LTM

POV

Everyone's Betting on Agentic Commerce

Here's Why Retail Isn't Ready

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1. Introduction

Commerce has evolved through successive waves of innovation, from store-led retail and e-commerce to data-driven and AI-assisted experiences (as shown in Figure 1). Each wave has reduced friction, improved decision-making, and increased personalization for customers.

The next evolution is agentic commerce, where AI moves beyond generating insights and recommendations to executing actions on behalf of customers within predefined preferences and business rules. Thus, AI is moving from recommending to autonomously executing commerce tasks.

As organizations prepare for this shift towards agentic commerce, the opportunity extends beyond customer experience to revenue growth, operational efficiency, and new business models.

This shows how The POV explores the agentic commerce landscape by exploring the architecture, building blocks and the value creation areas of agentic commerce and agentic AI for retail. We also consider the degree of human-agent autonomy and provide recommendations to unlock future-state competitive advantage by rearchitecting businesses around agentic systems.

2. Agentic Commerce: Architecting the Future of Intelligent Commerce

2.1 The Rise of Agentic Commerce

Over the years the landscape of commerce has evolved based on emerging technological innovations. Traditional commerce led to digital commerce followed by data-driven commerce. Subsequently, the advent of AI gave rise to AI-assisted commerce which is in turn evolving into agentic commerce.

Agentic commerce is an ecosystem of intelligent AI agents that perceive context and the customer's need state, make decisions, and execute commerce actions across the customer journey with minimal human intervention, while being governed by business policies and human oversight.

A report by Morgan Stanley indicates this shift and points out that agentic shoppers could represent USD 190 to 385 billion in U.S. e-commerce spending by 2030, capturing 10-20% of market share[1].

