Feedvisor

NEW RESEARCH

The State of Brand Commerce in 2026

Insights from over 1,000 brands on retail media economics, performance pressure, and operating model maturity

The Accountability Era of Retail Media.

How Cost Pressure, Measurement Maturity, and System Architecture Are Redefining Competitive Growth in 2026

In many respects, 2025 appeared resilient. Online sales advanced. Retail media budgets expanded. AI-powered tools and new advertising formats gained traction. Investment remained steady.

Yet beneath those indicators, the mechanics of growth shifted. Monetization became more difficult. Retail media grew more expensive to scale. Performance became harder to forecast with confidence. Momentum softened and required greater discipline to sustain.

This year's Brand Survey captures an industry entering a new phase defined by accountability. Cost pressure was nearly universal, CPC inflation spread across categories. As margins compressed, scrutinyintensified.

The impact, however, has not been evenly distributed.

The data reveals a widening performance gap. Some brands report increasing confidence in incrementality, capital allocation, and cross-channel coordination. Others describe mounting volatility and rising scrutiny over performance returns. The differentiator is not how much they spend, but how their operating model is structured.

Retail media is no longer a peripheral growth lever. It now sits at the center of commercial performance. And central systems require coordination.

The ***2026 Brand Survey*** identifies three defining shifts shaping the next phase of retail media and commerce:

- **Retail media has entered an accountability era**
- **Measurement maturity has become a strategic advantage**
- **AI delivers measurable returns only where data foundations are robust**

The findings that follow examine how leading brands are re-architecting performance from the inside out. Advertising, pricing, inventory, and audience strategy are now interdependent variables. When aligned, they create stability and compound growth. When siloed, they magnify cost and unpredictability.

The environment has not contracted. It has tightened. Growth remains available, but it now belongs to organizations that operate with discipline, alignment, and validated impact.

This report explores how brands are responding: recalibrating channel mix, absorbing cost pressure, structuring full-funnel activation, and strengthening measurement frameworks to build durable competitive advantage in a market where precision is a prerequisite.

Dani Nadel
President and Chief Operating Officer,
Feedvisor

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2026 Brand Snapshot

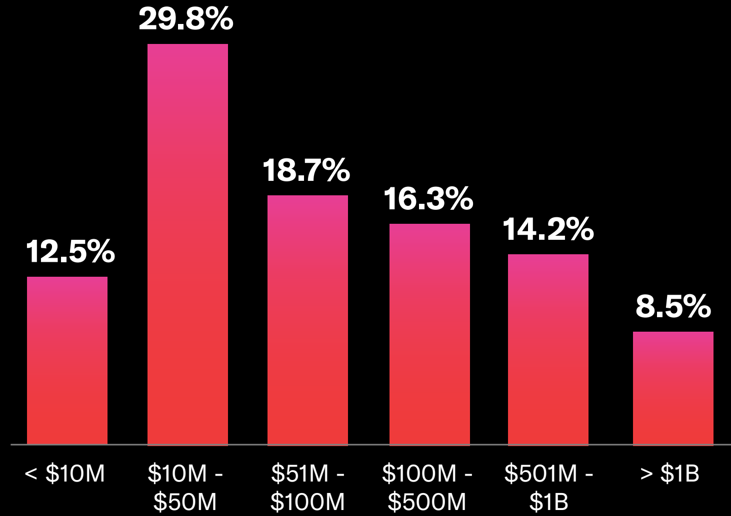
SELLING MODEL BREAKDOWN

55%	Hybrid (1P+ 3P)
26%	3P Only
19%	1P Only

BRAND CATEGORIES

Clothing, Shoes, and Jewelry	62.9%
Electronics	48.4%
Beauty and Personal Care	47.9%
Health, Household, and Baby Care	39.9%
Home and Kitchen	37.7%
Grocery and Gourmet Food	37.5%
Toys and Games	36.5%
Tools and Home Improvement	34.3%
Sports and Outdoors	32.0%
Office Products	31.9%

REVENUE



RETAIL MEDIA FOOTPRINT

Amazon	100%	In-store retail media	29.2%
Walmart	46%	DoorDash	26.4%
Target	54.2%	Kroger	25.1%
TikTok Shop	49.7%	Temu	19.9%
Instacart	32.9%	Google PMax Retail	19.8%
Best Buy	31.6%	Shein	14.3%

This survey was commissioned by Feedvisor and conducted by Zogby Analytics, a nationally and internationally respected opinion research firm, on behalf of Feedvisor. It was distributed online from November 2025 to December 2025, among a national sample of 1000+ retail business decision-makers. Results from the full survey are based on a confidence interval of 95%, the margin of error is for +/- 4.4 percentage points. All numbers have been rounded to the nearest percent.

The Advertising Reality Shift

FULL FUNNEL: Lower Funnel Has Limits. Demand Creation is Back in 2026

63.7%
of brands expect retail media networks to evolve into full-funnel platforms by 2026

61.5%
of brands are running upper-funnel campaigns

70.4%
expect incremental budget to flow to Amazon DSP and Prime Video

36.7%
shift dollars off Amazon primarily to acquire new customers

COSTS: Growth is Up and Margin is Tight

Budgets are increasing, but so is cost pressure.
Advertising is becoming infrastructure required to defend visibility:

75.8% expect overall retail media budgets to increase

74.8% expect Amazon advertising budgets to increase

46.2% saw Amazon CPCs rise 1-10% YoY

31.5% saw CPCs rise more than 10% YoY

Meanwhile: Nearly 70% operate within a 10-20% TACoS range

Implication: Retail media remains the primary growth engine, but rising CPCs and normalized TACoS levels are compressing margin. Scale without efficiency erodes profit.

BRANDS AND AI: AI is No Longer an Experiment; It's Infrastructure.

AI has moved beyond testing and into core advertising operations, and is rapidly becoming a discovery interface.

47.6% plan to prioritize AI-driven optimization for 2026

50.3% use AI for audience building

44.8% use AI for forecasting

52.4% expect 11-25% of product discovery traffic to come from AI-driven interfaces

67.6% believe AI assistants will have the greatest impact on their business

Implication: AI is reshaping both performance optimization and how shoppers find products. Brands embedding AI into workflows today will compound advantage tomorrow.

Current Market Reality: Growth Under Pressure

Current Market Reality: Growth Under Pressure

Why Retail Media Feels Harder in 2026

While retail e-commerce continues to grow in absolute terms, beneath the surface of headline figures lies a more complicated reality: growth that feels slower, margins that are tighter, and a retail media landscape that is both necessary and increasingly competitive.

In 2025, total global e-commerce sales reached approximately $6.01 trillion, representing a 6.86% increase over 2024.[1] Yet, despite this acceleration in nominal sales, many brands and analysts describe this as not true underlying growth — growth that is sustainable, margin-positive, and reflective of real demand expansion rather than macroeconomic or tactical timing effects.

