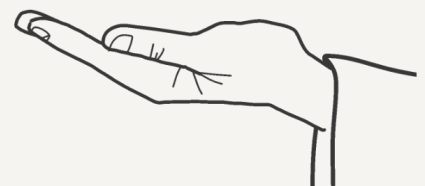

E-COMMERCE EDITION · 2027

Digital Outlook 2027

*An advisory perspective for
online retail.*

What the second half of 2026 taught online retailers about AI shopping, commerce technology, discovery, paid media, and retention, and the ten things we expect to happen in 2027.



A POINT OF VIEW ON 2027 FOR
ONLINE RETAIL, WITH A
SCORECARD ON LAST YEAR'S
FORECASTS AND TEN CALLS WE
WILL GRADE NEXT YEAR.

Contents.

00	How to read this	p. 03
01	The scorecard	p. 04
02	Executive summary	p. 06
03	The macro picture and the holiday read	p. 07
04	Agentic commerce	p. 09
05	Discovery and AI visibility	p. 11
06	Storefront design	p. 13
07	Commerce technology	p. 15
08	Paid and commerce media	p. 16
09	Retention and first-party data	p. 19
10	The thread that ties it together	p. 20
11	What to prioritize in Q4 and Q1	p. 21
12	Ten calls for 2027	p. 22
13	How we think about the year ahead	p. 24
14	Sources and methodology	p. 25

Who this is for, and how to read it.

This edition is written for established online retailers with roughly \$10 to \$15 million in annual revenue and up. You have a real catalog, a commerce platform, paid media running across more than one channel, and an email or SMS list you've spent years building. You're past product-market fit, and you have no interest in competing with Amazon on Amazon's terms.

It opens with a scorecard, because a forecast is only useful if someone checks it later. We grade the industry's biggest retail predictions from the past year against what actually happened, and we grade a handful of our own from the edition we shared with clients in June. The rest of the document covers what changed between July and September across agentic commerce, discovery, storefront design, commerce technology, paid media, and retention, and it closes with ten calls for 2027 that are specific enough to grade in the next edition.

Where industry data informs a point, we attribute it by source. Where our own results sharpen it, we include them in callouts labeled *From our portfolio*. Those figures are aggregated and anonymized from the online retailers we manage and never identify a client. Where the evidence is still mixed, we say so and show you where.



What the industry said, and what happened.

A year of confident retail forecasting produced a mixed record. The demand forecasts ran conservative, the agentic checkout forecasts ran hot, and the claims about AI shoppers are holding up first in the categories where people buy the same thing again.

FIGURE 01

GRADED SEPTEMBER 2026

Industry forecasts, graded.

THE FORECAST	WHAT HAPPENED	GRADE
Adobe forecast 5.3% growth in US online holiday sales for November and December 2025.	Actual growth came in at 6.8%, reaching \$257.8 billion.	UNDER-CALLED
OpenAI and Shopify said in September 2025 that millions of Shopify merchants would soon offer Instant Checkout inside ChatGPT.	Roughly a dozen to 30 merchants went live. On March 24, 2026, OpenAI said it would let merchants use their own checkout and focus on discovery.	MISSED
Google said at launch in January 2026 that checkout through its Universal Commerce Protocol would expand beyond the US during the year.	Checkout remains limited to select merchants. Google's merchant documentation now covers Canada and Australia, but it hasn't announced a launch outside the US.	BEHIND SCHEDULE
Google said in May 2026 that Universal Cart would roll out across Search and the Gemini app in the US over the summer.	Google hasn't confirmed a broad US launch as of late September. YouTube and Gmail are still described as coming.	BEHIND SCHEDULE
Adobe reported that shoppers arriving from AI tools converted 31% more often than other visitors during the 2025 holidays.	In our own retail book, the premium is clearest where the purchase is a repeat: at our replenishment brand, assistant visitors convert at about twice the organic rate. See page 11.	HOLDS FOR REPEAT PURCHASES

FIGURE 02 · OUR JUNE CALLS

Our own June calls, graded.

We shared the first e-commerce edition with a small group of clients in June. Five of its calls are worth checking, along with one statistic we're retiring.