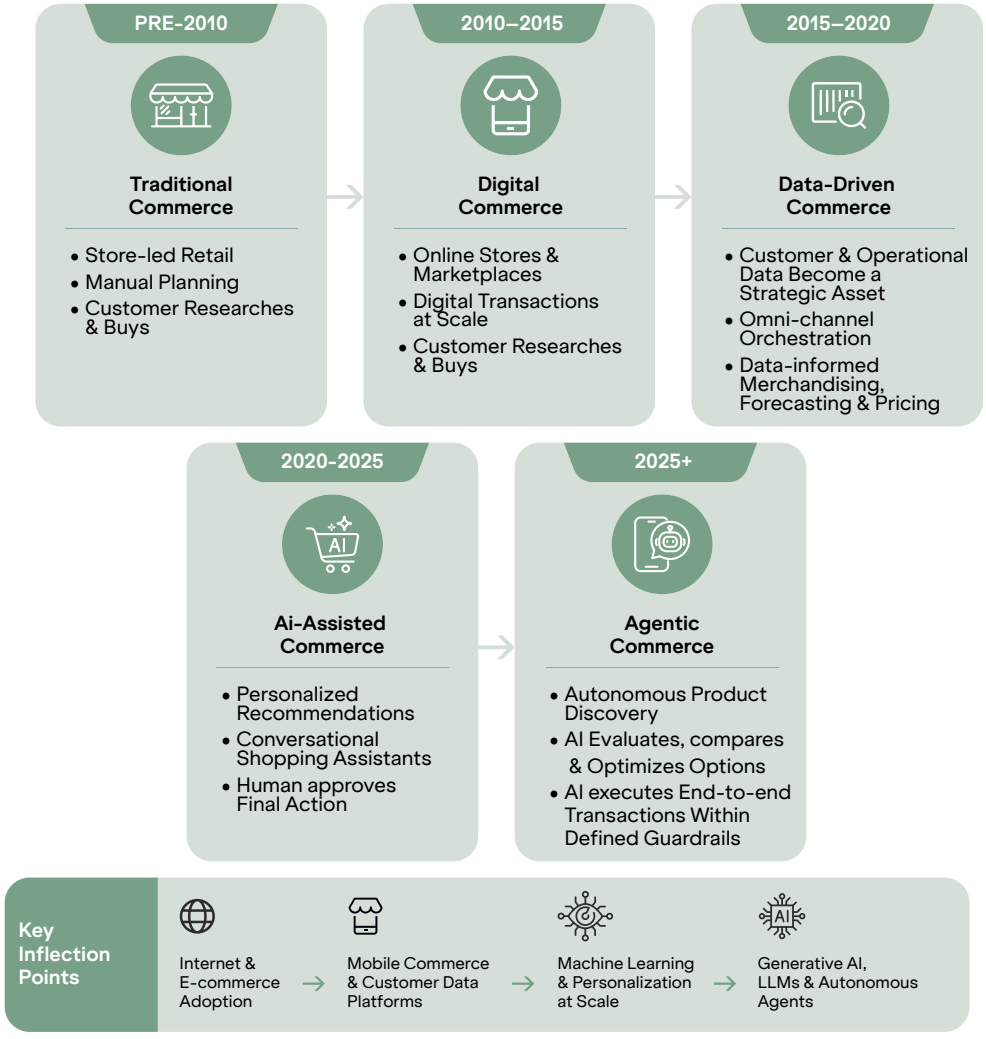

Figure 1: Evolution of Commerce

> The future of commerce is being rewritten – by agents
>
> Harley Finkelstein, President of Shopify

2.2 Building Blocks of Agentic Commerce

Agentic commerce transforms a “destination-based activity” to a “conversational, intent-driven” experience.

Delivering agentic commerce requires more than intelligent AI agents. It depends on an integrated architecture that connects customer channels, enterprise data, business services, and governance into a unified decision-making ecosystem. Understanding these architectural layers helps organizations identify the capabilities required to scale trusted, secure, and governed agentic commerce.

Architecture of Agentic Commerce

Let’s take a look at the components required for agentic commerce architecture:

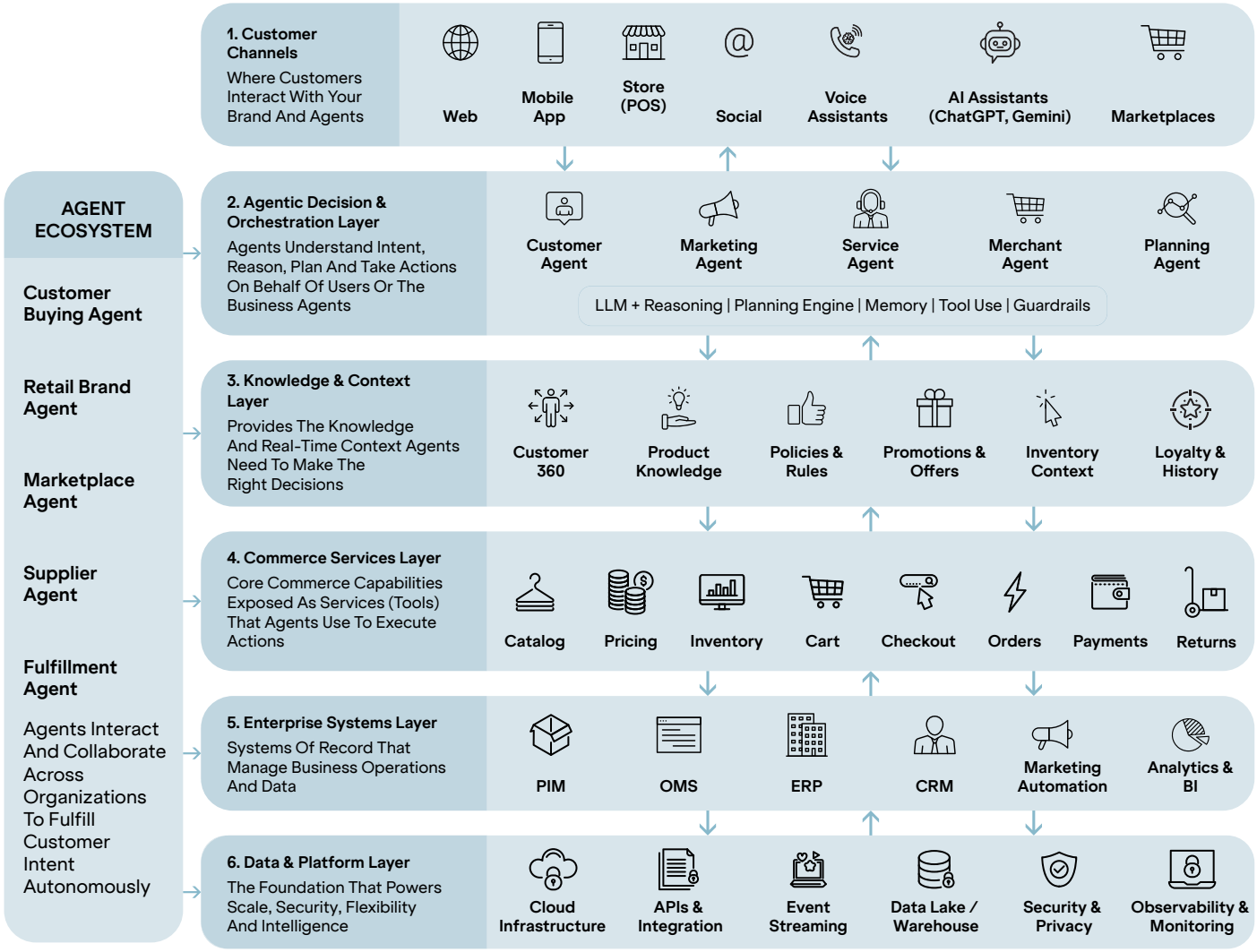

Figure 2: Architecture of Agentic Commerce

- **Customer Channel Layer:** It represents the interfaces where customers interact and express intent.
- **Agentic Decision and Orchestration Layer:** It contains autonomous agents that understand intent, make decisions, orchestrate workflows, and execute actions on behalf of customers, employees, and the business.
- **Knowledge & Context Layer:** It provides customer, product, inventory, policy, and business context that agents use to make informed decisions.
- **Commerce Services Layer:** It contains the reusable commerce capabilities such as catalog, pricing, inventory, cart, checkout, orders, payments, and returns that agents invoke to fulfill objectives.
- **Enterprise Systems Layer:** It contains the systems of record that manage products, customers, orders, finance, supply chain, and marketing operations.
- **Data & Platform Foundation Layer:** It provides infrastructure, APIs, integration, security, governance, and observability to support scalable agent operations.
- **Agent Ecosystem:** It represents a network of collaborating agents that can communicate and transact directly with one another which creates the foundation for agent-to-agent commerce.

2.3 Value Creation Areas in Agentic Commerce

Agentic commerce delivers value for business leaders and customers by embedding autonomy and continuous adaptability in the customer journey.

AI agents orchestrate customer interactions, commercial decisions, operational workflows, and continuous optimization as an interconnected system, instead of optimizing individual touchpoints. This creates measurable business outcomes through faster execution, greater personalization, improved commercialization and governed autonomy.

The five value creation areas shown in Figure 3 represent the foundational capabilities that enable organizations to scale agentic commerce responsibilities and realize sustainable business value.

Figure 3: Value Creation Areas in Agentic Commerce

> AI agents are becoming a new customer
>
> Ekta Chopra, Chief Digital Officer, e.l.f. Beauty

2.4 Agentic Customer Journey

The customer journey in an agentic-first commerce experience is fundamentally different from a traditional commerce journey.

Traditional commerce is characterized by continuous human involvement across every stage of the customer journey, from product discovery and evaluation to purchase and post-sales support. Agentic commerce fundamentally changes this operating model by redistributing responsibilities between humans and intelligent AI agents.

Rather than replacing human decision-making, AI assumes responsibility for repetitive, time-sensitive, and data-intensive activities, allowing customers to intervene only when approval, strategic judgment, or exceptions are required, reducing friction throughout the commerce lifecycle. Figure 4 demonstrates how the balance of responsibility shifts from human-led interactions to AI-orchestrated execution across each stage of the customer journey.

Stage	The Agent Does (Action)	Typical Situations / Triggers
Anticipate Before The Customer Acts Move From Reactive To Proactive	• Agent **Predicts Intent** Of The Customer Using Behavior, Context And Signals • Nudges With **Relevant Suggestions**, Content And Offers	• Upcoming Need, Event Trigger • Past Purchase History
Discover Intent To Help Find The Right Options Intelligently	• Agent **Scans Across Channels** And Inventory To Understand Intent • Recommends The **Best Fit** Products Or Solutions	• Customer Context (Preferences, Reviews, Behavior) • Location, Device, Time And Channel
Evaluate The Price And Choice	• Agent **Curates The Shortlist** Of Relevant Options • Compares And **Optimizes Price**, Value, Promotions And Availability	• Discounts, Promotions Available • Negotiations, Approvals
Transaction Where Checkout Is Invisible	• Agent **Auto-Completes Cart** With The Best Selections • Executes **Payment Seamlessly**	• Customer Ready To Buy • Preferred Payment Method Available
Fulfill The Post Purchase And Pre-Delivery	• Agents **Track Delivery** In Real-Time And Send Proactive Updates • **Resolve Exceptions** Before Customer Needs To Ask	• Order Is In Transit • Delivery Delays, Address Changes
Post-Purchase Support Becomes Automated	• Agent **Initiates Support** For Returns, Exchanges, Refunds • Manages **End-To-End To Closure**	• Return Or Exchange Request • Refund, Replacement, Cancellation

Figure 4: Agentic Customer Journey

3. The Limits of Agentic Autonomy

Although agentic commerce enables a seamless customer journey, in order to build trust and scale AI agents must operate within business policies, human oversight, and enterprise data constraints that govern how decisions are made.