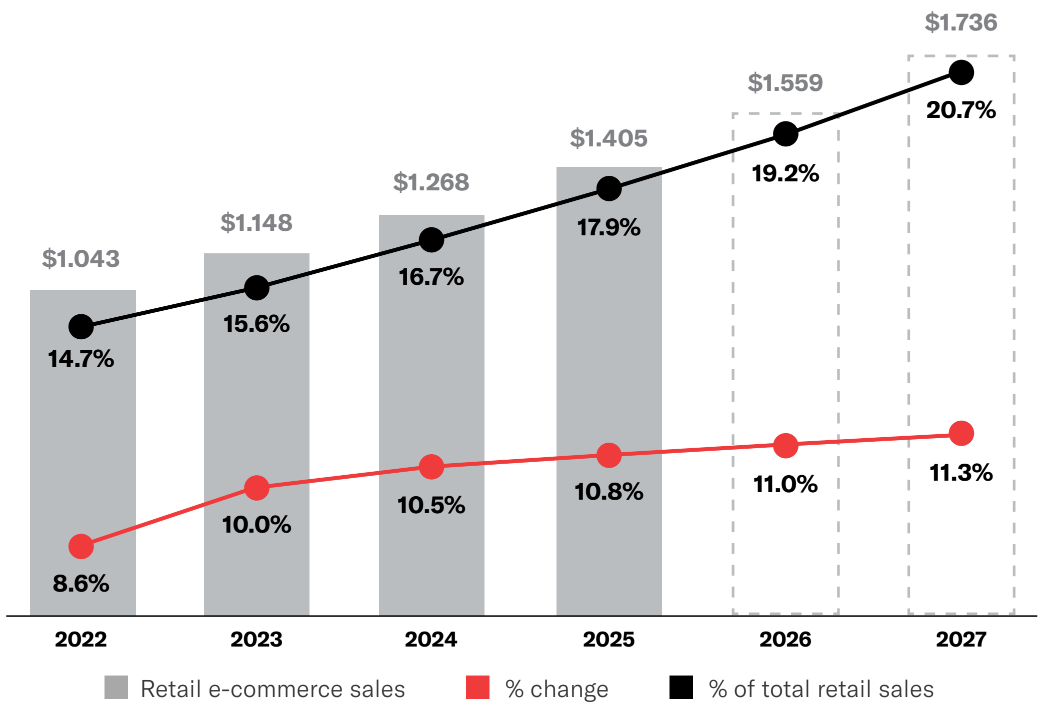
The Macro Backdrop: Retail Growth is Flattening

The broader U.S. retail context underscores this tension. According to recently released census data, overall U.S. retail sales growth in 2025 was a modest 3.7%, a pace that suggests slower real-term expansion when adjusted for inflation and policy headwinds.[2]

Several external pressures are moderating growth:

1. **Inflationary pressure** continues to erode consumer purchasing power, keeping price sensitivity high across categories.
2. **Federal policy dynamics,** especially around tariffs and trade, have introduced persistent uncertainty into planning and pricing strategies for brands large and small.

U.S. retail sales growth trends



Source: eMarketer

[1] *Capital One*
[2] *US Census Bureau*

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Tariffs, Timing, and the Illusion of Volume Gains

One of the significant near-term influences on e-commerce volume was tariff uncertainty. As higher tariff rates loomed, many consumers pulled purchases forward in anticipation of rising prices, temporarily boosting online order volumes.[1]

At the same time, shoppers increasingly gravitated toward discounted goods and essential categories, concentrating spend where value felt most defensible. Purchase timing also became more tactical, with consumers aligning buying decisions around promotional moments and major sales events rather than maintaining steady purchasing patterns.

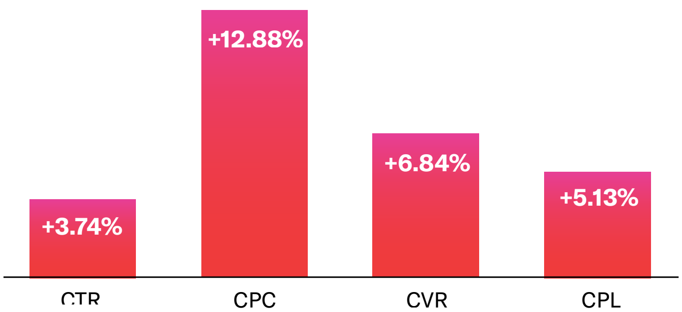
While this created the appearance of stronger growth in e-commerce data, it also masked underlying demand weakness, since some of these purchases likely would have occurred regardless, just at a different time.

Margin Pressure and Media Inflation Are Structural

Beyond rising costs of goods and inflationary pressure, brands are now facing sustained media inflation. As more advertisers compete for limited attention across retail media, search, social, and streaming environments, the cost of visibility has structurally increased.

Customer acquisition is becoming more expensive not because of short-term volatility, but because paid exposure is increasingly required to drive and defend demand. Media inflation is now embedded in the operating landscape, compounding margin pressure across the commerce stack.

YoY Change in Key KPIs



Source: wordstream

[1] CNBC

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Efficiency Over Pure Growth

Across all verticals, the tension between constrained growth and rising acquisition costs has made brands prioritize efficiency and profitability over raw scale.

- **27%** of brands identified disciplined efficiency, measured through tighter TACoS control, as their primary focus.
- **21%** of brands emphasized customer loyalty and retention
- **21%** of brands emphasized cited profitability as their top priority.

This recalibration is happening against a stark economic reality. **Customer acquisition costs have risen by nearly 60% over the past several years,** fundamentally changing the unit economics of growth.

Today's merchants now lose an average of $29 for every new customer acquired.[1]

In many categories, the first transaction no longer covers the acquisition investment. When returns, discounts, and fulfillment costs are layered in, margin erosion accelerates quickly.

At the same time, the path to offsetting those losses through repeat purchases has become more difficult. **Brand loyalty has declined 5% since 2024, according to SAP, falling to 29% overall** and marking the first drop in five years. This erosion reflects increased consumer price sensitivity, greater assortment parity across marketplaces, and the growing ease with which shoppers switch brands based on availability, promotions, or algorithmic recommendations.

In other words, brands are paying more to acquire customers who are less likely to remain loyal.

In a market where first purchases frequently lose money and repeat behavior is less predictable, growth without discipline is simply cost acceleration.

[1] SAP

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The Amazon Effect: Scale, Dependence, Risk

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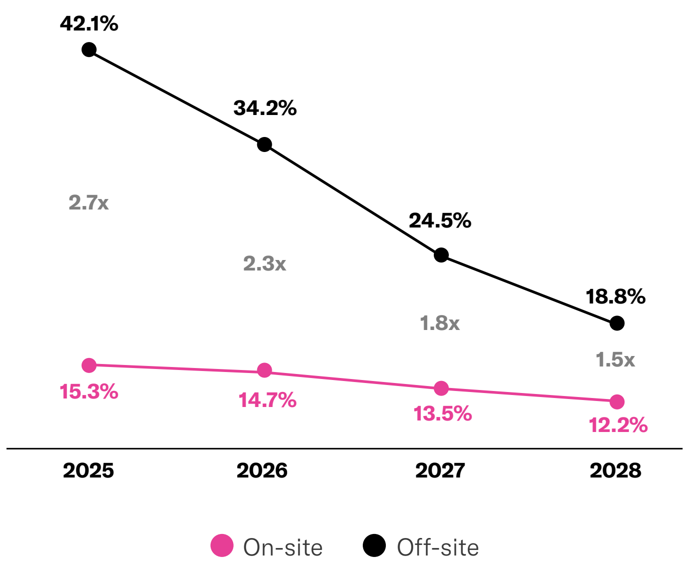
Retail Media: Vital Yet Intensifying Competition

Retail media remains one of the fastest growing segments in digital commerce, but its growth is no longer effortless. While budgets continue to expand, growth rates are moderating, and incremental dollars are becoming harder to unlock. What once functioned as a scalable performance lever is now a competitive requirement for maintaining visibility and defending share.