WHAT WE SAID IN JUNE	WHAT HAPPENED	GRADE
In-chat purchasing is not yet a real revenue channel for most retailers, and discovery is.	OpenAI moved checkout back to merchants in March, and the settlement since has been that assistants recommend and stores sell.	HELD
AI referrals are under 1% of sessions, but the curve is the point.	Across our retail book, assistant sessions reached 0.54% of total sessions in Q3, up from 0.25%, and monthly volume grew 2.3x.	HELD
Amazon walled itself off from outside AI agents.	Amazon still hasn't adopted the open protocols, but its Buy for Me feature now completes purchases on other retailers' sites. It's walled in and reaching out.	HALF RIGHT
Protect AOV and judge conversion by channel and cohort.	Average order value held within a few dollars at all three brands we track, for a third straight period.	HELD
The biggest efficiency gains show up where there's the most headroom and the cleanest first-party data.	The brand with the largest gain in June kept it through Q3. Two others gave some efficiency back over the summer.	HELD, WITH A CAVEAT

Our June edition repeated an estimate that 82% of TikTok Shop sellers lose money. We couldn't trace it to a primary source, so we've retired it.



The cart moved somewhere other than your store.

In the first half of 2026, AI systems learned to read a retailer's catalog. In the second half, they started holding the shopper's cart. Google's Universal Cart gathers products from many retailers across Search, Gemini, and eventually YouTube and Gmail, and it watches prices and stock on the shopper's behalf. The brand stays the merchant of record in every version of this, which protects the legal relationship. What it doesn't protect are the on-site moments that used to build the commercial one: the cross-sell, the email capture, the fit guidance, and the gift note. *The defining question for 2027 is how a retailer stays the store a customer remembers when the checkout happens somewhere else.*

01

Checkout came back to the merchant, for now.

OpenAI retreated from in-chat checkout in March, and the working model since has been that assistants handle discovery while stores handle the sale. Google is the one company still pushing native checkout, and it's doing so carefully.

02

The protocols narrowed toward Google's.

OpenAI's Agentic Commerce Protocol now powers a smaller set of retailer apps, while Google's Universal Commerce Protocol keeps adding capabilities (cart, catalog, and loyalty linking). Most retailers will end up supporting both, and a clean product feed serves both.

03

AI traffic kept compounding and stayed small.

Assistant referrals more than doubled in our retail book and still account for about half a percent of sessions. The conversion premium shows up first in repeat purchases, where shoppers arrive having already decided.

04

Paid automation absorbed Shopping.

Performance Max became the largest single channel across our full paid book, and Shopping grew inside it. The platforms run more of the account every quarter, which makes conversion data quality the main lever a retailer still controls.

05

First-party capture became the retention problem.

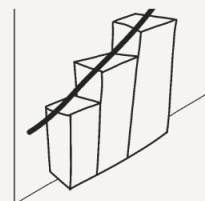
Orders that start in an assistant skip the on-site moments that fed email and SMS. The post-purchase flow is now the front door of the retention program.

A steady season on a bigger base.

The 2026 holiday forecasts point to a normal year, which is its own kind of news after a spring full of predictions about AI upending retail. Deloitte expects holiday e-commerce to grow 7.5% to 8.4%, reaching as much as \$318.9 billion across November through January. eMarketer projects roughly 6.6% growth in e-commerce for the season, broadly in line with 2025. Mobile carries most of the growth, and eMarketer expects it to account for about 58% of online sales in November and December.

The more interesting number arrived in June. US retailers drove \$26.4 billion in online spend across the four days of Prime Day, up 9.3% year over year, and the summer event is starting to rival the holidays in scale (for comparison, shoppers spent \$32.4 billion across Thanksgiving, Black Friday, and Cyber Monday in 2025). For a growth-stage retailer, that means the promotional calendar now has two peaks to plan around, and the summer one is where competitors test the offers they'll run in November.

\$318.9B Deloitte's upper forecast for holiday e-commerce, November 2026 through January 2027	6.6% eMarketer's projected e-commerce growth for the 2026 season	\$26.4B US online spend across Prime Day, June 23 to 26, 2026	+393% Growth in AI-referred traffic to US retail sites, January to March 2026 versus a year earlier (Adobe)
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The forces reshaping the mix

AI referral traffic is growing from a small base. Adobe measured traffic from AI sources to US retail sites up 393% year over year in the first quarter of 2026, following a 693% jump during the 2025 holidays. Adobe is careful to note that the base remains modest, and our own data agrees. The growth rate makes headlines, and the share of sessions is what should drive your budget.