3.1 Boundaries of Agentic Autonomy

Every organization has its commercial goals, risk limits, compliance needs, and operational restrictions that shape decision-making. In addition, pricing actions may be affected by margin goals, inventory choices may depend on supply availability, and promotional plans must fit within its brand and legal requirements. As a result, agentic systems need to work in business-defined boundaries which are set by human stakeholders while organizations maintain strategic control. AI's role is not to replace human judgment but to make faster decisions and maintain consistency within these established limits.

3.2 Human Judgment Remains Critical for Exceptions

In a retail ecosystem consumer preferences can change quickly, viral trends can appear suddenly, supply disruptions can happen unexpectedly, and outside events can greatly impact demand patterns. While AI agents can handle routine decisions well, they often struggle with new situations that don't follow past trends. These exceptions usually need context, experience and judgment that are not easy to turn into algorithms. As a result, human involvement is still essential for managing unique cases, solving conflicts, and making important trade-offs.

Instead of removing human input, effective agentic commerce solutions should be designed to smoothly escalate exceptions to the right teams when human intervention is necessary. Gartner predicts that by 2030, 75% of B2B buyers will prefer sales experiences that focus on human interaction rather than AI2. This pushes organizations to rethink how they will set up their sales and customer engagement strategies.

3.3 Trusted Data Enables Autonomous Decisions

The effectiveness of agentic systems depends on the quality of the data that supports these systems. E-commerce platforms generate a lot of customer, transaction, and behavioral data, but this information is not always complete, accurate, or consistent. Customer journeys often span multiple devices and channels, creating fragmented views of behavior. Data delays, duplication, and incomplete customer profiles can further distort the signals needed for autonomous decisions.

As organizations boost the level of autonomy in commerce operations, the need for trusted, integrated and high-quality data grows. Because of this, data governance and identity resolution are essential for scaling agentic commerce successfully.

While these limitations present important considerations, that are not barriers to adoption. Organizations with strong data foundations, governance and operating models will be best positioned to scale agentic commerce responsibly and realize its full potential.

4. Winning in the Age of Agentic Commerce

Agentic commerce has the potential to transform retail by making customer journeys more personalized, proactive, and efficient. However, the technology is advancing faster than many retailers' ability to support it. Fragmented data, legacy systems, governance gaps, and operational exceptions continue to limit true autonomy. The retailers that will succeed are not necessarily those that adopt AI first, but those that build the foundations of trust, data quality, resilience, and human oversight needed to scale it responsibly. AI agents are not replacing commerce; they are enhancing it. The future belongs to retailers that can combine machine intelligence with human judgment, directing intelligence without surrendering control, to deliver better decisions, faster execution, and superior customer experiences.

4.1 Key Takeaways for Retail Leaders

Realizing value from agentic commerce and agentic AI for retail requires a persona-led approach by mapping capabilities to strategic priorities and KPIs of key decision makers across retail organizations.

Retail brands need to reposition themselves with respect to their agentic commerce strategies to gain the first-mover advantage. The ecosystem around it must be ready and a controlled yet scalable autonomy is built. To enable this, organizations need to strengthen their capabilities (Figure 5).