In 2026, U.S. retail media spend is projected to grow by approximately 17.9% to nearly $70 billion, but momentum is stabilizing.[1]

US Retail Media Ad Spend Growth



Much of that expansion is being driven by off-site and connected TV formats, which are growing at two to three times the rate of on-site retail placements. Retail media is no longer confined to lower-funnel conversion activity. It is expanding into full-funnel territory, competing directly with traditional digital and brand media budgets.

Yet this expansion has not dispersed power evenly across the ecosystem.

Retail media growth remains highly concentrated, with Amazon continuing to function as the primary demand capture engine for most brands. As networks proliferate across marketplaces, social platforms, and programmatic environments, brands face more buying options, but also more fragmentation, inconsistent measurement standards, and overlapping audiences. Rather than reducing competition, this fragmentation has intensified it. **More advertisers are bidding across more formats, often with limited visibility into true incrementality, sustaining upward pressure on bids and CPCs.**

Compounding this complexity is the structural separation between media and commerce data. Many of the largest retail media networks also operate marketplaces, but advertising within them is not synonymous with transacting on them. Brands advertise on retail media networks even if they do not sell on the underlying marketplace. Media performance may live in one system, while pricing, inventory, and conversion data reside elsewhere. The result is a growing disconnect between spend and true business impact.

This dynamic creates a paradox. Retail media is essential for growth and visibility, yet increasingly difficult to operate efficiently. Nowhere is this tension more pronounced than on Amazon.

[1] *Emarketer*

Amazon Remains the ROI Anchor

Amazon remains the dominant performance engine for e-commerce brands, yet operating within the platform has become increasingly complex and expensive.

*In fact, **62%** of brands derive at least a quarter of their e-commerce revenue from Amazon alone, creating both opportunity and dependency risk.*

However, rising costs and intensifying competition for attention are forcing brands to rethink how they operate within the platform. Brands are not questioning Amazon's importance, but they are questioning how to sustain performance as costs rise and incremental gains become harder to unlock.

Categories wtih strongsst ROI

- Sports and Outdoors
- Tools & Home Improvement
- Electronics

ROI by Retail Media Network

Maximize ROI on Amazon and Walmart with AI-driven advertising—here's how.

Pressure Concentrates Among Large, Established Brands

Pressure on Amazon is not evenly distributed. It is most acutely felt by larger, more established organizations with significant exposure to the platform.

Percentage of brands reporting heightened pressure operting on Amazon

68% of retail brands

50% of national or global brands

These brands tend to share similar characteristics: nearly 30% employ more than five hundred people, and 42% have been in business for five to ten years, reflecting operational maturity and scale. With deeper assortments, broader media investments, and higher revenue concentration on Amazon, even modest shifts in costs or efficiency have outsized business impact.

Category dynamics further intensify this pressure, with **63% of brands in the Clothing, Shoes, and Jewelry feeling it most.** This category is defined by high competition, rapid assortment turnover, and limited differentiation, all of which amplify bidding pressure and make efficiency harder to maintain.

AI can help you strike the right balance between ad spend and performance. Learn how.

The Hybrid Reality is Now the Norm

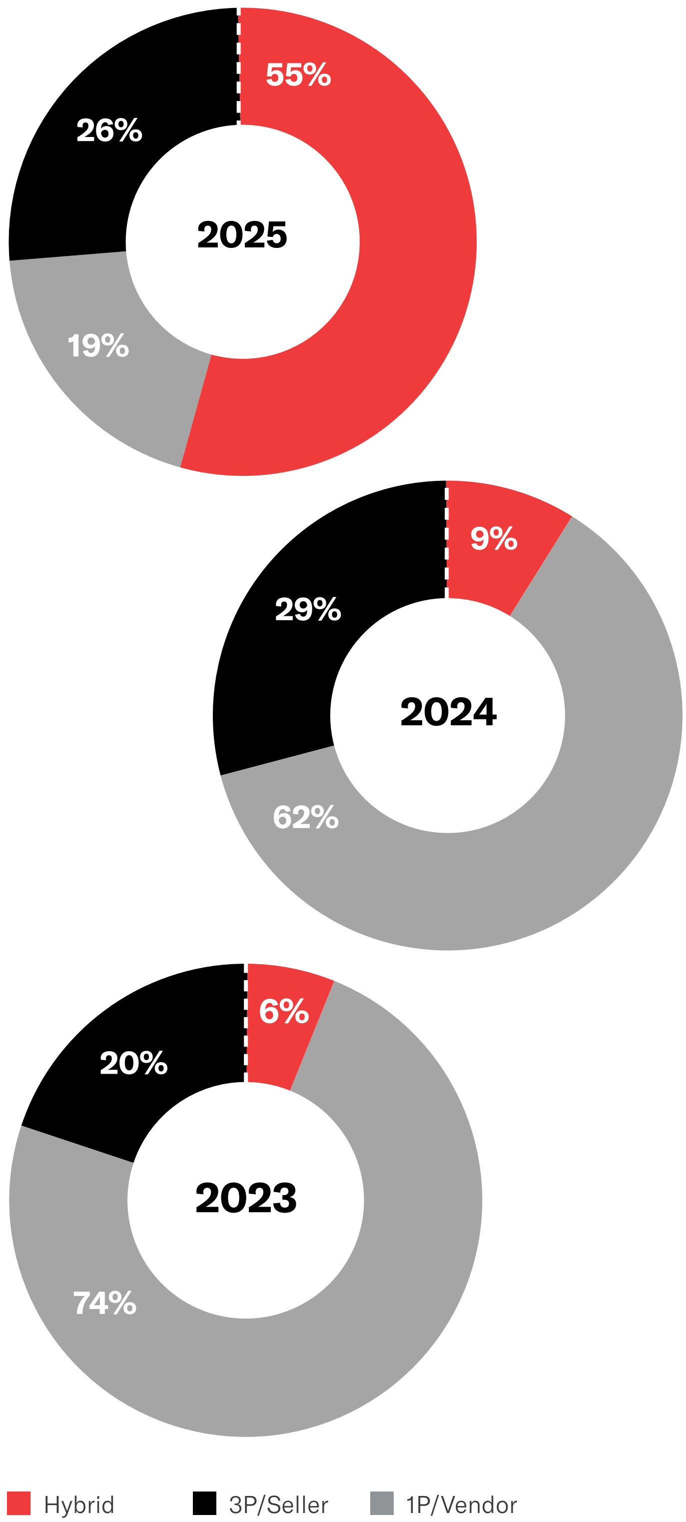
55% of brands now operate with a hybrid model: both vendor and seller

One way brands have sought to combat the intense competition and costs, is changing their operating model. Hybrid strategies that combine first-party and third-party selling are now standard practice rather than the exception. Over half of the brands surveyed operate using a hybrid 1P and 3P model. This represents a sharp increase from just 12% in 2022.