Salesforce predicts that 20% of holiday e-commerce traffic in 2026 will come from AI agents, a figure that includes shopping assistants, background agents, and competitors' price-scraping bots. We expect that figure to look much smaller in most retailers' own analytics, for reasons we explain on page 11, and it's one of our ten calls for 2027.

Retail media is still a default budget line. US retail media spend is approaching \$70 billion in 2026, and Amazon and Walmart command roughly 85% of it, so for most mid-market retailers the question remains how to use it efficiently.

The first read on 2027

Plan 2027 against the right base. Categories that rode unusual 2026 demand (the World Cup, a strong Prime Day, and aggressive discounting) will be comparing against inflated numbers next year, and teams that set targets off a single strong half will miss them for reasons unrelated to execution. We'd build 2027 targets off a trailing twelve months, split by channel and cohort.

Sources: Deloitte via Retail Dive (2026 holiday forecast); eMarketer (2026 holiday forecast); Adobe Digital Insights (2025 holiday season, Q1 2026 AI traffic, Prime Day 2026); Salesforce (2026 Holiday Predictions, July 2026); Tinuiti and eMarketer (retail media). Forecasts are vendor-stated models and should be read as directional.

Your product data became your storefront.

Six months ago the agentic commerce story was about a buy button. It's now about plumbing, and the plumbing is where retailers have real decisions to make. Several standards compete to define how an AI agent reads a catalog, fills a cart, and pays, and none of them has won. Nearly everything published on the topic comes from vendors selling integrations, and the sources contradict each other on basic facts, so we've dated every claim in this section and kept to primary announcements where we could.

What happened this year

OpenAI launched Instant Checkout inside ChatGPT in September 2025 and moved away from it in March 2026. Roughly a dozen to 30 Shopify merchants ever went live, and product information pulled into the feature was often wrong. On March 24, OpenAI said merchants would use their own checkout experience while ChatGPT focused on discovery, and retailers who want deeper integration now build apps inside ChatGPT. Walmart, which offered about 200,000 products through Instant Checkout, said purchases completed inside ChatGPT converted at one-third the rate of those that clicked through to its website.

Google took the opposite path. It introduced the Universal Commerce Protocol in January 2026, co-developed with Shopify, Etsy, Wayfair, Target, and Walmart and endorsed by more than 20 payment and retail partners. A March update added cart and catalog capabilities, and in May Google announced Universal Cart, which follows the shopper across Google's surfaces and checks out through Google Pay or hands the cart to the merchant's own site. Checkout through the protocol remains limited to select merchants, with Canada and Australia announced but not yet launched.

Shopify became the fastest route onto these surfaces for its merchants. Its Agentic Storefronts channel syndicates a merchant's catalog to ChatGPT (where the buyer finishes on the merchant's store through an in-app browser), Microsoft Copilot (with checkout through Google's protocol for eligible merchants), and Google's AI Mode and Gemini (for select brands so far).

Amazon kept its own counsel. It hasn't adopted any of the open protocols, it sued Perplexity in November 2025 over an outside agent operating on its marketplace, and it has begun placing ads inside its shopping assistant. In May it folded its Rufus assistant into Alexa for Shopping, which now sits in the Amazon search bar and can act on a shopper's behalf. Its Buy for Me feature, meanwhile, completes purchases on other retailers' websites.

FIGURE 03

Where agents can buy from you, as of September 2026.

SURFACE	STANDARD	HOW CHECKOUT WORKS	MERCHANT OF RECORD	STATUS
ChatGPT	Agentic Commerce Protocol, through retailer apps	Buyer finishes on the merchant's site or inside a retailer's own app	The merchant	Discovery broadly available; apps limited to larger retailers
Google AI Mode and Gemini	Universal Commerce Protocol	Native checkout with Google Pay, or an embedded version of the merchant's own checkout	The merchant	Select merchants; US live, Canada and Australia announced
Google Universal Cart	Universal Commerce Protocol	Cart gathered across retailers, then Google Pay or handoff to the merchant's site	The merchant	Announced for US Search and Gemini; broad launch unconfirmed
Microsoft Copilot	Universal Commerce Protocol (via Shopify)	Copilot Checkout for eligible merchants	The merchant	Live for eligible Shopify merchants
Amazon	Proprietary	Inside Amazon, plus Buy for Me on outside sites	Amazon or the outside merchant	Closed to outside agents

Availability changes month to month. Check each platform's merchant documentation before planning around a row.

