic AI Directly Into Its CRM

Since mid-July, HubSpot users can build and manage AI agents inside the CRM itself, where customer data already lives — relevant for any team evaluating CRM-native automation versus bolt-on point solutions.

Source: MarTech.org, August 2026

Meta

Meta Ads Insights API Restricts Device/Hourly/Frequency Breakdowns to Opted-In Accounts

Since August 6, granular reporting breakdowns are only available for ad accounts that have explicitly opted in — check account settings now or lose reporting granularity without noticing.

Source: AdMake AI, August 2026

China Market & Cross-Border

US·CN

US-China Trade Tension Flares Ahead of Xi-Trump Meeting, Export Controls the Flashpoint

Both sides are digging in on export-control positions ahead of a planned leaders' meeting next month, setting an uncertain tone for any cross-border business planning through Q4.

Source: Bloomberg, August 7, 2026

NVDA

Nvidia Wins Approval to Export H200 Chips to China; ByteDance, Tencent Each Reportedly Receiving ~10,000 Units

A partial thaw in AI-compute export policy, though Beijing is capping mainland shipment volumes. Could accelerate the AI-search and AI-ad tooling race already underway at Baidu, Douyin, and Tencent.

Source: CNBC, August 19, 2026

301

USTR Imposes New 12.5% Section 301 Tariff on Chinese Goods Over Forced-Labor Enforcement

Effective July 24, layered on top of China's existing 10-15% retaliatory tariffs on US agricultural goods — a direct cost-of-doing-business input for any China-outbound manufacturing or trade business.

Source: Trade Compliance Resource Hub, July 2026

MOFCOM

China's MOFCOM Adds 43 More Chinese Firms to Retaliatory Entity Lists

Response to new US bans on advanced robot and power-inverter imports — the escalation cycle continues, adding compliance risk for any business with China supply-chain exposure.

Source: Trade compliance coverage, August 2026

CN

“China-First” Market Entry Is Now the Standard, Not Adapted Western Campaigns

85.8% of advertisers say lifestyle-driven, emotional content is the top brand differentiator in China, and WeChat/Douyin/Xiaohongshu/Tmall — not Google — now anchor market-entry planning for global brands.

Source: Octoplus Media, 2026 China Digital Marketing Trends

Thank you for reading Linkexis X-Change.

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