The rise of hybrid models reflects brands' need for flexibility in response to fees, inventory risk, and margin pressure. While hybrid operations offer greater control and optionality, they also introduce additional complexity. Brands must now coordinate pricing, inventory, forecasting, and advertising across multiple selling models while maintaining performance consistency.

For half of surveyed brands, Amazon contributes between 26% and 50% of total e-commerce revenue. At this level of dependency, Amazon performance is no longer isolated. Gains or losses on the platform directly shape overall business health.

Rise of Hybrid Selling



Retail Media in a Constrained System

Retail Media in a Constrained System

Competitive Density and Margin Compression

Retail media has fundamentally changed its role within the e-commerce growth equation. What once functioned as an elastic growth lever has evolved into a constrained system where spend continues to rise, but returns are under increasing pressure. Incremental gains, particularly at the lower funnel, are becoming harder to extract.

Spend ↑

Margin ↓

Efficiency improvements are no longer limitless. Gains that once came from bid optimization or keyword expansion are increasingly offset by auction density, audience overlap, and structural media inflation.

Spend is No Longer Flexible, It Is Accountable

Budgets are still expanding. U.S. retail media ad spend is projected to reach nearly $69.33 billion in 2026, up from approximately $58.79 billion in 2025.[1] Yet much of that incremental growth, roughly $9.42 billion, is projected to flow primarily to Amazon Ads and Walmart Connect. Growth is concentrated. Competition is intensifying. Marginal efficiency gains are tightening.

76% of brands expect their overall retail media spend to increase.

74% of brands expect Amazon advertising budgets to rise.

But this growth is not unconstrained. Brands are reallocating within a fixed margin reality where fees are elevated, tariffs remain volatile, and media costs continue to inflate. Every incremental dollar must now prove efficiency, not just scale.

[1] *Emarketer*

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Margin Pressure and Media Inflation Are Structural

Alongside muted top-line growth, brands are grappling with escalating cost structures, particularly in digital advertising, where higher cost-per-click (CPC) and impression rates have elevated acquisition costs across channels.

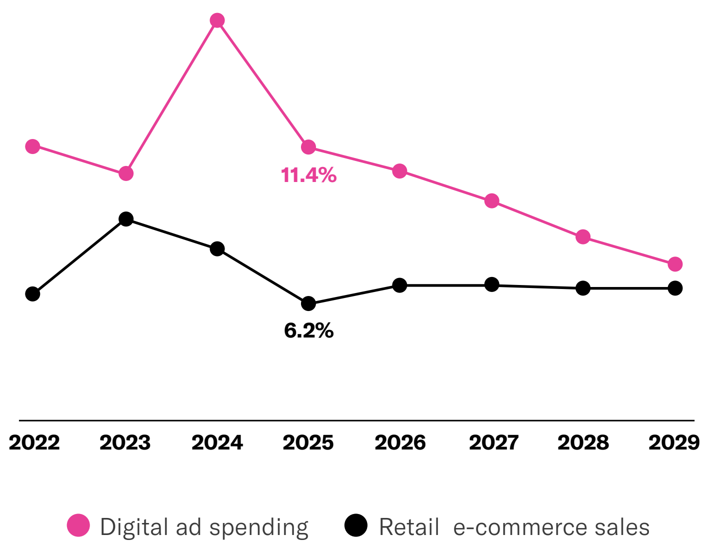
78% of brands reported CPC increases

These structural increases in CPC are not limited to any one platform; they reflect a broader, long-term shift in how digital media is bought, priced, and valued. For the 16th consecutive year, global ad spend growth has stayed above 10%, underscoring that overall media investment continues to expand even as individual channels become more competitive and cost-dense. In practice, this means advertisers are paying more for each touchpoint than they were even a few years ago, and those higher costs are persistent rather than cyclical.

While short-term pricing relief may occur in specific formats or during brief promotional windows, the underlying pressure remains elevated as more brands chase limited inventory in auction-based environments.

Industry forecasts reinforce this trend. According to GroupM's This Year Next Year report, global advertising investment is projected to grow at double-digit rates — supported by retail media, video formats, and programmatic channels — even as cost efficiencies diminish.[1] This shows what was once viewed as temporary cost pressure has hardened into a permanent shift. Digital media inflation is now embedded in the operating environment.

Global Ad Spend vs. E-commerce Sales



[1] CNBC

Which Categories Are Hit Harder?

Not all verticals experienced media cost pressures equally. The hardest hit categories are Home & Kitchen brands (47% said cost pressures affected them most), Sports & Outdoors followed closely at 46% and Office Products at 41%.

Categories With Higher CPC's

Home and Kitchen	72.6%
Electronics	71.6%
Office Products	71.3%
Tools and Home Improvement	71.0%
Toys and Games	70.3%

These categories share structural characteristics that amplify cost pressure as competition intensifies across retail media environments.

Across all three categories, high competition for generic, high-intent keywords, limited product differentiation, strong marketplace and private label participation, and tight margin structures combine to magnify the impact of rising CPCs.

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The Core Conflict: ROI Leadership vs. Rising Costs

As already mentioned, Amazon continues to rank as the leading retail media network for return on investment, with 60% of brands placing it at the top for performance. Yet that leadership now coexists with rising cost pressure.

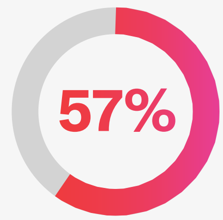
46% of brands saw CPCs rise up to 10% year-over-year

Higher advertiser density, expanded ad formats, and greater reliance on paid visibility to maintain share have created a structurally more competitive auction environment. Performance persists, but incremental efficiency gains are harder to unlock.

Which is why brands are adjusting their operating model.

Rising CPCs cutting into return? Shift from spend-based growth to AI-driven efficiency—here's how.

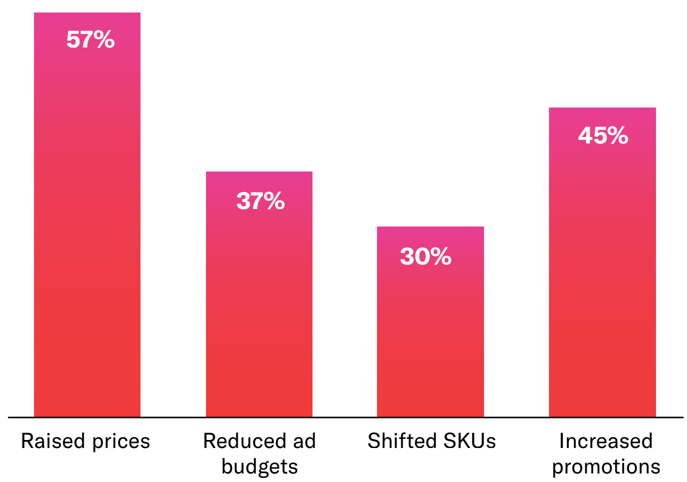
The Reaction: Pricing Discipline and Margin Protection



of brands report **raising prices** to offset margin pressure.