The decision most retailers will face in 2027

Google's protocol offers two ways to sell. In the native version, the AI surface renders the checkout. In the embedded version, the merchant keeps its own checkout inside the agent's flow. Both keep you as merchant of record, but they leave you with different shares of the customer relationship.

FIGURE 04 · WHAT YOU KEEP, AND WHAT YOU HAND OVER

	NATIVE CHECKOUT	EMBEDDED CHECKOUT
Legal relationship and returns	You keep it	You keep it
Order and payment data	Passed to you after the sale	Captured in your own checkout
Email and SMS opt-in at purchase	Depends on the surface; often absent	Your own consent flow
Cross-sell, bundles, and free-shipping thresholds	Largely lost	Available in your checkout
Loyalty and member pricing	Through identity linking, where supported	Your program as it runs today
Conversion friction for the shopper	Lowest	Slightly higher

HAPPY COG'S TAKE

Sell where the agents are, and decide deliberately how much of the checkout you hand over. We'd enable discovery on every surface your customers use, since a clean feed costs little and the reach is real. We'd treat native checkout as a per-category decision: it makes sense for replenishment and low-consideration items, where the shopper wants speed and the cross-sell is small, and it's a harder call for gifting, high-AOV, and fit-sensitive products, where the on-site moments carry the margin. Whichever you choose, keep a first-party capture step after every agent-originated order.

AI traffic doubled, and the conversion premium starts with repeat purchases.

The industry's most repeated claim about AI shoppers is that they convert better than other visitors. Adobe reported a 31% premium across the 2025 holidays, and we expect AI-referred traffic to convert at a materially higher rate than organic search for most mid-market brands through 2027 (it's one of our ten calls, shared with our agency-wide outlook). Retail is where that call faces its hardest test, because the premium depends on how far along the shopper is when the assistant sends them, and our own data shows exactly where it has arrived so far.

FROM OUR PORTFOLIO AGGREGATED & ANONYMIZED

FIVE MANAGED RETAIL GA4 PROPERTIES • JUL 2025 – SEP 21, 2026

2.3x

Monthly AI-assistant sessions, second half of 2025 to Q3 2026

0.54%

Share of total sessions from AI assistants in Q3, up from 0.25%

2x

Conversion rate of AI-referred sessions versus organic search at our replenishment brand, Q3 2026

Assistant-referred sessions across our retail book rose from about 1,000 a month in the second half of 2025 to roughly 1,500 in the first half of 2026 and about 2,300 between July 1 and September 21, with ChatGPT supplying the large majority. Their share of revenue rose from 0.15% to 0.38%. The conversion premium is already plain at our contact-lens retailer, where the purchase is a replenishment and the shopper often asks an assistant where to reorder. There, AI assistants now drive about 17% of sessions and convert near 10%, roughly twice the rate of organic search. At our brands selling considered purchases (gifts, eyewear frames, and professional beauty supplies), assistant visitors haven't yet matched the organic rate on a last-click basis, which is what we'd expect from shoppers who arrive early in a decision and finish it later through another channel.

FIGURE 05A • MONTHLY ASSISTANT SESSIONS

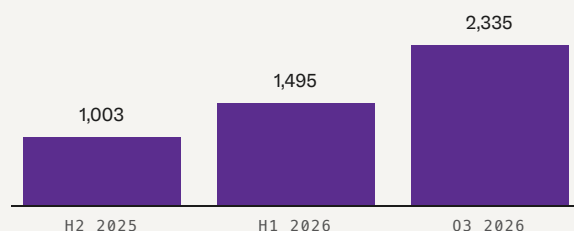
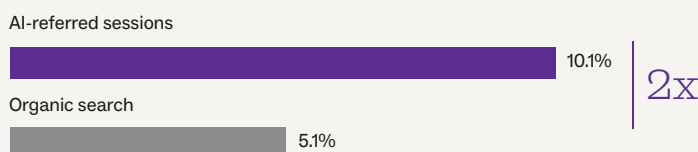


FIGURE 05B • Q3 CONVERSION RATE, REPLENISHMENT BRAND



Conversion is measured at the session level on a last-click basis, which undercounts shoppers who research through an assistant and return later by direct visit or branded search. We read the gap as a statement about intent at arrival, not about the lifetime value of these visitors. GA4 began reporting a second ChatGPT source label during Q3 that recorded several hundred sessions and no purchases; we've excluded it pending review.