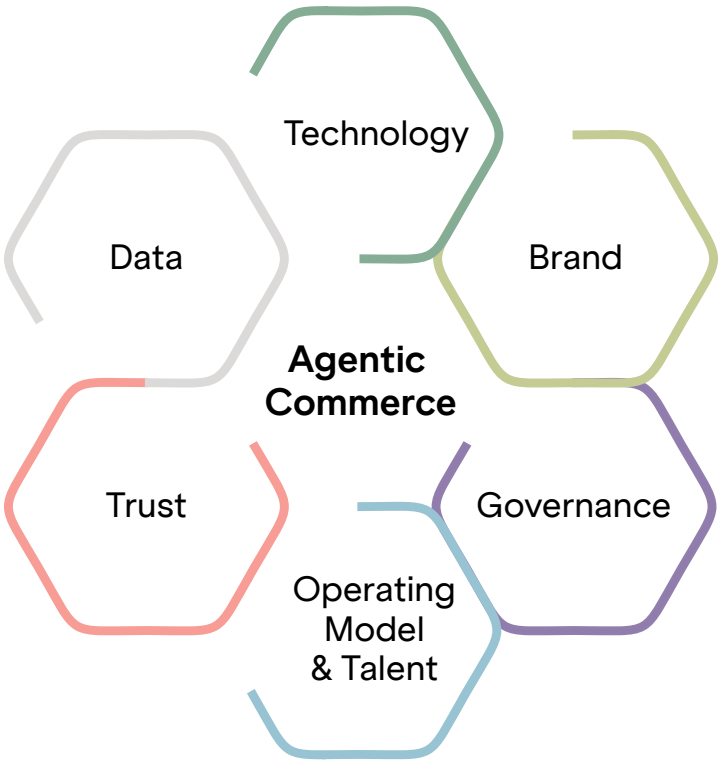

Figure 5: Agentic Commerce Capabilities

Pillars to focus on in order to improve capabilities to support agentic commerce:

- **Technology:** Retailers need to think how they can build a robust technology moat that will support their ecosystem to adapt to new customer expectations. That will help in real-time decision making and adaptability to latest customer expectations.
  - A platform-neutral agentic layer that will separate decision logic from channels allowing retailers to scale across ecosystems without lock-in.
  - A headless experience layer wherein the front-end experiences (web, apps, and POS) are separated from back-end systems enabling faster innovation.
- **Brand:** Retailers should differentiate their brand positioning, set their brand apart in the competitive market and strengthen their brand identity since agentic AI will increasingly handle customer interactions. These experiences will evolve in real-time, making discovery feel intuitive, not engineered and designed to follow real customer behavior and not rigid funnels.
- **Trust:** Agentic commerce cannot scale on intelligence alone; it needs to scale on trust. Retailers should be able to develop and retain the customer's trust in agents and maintain safety, transparency and respect where agents will handle decision-making for commerce.
- **Data:** Retailers should lay the foundation of clean, unified, and reliable data for agents to take decisions. A unified decision engine that will evaluate the identity, consent, and behavioral signals to deliver the best actions to ensure they comply with ethical principles and regulatory guidelines.
- **Governance and Risk:** Agentic systems are designed to handle real-time edge cases. Unnatural click speeds, bot attacks, order failure, repeated actions and other triggers need to be flagged based on a risk-score and self-healed.

  Decision-making at scale increases the risk, where a single faulty prompt can trigger unintended consequences without consent. Since agents are interconnected across multiple systems, even minor errors can have exponential impact, and resilience becomes a crucial design principle.
- **Operating Model and Talent:** Humans will shift from decision-making to supervision while agentic AI systems will build acumen to take real-time decisions. Humans will step back from micromanaging execution and focus on defining guardrails to ensure compliant and aligned outputs.

Agentic commerce is not the next digital channel. It represents a fundamental shift in how commerce decisions are made, executed, and governed. The retailers that succeed will not be those that automate the most processes, but those that combine trusted data, governed autonomy, and human judgment to create intelligent, resilient, and customer-centric commerce.

We expect to find ways to partner with third-party AI shopping agents over time.

Andy Jassy, President and CEO of Amazon

5. Conclusion

Agentic commerce is not simply the next wave of AI innovation; it represents a fundamental redefinition of how commerce decisions are made, executed, and governed. As autonomous agents become active participants in the commerce ecosystem, retailers must rethink their technology architecture, data strategy, governance, and operating models to unlock their full potential.

The winners in this new era will not necessarily be those that adopt AI first, but those that combine trusted data, governed autonomy, and human judgment to build intelligent, resilient, and customer-centric commerce ecosystems. In the age of agentic commerce, competitive advantage will increasingly be defined not by who has the smartest AI, but by who enables AI to act responsibly, adapt continuously, and create measurable business value at scale.

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Shreya has a decade of global experience in retail consulting across India, Dubai, and Kuwait. Specializing in PLM, supply chain, and omnichannel transformation, she helps drive measurable outcomes, reducing inventory excess, lowering stockouts, and delivering sustained revenue and margin growth through data-driven strategies.