To counter rising fees, tariffs, and media costs, brands are taking more direct action on pricing and profitability.

Ways Brands Are Offsetting Margin Pressure



At the same time, pricing sophistication has accelerated rapidly.

Almost all (96%) of brands now use dynamic pricing tools, signaling near-universal recognition that static pricing is no longer viable at scale. More importantly, 57% of brands frequently coordinate pricing decisions with advertising performance data. This reflects a structural shift toward integrated decision-making, where pricing and media are treated as interconnected levers rather than separate functions.

This level of coordination represents a clear increase in operating maturity and reflects the realities of competing in a high-cost, high-dependency environment.

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Expanding the Battlefield

Expanding the Battlefield

Full-Funnel and Multi-Channel Strategies Take Hold

Retail media has matured, particularly at the point of conversion. Competition is higher and CPCs continues to rise. Incremental efficiency is harder to capture without disciplined execution.

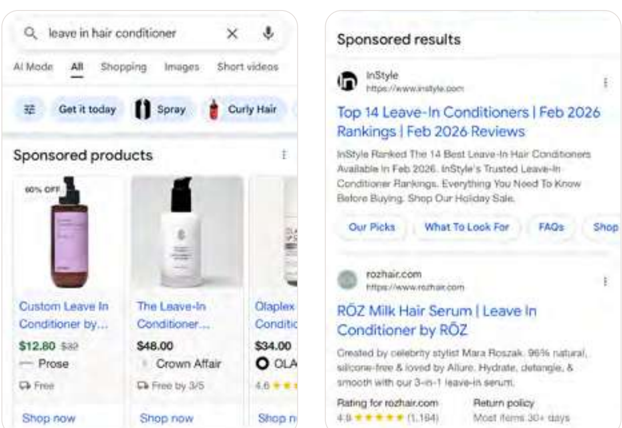
In response, brands are broadening their growth strategies. Rather than relying exclusively on lower-funnel demand capture, many are extending upward and outward, investing earlier in the customer journey and across complementary retail and commerce environments.

This shift does not signal a retreat from bottom-of-funnel performance. On the contrary, it reflects a recognition that lower-funnel value must now be mined with greater precision. Success depends on data-informed bidding, keyword targeting and audience refinement, pricing and promotions coordination, and inventory-aware allocation.

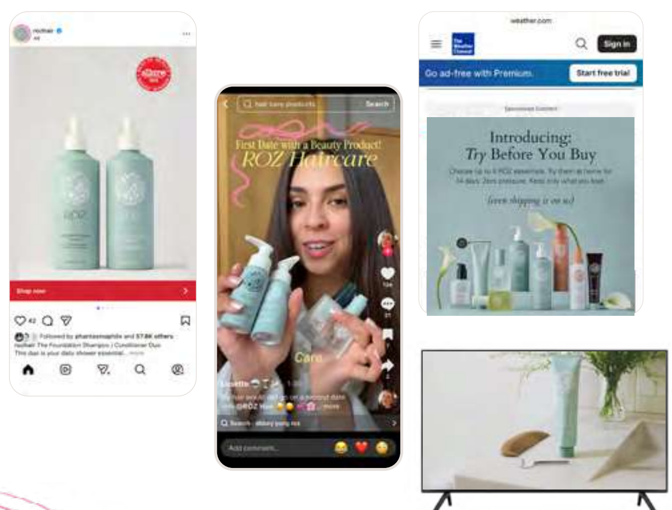
Expansion, therefore, is not an abandonment of what works. It is an acknowledgment that sustained growth requires both highly-orchestrated conversion strategy and deliberate demand creation.

The point of conversion remains central, but the battlefield has widened.

Retail Media Before



Retail Media After



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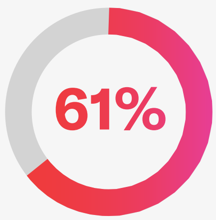
Moving Up the Funnel to Find New Demand

With bottom-funnel efficiency reaching its limits, brands are increasingly investing earlier in the customer journey.



of brands report running upper-funnel campaigns.

Among brands investing up the funnel, Amazon-owned channels dominate. 75% of brands cite Amazon DSP as a primary upper-funnel vehicle, while 63% are using Prime Video placements. These channels reach audiences before they enter the shopping mindset, helping to shape consideration rather than compete solely at the point of purchase.

Top Upper Funnel Channels

- **75%** DSP/OLV
- **63%** Prime Video
- **62%** Amazon Audio Ads (Amazon Music, and Alexa-enabled devices)
- **54%** Amazon OTT (Ad inventory across Freevee, Fire TV apps, publisher networks)
- **34%** Fire TV Sponsored Ads (Home screen and app store placements)

It appears brands are focusing more on the long game, since the primary objective of these investments is not immediate conversion. **A little over a third of brands identify reaching strategic target segments as the main goal of upper-funnel campaigns,** reflecting a focus on audience development and longer-term value rather than short-term efficiency alone.

Diversification Is About Incremental Reach, Not Dissatisfaction

While Amazon remains the performance anchor, brands are increasingly looking beyond it to support growth. Survey responses indicate that diversification is driven less by dissatisfaction and more by necessity.

Top Reasons for Brands' Budget Shifts

#1: New Customer Acquisition **37%**

#2: Incremental Lift **23%**

These responses highlight a critical inflection point. Brands are not abandoning Amazon, but they are recognizing that acquiring net-new customers at scale increasingly requires engagement beyond one marketplace. Lower-funnel competition on Amazon continues to intensify. Diversification therefore becomes a strategy for incremental reach rather than a rejection of performance.

The Rise of Walmart and Emerging Alternatives

67% of brands are on or looking to advertise on Walmart.

Walmart is emerging as the most significant complementary platform to Amazon. Almost half (46%) of surveyed brands currently advertise on Walmart Connect, with 21% planning to.

Walmart's growing role is supported by its broader business momentum. In the third quarter, Walmart's revenue grew 5.8% to $179.5 billion.[1] Much of this acceleration is being fueled by Walmart Connect, which has become a primary driver of high-margin growth and advertiser adoption.

This performance reinforces Walmart's positioning as a rising force in retail media strategy rather than a niche alternative. Despite the initial positive adoption, Walmart still has a long way to go to surpass Amazon's advertising spend.