Why the premium shows up in repeat purchases first

A shopper who asks an assistant where to reorder a prescription product arrives ready to buy, because the decision was already made. A shopper who asks for gift ideas under \$300 arrives early in a considered purchase, and they're likely to leave, compare, and come back through a different door. The assistant is doing the job of a search engine's research phase for those shoppers, and last-click measurement credits the later visit. As assistants get better at completing the research phase, more of those shoppers will arrive already decided, and we expect the premium to spread from repeat purchases into considered ones. Until it does, measure AI referrals in considered categories the way you'd measure upper-funnel media (on assisted conversions, returning-visitor rate, and branded search lift), and measure them on last-click conversion if you sell something people reorder.

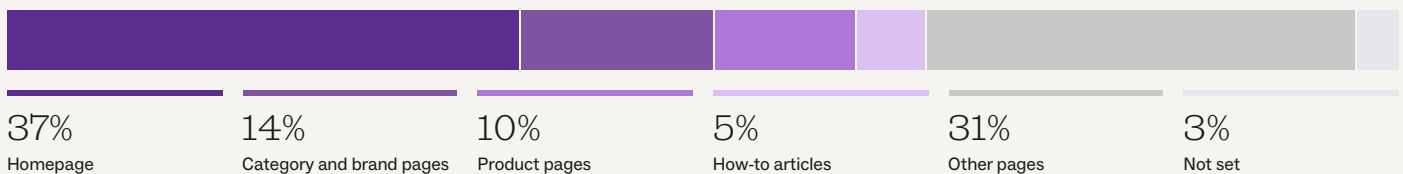
The store, the category, and the product page all get cited

In our higher education work, the program page is where AI visibility lives, and the homepage draws only about 6% of assistant traffic. Retail looks different. At our largest multi-brand retailer, ChatGPT sent visitors to 1,442 distinct pages this year, and the homepage took 37% of them. Category and brand pages drew about 14%, individual product pages about 10%, and how-to articles about 5%, with the rest spread across the long tail.

FIGURE 06

JAN 1 – SEP 21, 2026

Where ChatGPT sends shoppers.



Assistants recommend a multi-brand retailer as a place to shop as often as they recommend a specific product from it. That puts store-level facts (who you sell to, whether you require a license, how shipping and returns work, and whether products are authentic) on the same footing as product detail, and most retailers have never written those facts down in a form a machine can lift.

HAPPY COG'S TAKE

Make the store legible, and then make the catalog legible. We'd start with the pages assistants already cite (the homepage, the top category pages, and the policy pages) and rewrite them to state plainly who you serve, what you carry, and how buying from you works. Then we'd complete product structured data, return and shipping policy markup, and feed attributes for the top sellers, and confirm that GA4's AI Assistant channel captures every assistant source label so the trend is visible in one place.

Design for the shopper who arrives mid-decision.

A growing share of your visitors have already been told, by a source they trust, that you might have what they need. Some of them are ready to buy, and more of them are still deciding. Both groups skip the homepage story you spent a redesign on and land on a page that has to answer their specific question quickly.

What changed this half

The work that used to live on the page is moving upstream. Fit guidance, size charts, comparison tables, and gift recommendations were designed as on-site moments.

When an assistant answers the shopper's question before they arrive, those moments only count if the assistant could read them, which means they need to exist as structured, plain-text content as well as designed components.

Speed and trust still decide the sale once the shopper lands. Each added second of load time is associated with up to a 7% drop in conversions, and Core Web Vitals (particularly Interaction to Next Paint, the measure of how fast a page responds to a tap or click) remain the threshold most stores fail. Reviews, real customer photos, and honest stock cues belong above the fold, and fake urgency still costs more trust than it earns.



FROM OUR PORTFOLIO AGGREGATED & ANONYMIZED

THREE ONLINE RETAILERS · H2 2025 – Q3 2026

FIGURE 07 · AOV AND CONVERSION



Average order value held at all three brands for a third consecutive period, at roughly \$112, \$201, and \$276. Conversion moved again. The beauty supplier whose programmatic ramp pulled blended conversion down in the first half recovered to about 4.9% as the new traffic matured. The gifting brand dipped to about 1.1% in its seasonal low, since both earlier periods include holiday or spring gifting peaks. The eyewear brand eased to about 4.2% on lighter paid spend.

Protect AOV, read conversion by channel and season, and expect assistant traffic to dilute the blended rate the same way programmatic did.