Amazon still holds 80% of retail media spend while Walmart holds 8%.[2]

[1] *Walmart*
[2] *EMarketer*

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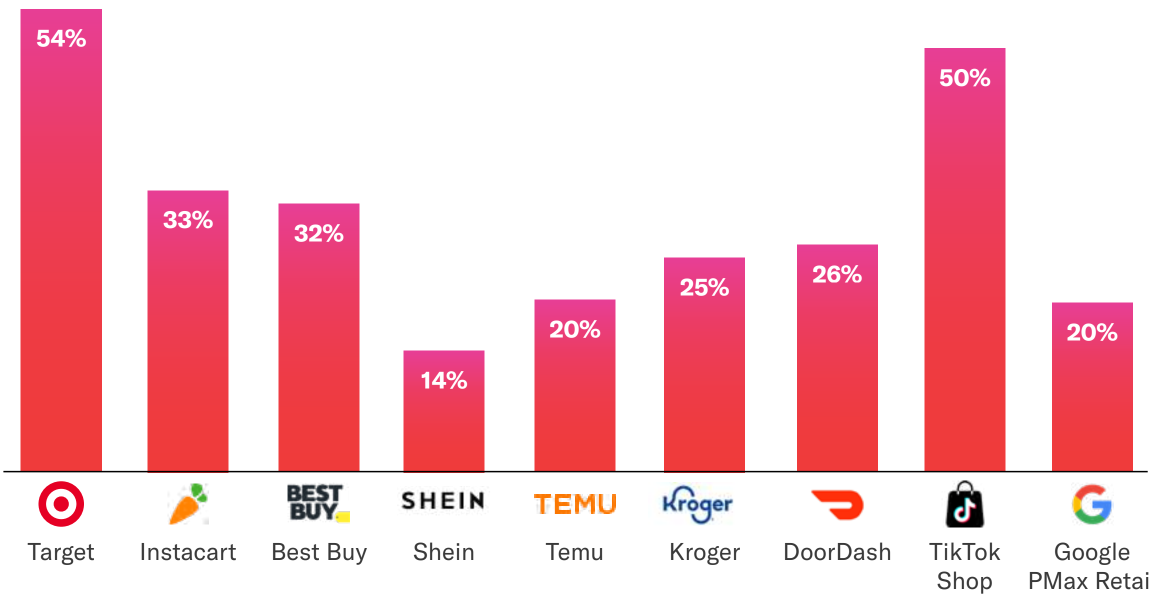
Channel Expansion Beyond the Big Two

As lower-funnel competition intensifies and efficiency gains plateau on core platforms, brands are carving out space to experiment in new retail and commerce environments.

Survey results show that experimentation in 2025 and 2026 is spreading across a wide range of retail media networks and commerce-adjacent channels. Target leads the list, with 54% of brands testing or growing investment, followed closely by TikTok Shop at 50%. These platforms offer distinct discovery dynamics, combining retail intent with brand storytelling and algorithmic exposure.

Channels Brands Are Growing or Experimenting With in 2026



Beyond these leaders, brands are exploring a diversified mix of environments: 33% report testing or expanding on Instacart, while 32% cite Best Buy, reflecting interest in category-specific retail media networks with strong purchase intent. Grocery and convenience-driven platforms such as Kroger and DoorDash are emerging as additional test environments, cited by 25% and 26% of respondents respectively.

In-store retail media is also gaining traction, with 29% of brands investing as physical and digital retail experiences continue to converge. While adoption of connected TV partners remains comparatively low, these tests point to growing interest in blending retail media with broader brand and reach-oriented formats.

In-store retail media and CTV

In-Store Retail Media **29%**

CTV Partners **8%**

Experimentation also extends into value and international marketplaces, with brands testing platforms like Temu and Shein, as well as into performance-driven extensions such as Google Performance Max for Retail.

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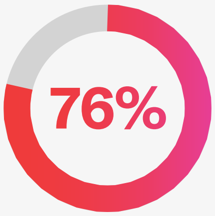
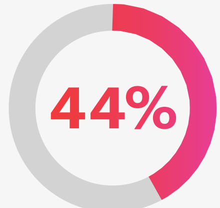
Where Incremental Dollars Are Flowing Next



of brands expect overall retail media to increase in 2026.

Even as brands diversify and experiment, incremental retail media investment in 2026 remains highly selective. Budgets may be growing but where new dollars flow reveals how brands are prioritizing scale, control, and measurable impact in a constrained environment.

Survey results show that Amazon-owned upper-funnel channels continue to dominate incremental investment. **The top destinations for new investment are Amazon DSP and Prime Video, cited by 70% of brands.**



of brands still plan to allocate incremental spend to sponsored ads.

This shift signals that lower-funnel performance remains critical, even as efficiency tightens.

Social and short-video commerce is also emerging as a major destination for incremental dollars, cited by 43% of brands.

These platforms offer discovery-led engagement and creator-driven influence that can introduce brands to net-new customers outside traditional retail search behavior. Connected TV and streaming formats follow closely, with 30% planning increased investment, reflecting continued interest in blending retail data with broader reach and brand-building formats.

Taken together, these patterns show that **incremental spend in 2026 is becoming concentrated in environments that combine full-funnel reach with measurable performance.** Brands are scaling platforms that extend audiences without sacrificing accountability, prioritizing validated demand over speculative reach.

The Measurement Reckoning

The Measurement Reckoning

Measurement and Data in a Fragmented Media World

As brands expand up the funnel and across platforms, the need for clarity has intensified. Brands are increasingly seeking answers that reflect true, incremental impact.

This shift is driven by necessity. As retail media spend rises and performance becomes harder to sustain, **confidence in measurement has become just as important as confidence in execution.** Brands are demanding greater transparency, deeper attribution, and measurement frameworks that can withstand scrutiny across platforms.

From Efficiency to Incrementality

Efficiency metrics still matter, but they are no longer sufficient. While 27% of brands prioritize ROAS, TACOS, or ACOS, a growing majority are invetsing in methds designed to isolalte incemerntal value:

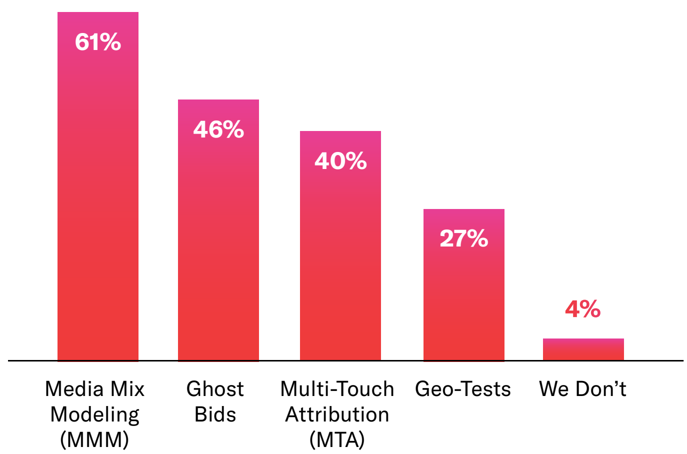
- **61%** use Media Mix Modeling
- **46%** employ Ghost bidding or hodlout testing
- **40%** rely on Multi-touch attribution

Ghost bidding and holdout testing signal a meaningful shift toward experimentation-based measurement. Rather than assuming that every attributed conversion reflects incremental demand, these brands are actively testing what would have happened in the absence of advertising exposure. This approach reflects greater measurement discipline and a recognition that last-touch attribution often overstates true impact.

Similarly, adoption of multi-touch attribution reflects the complexity of today's customer journey. As brands expand up the funnel and across retail media networks, social, and streaming environments, performance can no longer be understood through a single-click lens. Multi-touch frameworks attempt to map influence across touchpoints, revealing how upper-funnel investments contribute to downstream conversion.