■ HAPPY COG'S TAKE

Build every product and category page for two readers at once. The page that converts a shopper who arrives mid-decision is the same page an assistant can parse and cite, provided the answers to common questions exist in plain text and structured data as well as in the design. We'd audit your top 50 landing pages from assistant traffic first, since those are the pages already being recommended.

Sources: Hyperspeed; ALM Corp; Nexito Media (conversion and Core Web Vitals benchmarks, 2026).

The feed became infrastructure, and tracking has to follow the order.

What changed this half

Product data now determines reach on every surface a retailer sells through. Google's protocol requires a live product feed and a specific eligibility attribute in Merchant Center before a product can show a buy button in AI Mode, and the catalog capability lets agents pull current price and inventory directly. A feed that's accurate on Monday and stale by Thursday will show an agent the wrong price, and the agent will tell the shopper.

Orders that start in an assistant also break measurement that depends on a browser session. Session-based analytics, retargeting pixels, and abandoned-cart flows don't see a native agentic checkout, so server-side conversion tracking stopped being an analytics upgrade and became the only way to count those orders at all.

The integration choice matters more than the platform choice. Shopify merchants get the fastest path onto agentic surfaces through Agentic Storefronts. Retailers on Craft Commerce, headless builds, or other platforms can reach the same surfaces through direct feed and protocol integrations, and they keep more control over checkout in exchange for more build work.

OUTLOOK FOR 2027

We expect product-data readiness to become a line item in annual planning, reviewed as seriously as site speed. We also expect more retailers to write down, for the first time, which categories they're willing to sell through native agentic checkout and which they aren't.

■ HAPPY COG'S TAKE

Build one source of truth for product data and send it everywhere. We build retailers a single, current product data source that feeds Shopping, the agentic protocols, and the storefront at once, with server-side tracking that counts an order no matter where it started. As a Stripe Premier Partner and Craft Verified Partner, we can wire the payment and checkout side of those integrations as well as the catalog side.

Automation took Shopping, and ads moved into the assistants.

What changed this half

Performance Max became the default home for retail spend. Across our full paid book (56 accounts and about \$23.8 million in measured spend), Performance Max grew from 38.7% to 45.3% of spend and overtook Search as the largest single channel, while Shopping campaigns grew from 3.7% to 5.9%. For retailers, that means the platform decides more of where a product appears every quarter, and the quality of the conversion data it learns from matters more every quarter.

Sponsored placements arrived inside AI shopping assistants. Amazon has begun placing ads inside its shopping assistant. ChatGPT began showing ads in the US in February, opened self-serve buying in May, added product feed ads in June, and in September began testing Sponsored Agents, with Wayfair among the first retailers. We've bought this inventory for retail clients and seen mixed conversion results; the bigger gap is how little insight the reporting provides, though OpenAI is shipping new features almost weekly. Measurement is thin, and the formats will change, so we treat these as test budgets with a defined read date.

Retail media keeps growing and keeps concentrating. Amazon and Walmart hold most of it, so network selection and incrementality testing decide whether it pays. Connected TV keeps moving toward the cart, and the holiday window is where shoppable formats get their biggest test.

FROM OUR PORTFOLIO **AGGREGATED & ANONYMIZED**
THREE ONLINE RETAILERS ON GOOGLE ADS · Q3 2025 VS. JUL 1 – SEP 21, 2026

+42%

Google ROAS at one DTC eyewear brand, Q3 year over year

-37%

Average daily Google spend at that same brand over the same period

-25% to -26%

Q3 ROAS change at two other retailers, year over year

In June we reported that one DTC eyewear brand had improved Google ROAS by about 42% while cutting cost per acquisition. That gain held through a third period: Q3 ROAS was up about 42% year over year on roughly 37% less daily spend. The other two retailers gave efficiency back over the summer, with ROAS down about a quarter at each on similar or slightly higher spend. The pattern we described in June still holds, since the lasting gains came where the conversion data was cleanest and the account had the most headroom, and Q3 is a reminder that those gains need maintenance.

ROAS reflects platform-reported conversion value, which can differ from revenue recorded in analytics. We report changes rather than levels for that reason.



 HAPPY COG'S TAKE

Feed the automation clean data, then check its work.

We'd keep brand and non-brand separate, review platform recommendations instead of auto-applying them, send offline and server-side conversions back to the platforms, and judge every channel on incremental profit. We'd give assistant ad placements a small, dated test budget in Q1 and a clear rule for when to stop.

Sources: Happy Cog portfolio analysis; Tinuiti; eMarketer; OpenAI (ChatGPT ads announcements, 2026); Amazon (Alexa for Shopping announcement, May 13, 2026).

The post-purchase flow is now the front door.



Retention still decides whether a retailer in this revenue range is healthy, and roughly 60% of DTC revenue comes from returning customers. What changed this half is where the relationship starts. An order placed through an assistant's native checkout can arrive without the email opt-in, the account creation, or the browsing history that fed every lifecycle program built over the past decade.

What we'd build now

A post-purchase capture step for every order, regardless of origin. The order confirmation, the shipping notification, and the packaging insert are the first moments you control for an agent-originated customer, and each one should invite them into your email and SMS program with a reason to join.

A lifecycle program that recognizes where a customer came from. Customers who first bought through an assistant may need a different welcome series, one that introduces the store they didn't browse.

Loyalty that travels. Google's protocol supports linking a shopper's loyalty credentials so member pricing and points apply inside an agent's checkout. Retailers with a real loyalty program should make sure it can be linked, because it's one of the few reasons an agent will choose your store over an identical product elsewhere.

■ HAPPY COG'S TAKE

Build the capture before you need it. We'd set up post-purchase opt-in flows in your email and SMS platform now, tag orders by origin as the surfaces allow, and report repeat rate for assistant-originated customers separately. As a Klaviyo Partner, we build these flows alongside the paid and analytics work, so the retention data feeds the ad platforms as well.

Own the data the agents read, and own the customer they send.

IN AGENTIC COMMERCE The agents need your catalog to sell anything, and a current, complete feed is what gets your products chosen.	IN DISCOVERY Assistants recommend stores and products at once, so the store's own facts belong in the data as much as the product details do.
IN PAID MEDIA The platforms run the campaigns, and the conversion data you send back is what steers them.	IN RETENTION The checkout may happen elsewhere, and the first-party capture after the sale is what keeps the customer yours.

Read side by side, the sections describe one shift. The work of building the store, managing the catalog, running media, and keeping customers has become one system, and the retailers who hold both ends of it (the data the agents read and the customer relationship the agents create) will keep pricing power and margin when the current rush settles.

What we'd do before code freeze, and what we'd do in January.

BEFORE THE HOLIDAY CODE FREEZE

- 01** **Clean the feed for the peak.**
Confirm prices, stock, shipping cutoffs, and return windows are current in Merchant Center and every syndicated channel, since an agent will quote whatever the feed says.
- 02** **Check agentic eligibility.**
If you're a US merchant, confirm whether your products carry the eligibility attribute for Google's native checkout, and decide category by category whether you want it on.
- 03** **Count every order.**
Move purchase tracking server-side and confirm it captures orders from every surface you sell through.
- 04** **Check the AI Assistant channel in GA4.**
Confirm it captures every ChatGPT, Gemini, Copilot, Perplexity, and Claude source label, and compare its conversion rate against organic search by category through the season.
- 05** **Guardrail the automation for peak.**
Set budget caps, brand exclusions, and a daily review on Performance Max through the promotional window.

IN JANUARY

- 06** **Rebuild 2027 targets on a trailing twelve months.**
Split by channel and cohort so an inflated 2026 half doesn't set the bar.
 - 07** **Rewrite the pages assistants already cite.**
Start with the homepage, top categories, and policy pages, then complete structured data on top sellers.
 - 08** **Build the post-purchase capture flow.**
Treat every order as a new relationship until you know otherwise.
 - 09** **Decide your native checkout policy.**
Write down which categories you'll sell through native agentic checkout and which you'll keep on your own checkout.
 - 10** **Fund one test and one holdout.**
Give assistant ad placements a dated test budget, and pair any upper-funnel spend with a geographic or audience holdout so you can measure what it did.
-

Ten calls for 2027, specific enough to grade.

We'll score each of these in next year's edition, in the same format as this year's scorecard. A prediction nobody could disagree with isn't worth printing, so some of these are uncomfortable.