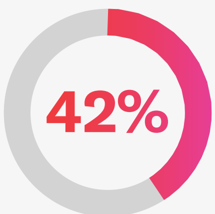
Together, these shifts indicate a move from performance visibility to performance validation, answering "Did this investment create net-new demand, and was it worth the margin it consumed?" vs "Did this ad drive a sale?"

Metrics Brands Use to Measure Incrementality



Measurement Infrastructure Becomes Strategic

This demand for truth is reshaping the data infrastructure brands rely on. While 66% of brands continue to use the Amazon Ads console as their primary reporting interface, adoption of more advanced tools is accelerating.



of brands now report using Amazon Marketing Cloud (AMC)

Importantly, brands see this as more than a temporary advantage: 79% of brands believe that AMC and clean room environments will be table stakes by 2026. As media strategies become more full-funnel and multi-channel, access to granular, privacy-safe data is increasingly viewed as a prerequisite for competitive performance.

Yet expanded infrastructure does not automatically translate into alignment. The most persistent breakdown is occurring at the audience level:

- **34%** of brands identify audience accuracy as their top measurement challenge, citing inconsistent segment definitions and limited cross-platform visibility
- **52%** of brands rate limitations caused by inconsistent measurement standards across RMNs

The challenge lies not only in data access, but data alignment. Without a common measurement language, brands struggle to confidently allocate budget, compare performance, or scale successful tactics across platforms.

Unify pricing, advertising, and retail signals into one measurable ROI framework. Learn more.

The Push for Standardization

Despite these challenges, brands are not pessimistic.

Almost 70% of brands expect meaningful progress in measurement standardization by the end of 2026.

This optimism reflects growing industry momentum around shared frameworks, improved clean room interoperability, and stronger collaboration between retailers, platforms, and advertisers.

While full standardization remains elusive, brands are clearly betting on improvement rather than stagnation. In the meantime, many are investing in internal capabilities and external partners to bridge gaps, normalize data, and extract actionable insights from imperfect systems.

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The New Operating Model and Agentic Future

The New Operating Model and Agentic Future

AI as "Copilot" in Modern Marketing and Commerce

Brands are increasingly relying on artificial intelligence not just as a tool, but as a copilot helping to augment human teams across optimization, forecasting, content creation, and audience work.

AI Use Cases Today: From Audience to Creative Execution

Brands are currently deploying AI across multiple strategic functions, driven by the need to manage scale and complexity more effectively.

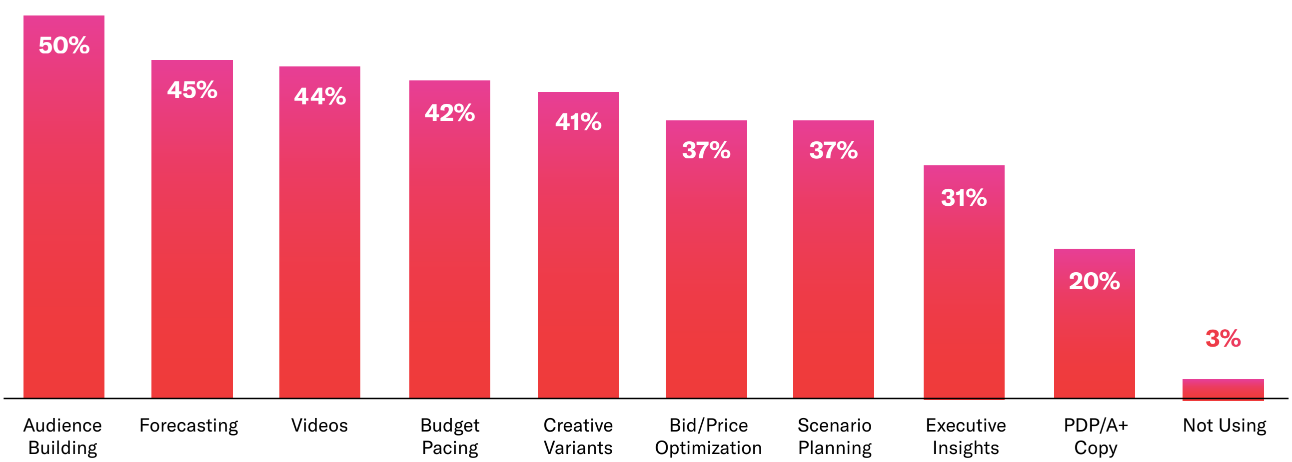
According to the survey:

- **50%** of brands use AI for audience building
- **45%** of brands use it for forecasting
- **44%** use it for video creation
- **49%** of brands describe their interaction with AI as a "copilot with human approval"

AI is augmenting teams, not replacing them. The model is a hybrid one, machine speed and human oversight.

This pattern matches broader industry trends. Recent analyses show that AI is deeply embedded in digital marketing workflows, where it automates routine tasks, accelerates insight generation, and tunes campaign elements in real time.[1] Reports indicate that upwards of 80–90% of marketers already using generative AI report measurable ROI and improvements in productivity, quality, and operational speed.[2]

AI Use Cases for Brands



[1] *AIDigital*
[2] *SurveyMonkey*

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The Productivity Boom: Quality and Speed on the Rise

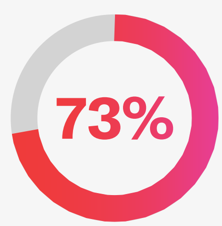
The impact of AI as a copilot is now tangible. When asked to rate the impact of AI on quality and speed, 48% of brands gave a top-box rating (5 out of 5) for quality improvements to their business, and 43% gave the highest rating for speed enhancements. These results reflect how teams are scaling workflows that historically required significant manual effort.

Content and Creative: Feeding the Machine

For many teams, the expertise and budget needed to produce high-quality creative, particularly video, are limited. As a result, AI has become a practical solution for filling this gap.

In the survey, **60% of brands identify product videos as their top-converting asset, reinforcing the growing importance of video across the funnel.** Yet traditional production models are resourece-intensve, limiting the volume and variation needed for continuous optimizaion. AI closes that gap. By automating scripting, versioning, and multi-format adaptation, brands can generate and refresh creative faster and at a lower cost.

This shift is already well underway across the industry. A significant majority of digital video advertisers are using or planning to use generative AI for video ad creation, with adoption rates nearing 90% in some sectors, signaling that AI-driven creative production is rapidly becoming standard rather than experimental.[1]



of brands report optimizing content for AI-driven search and shopping assistants

As Ai-generated output scales, optimization extends beyond production into how content is formatted, tagged, and surfaced within algorithimic environments. Visibilty now depends on how well content feeds the system.