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- | | | |
|----|--|----------------------------|
| 01 | <p>Google makes native checkout self-serve.</p> <p>US merchants will be able to enable checkout through Google's protocol from Merchant Center, without an interest form or approval queue, by June 30, 2027.</p> | MODERATE CONFIDENCE |
|----|--|----------------------------|
-
- | | | |
|----|--|----------------------------|
| 02 | <p>The protocols settle into two.</p> <p>OpenAI's protocol either formally interoperates with Google's or remains limited to a small set of large retailers through the end of 2027, and no third standard gains broad merchant adoption.</p> | MODERATE CONFIDENCE |
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- | | | |
|----|---|----------------------------|
| 03 | <p>AI traffic stays small and converts well.</p> <p>AI-referred sessions remain below 5% of total sessions for most mid-market brands through 2027, while converting at a materially higher rate than average organic traffic. Retail is where this call faces its hardest test, since today the premium is clear in repeat purchases and still building in considered ones.</p> | MODERATE CONFIDENCE |
|----|---|----------------------------|
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- | | | |
|----|---|------------------------|
| 04 | <p>The one-in-five holiday forecast won't appear in retailers' dashboards.</p> <p>Measured assistant sessions will account for well under 5% of holiday 2026 visits in most mid-market retailers' own analytics, and the gap between industry estimates and first-party data becomes the story of January.</p> | HIGH CONFIDENCE |
|----|---|------------------------|
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| 05 | <p>A well-known DTC brand says no to native checkout.</p> <p>At least one recognized DTC brand publicly declines native agentic checkout in favor of its own, citing the customer relationship, before the end of 2027.</p> | MODERATE CONFIDENCE |
|----|--|----------------------------|
-

06

Assistant ads become a standard line.

Sponsored placements inside AI shopping assistants appear as a standing line item in most mid-market retail media plans by Q4 2027, with measurement still the main complaint.

MODERATE CONFIDENCE

07

Agent orders come back more often.

Return rates on orders placed through native agentic checkout run measurably higher than on-site orders for apparel and fit-sensitive categories, and the difference becomes a margin conversation in board reporting.

LOWER CONFIDENCE,
HIGH CONSEQUENCE

08

Amazon opens a door.

Amazon offers a sanctioned path for at least one outside AI agent to transact on its marketplace by the end of 2027.

LOWER CONFIDENCE

09

Email and SMS platforms build for the agent-originated customer.

At least two major email and SMS platforms ship flows or triggers designed specifically for orders that originated in an AI agent.

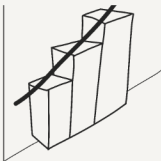
MODERATE CONFIDENCE

10

Blended conversion rate loses its place on the scorecard.

Revenue per visitor and contribution margin replace blended conversion rate as the headline efficiency measure in most growth-stage retail board reporting, as assistant and upper-funnel traffic keep diluting the blended rate.

MODERATE CONFIDENCE



Build the plumbing, and keep the relationship.

The first wave of agentic checkout taught the industry something retailers already knew: shoppers are glad to let an assistant help them find a product, and far fewer are ready to let it finish the sale. The second wave is being built more carefully, and it will arrive unevenly, category by category and surface by surface. The work that pays off through all of it is steady. Keep the product data clean and current, make the store easy for a machine to understand, feed the ad platforms data you trust, and capture every customer after the sale so the relationship stays yours.

That's also how we read our own role. AI has made execution cheaper for everyone, so the value of a partner is knowing which work matters for your margin, skipping the rest, and saying plainly what the evidence supports. This year that meant reporting AI traffic at its actual size and showing exactly where its advantage has arrived so far, and we'd rather be useful and right than impressive.

This document is a point of view. Figures cited are vendor and industry estimates unless labeled as our own, and we've flagged where they conflict.

Sources and methodology.

This edition synthesizes industry sources published between January and September 2026, including platform announcements from Google, OpenAI, Shopify, and Amazon, forecasts from Deloitte, eMarketer, Adobe, and Salesforce, and trade reporting from CNBC, Modern Retail, Search Engine Land, and Retail Dive. Statistics are paraphrased and attributed to their originating organizations. Forecasts are vendor-stated models rather than audited results.

The *From our portfolio* figures are aggregated and anonymized. AI referral and conversion figures come from five managed online-retail Google Analytics 4 properties with at least 100 transactions per period, comparing July to December 2025, January to June 2026, and July 1 to September 21, 2026. Assistant sessions include ChatGPT, Gemini, Copilot, Perplexity, and Claude source labels. Landing-page figures come from the largest of those properties and classify pages by URL pattern. Google Ads figures come from three linked accounts and use platform-reported conversion value. Full paid-book channel mix covers 56 managed Google Ads accounts. No client is identified.

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