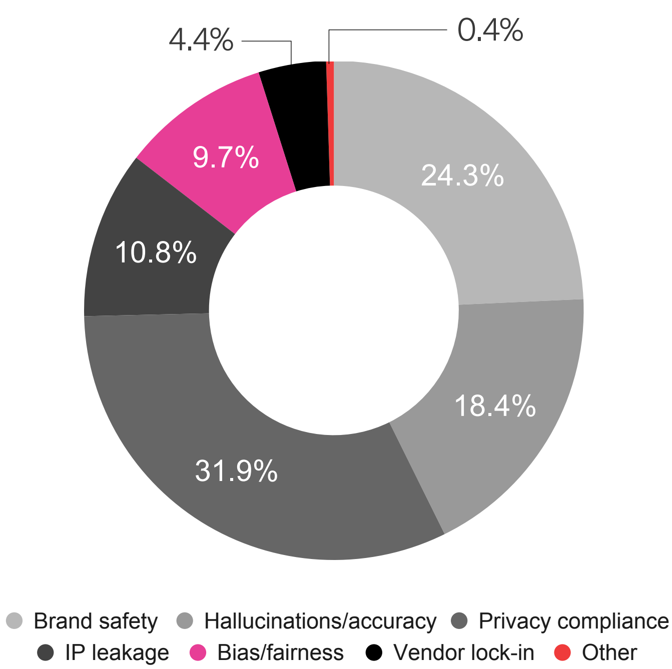
[1] *TVTechnology*

The Barriers: Privacy, Data Security, and Governance

Despite the clear momentum, AI adoption is not without friction.

These issues are widely recognized across industries as chief risks in AI deployment, particularly when systems rely on large datasets to personalize experiences or automate decision-making.

What Brands Say Is Slowing AI Adoption



Biggest Barriers to AI Adoption

Data security concerns	39%
Cost and ROI uncertainty (implementation expense or unclear return)	20%
Data unification and accessibility	12%
Change management and organizational resistance (cultural barriers, adoption inertia)	12%

Organizations must navigate evolving regulations, ethical frameworks, and consumer expectations while ensuring that AI systems operate within robust governance guardrails. Industry experts emphasize the importance of pairing automation with clear governance models to balance efficiency gains with responsible use.

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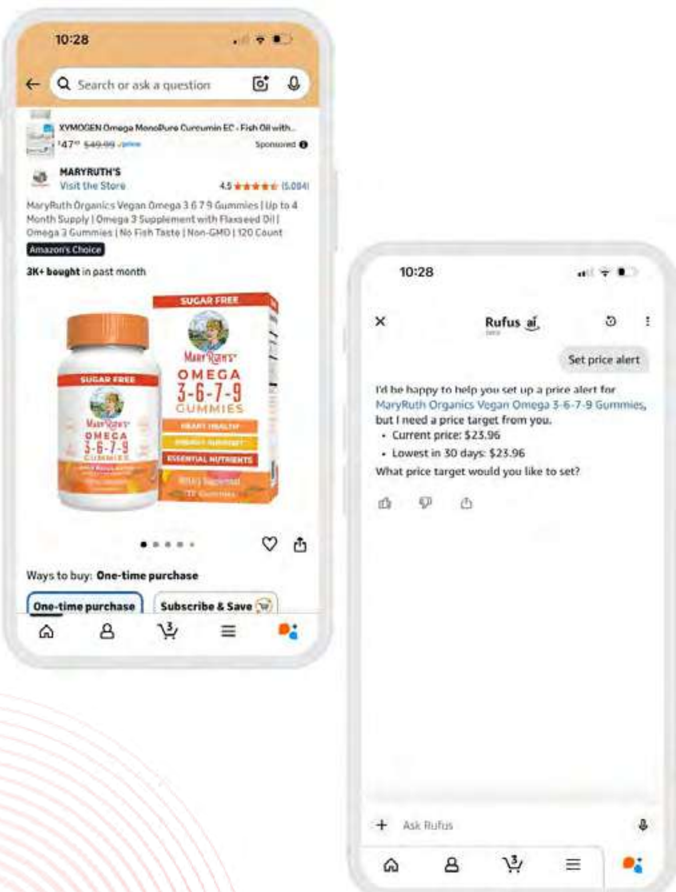
Preparing for a World Where AI Agents Shop for Consumers

Over the past two years, brands have integrated AI into workflows, adopting copilots for optimization, forecasting, and creative production. The next phase moves beyond internal productivity. It shifts outward to the customer interface itself. Increasingly, discovery, comparison, and even purchase decisions are mediated by AI assistants rather than traditional search interfaces.

This is the beginning of agentic commerce.



The Innovation Shift Is Already Underway

68% of brands anticipate AI assistants and agentic commerce will have the greatest impact on businesses in 2026.

Brands are not treating this shift as theoretical. Among verticals, Electronics, Home and Kitchen, and Tools, rank as the top three categories expecting the most disruption and opportunity.

Categories Expecting AI Disruption

Home and Kitchen	72.6%
Electronics	71.6%
Office Products	71.3%
Tools and Home Improvement	71.0%
Toys and Games	70.3%

These categories share common traits. They involve high-consideration purchases, specification-heavy comparisons, and structured attributes that lend themselves well to machine interpretation. In environments where consumers increasingly ask assistants to recommend, compare, and filter options, structured data becomes as important as creative.

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The Traffic Shift: From Search to Assistants

By the end of 2026, 61% of brands expect that up to 25% of their product discovery traffic will originate from AI assistants.

Industry forecasts reinforce this trajectory.

Gartner predicts that **traditional search engine volume could decline by as much as 25% by 2026** as consumers shift toward AI chatbots and virtual agents for discovery and decision support.[1]

At the same time, retail traffic from generative AI sources is already accelerating, with Adobe reporting rapid year-over-year growth in AI-referred visits to e-commerce sites.[2]

Product discovery increasingly begins with a prompt rather than a keyword. Instead of typing structured queries, consumers describe needs, constraints, and preferences. Assistants then filter, compare, and recommend dynamically. High-consideration categories such as Electronics, Home, and Tools, which are more concerned of the AI shift, are particularly well-suited to agent-mediated discovery due to their structured specifications and comparison-heavy decision paths.

Platforms are actively rebuilding the interface layer of commerce around AI. Google has released the Universal Commerce Protocol, OpenAI has introduced advertising within ChatGPT environments, and retail assistants like Rufus and Sparky continue to evolve toward more personalized recommendation models.

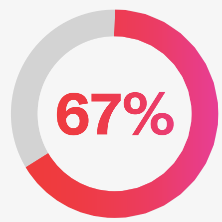
Search is becoming conversational. Discovery is becoming agent-mediated. And brands are preparing for traffic patterns that look fundamentally different from the past decade.

Preparing for the Agents

Brands are already adjusting their infrastructure in anticipation of this shift:

- **51%** report adding richer product attributes to improve machine readability
- **50%** are incorporating more comparison data

These actions reflect a recognition that in an agentic environment, structured information often carries more weight than persuasive copy alone.



of brands anticipate paying for assistant-placed ads and embedded suggestions surfaced within AI responses.

As agents begin curating and recommending products directly within conversational flows, sponsored placements may shift from banners and search results to integrated recommendations.

The Defining Statistic of the Future

The most revealing insight may be the simplest: 69% of brands anticipate that by 2027, AI agents will become a primary shopping interface for consumers. Not an experimental channel. Not a supplemental discovery layer. A primary interface.

This expectation marks a fundamental transition. Commerce is moving from a search-first model to an assistant-first model. From consumers navigating marketplaces to agents navigating them on their behalf.

[1] *Gartner*
[2] *Adobe Analytics*

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What This Moment Demands

The Next Phase of Commerce is System-Driven

If there is one message that stands out in this year's findings, it is this: growth is still available, but it is no longer easy.

E-commerce continues to expand, while retail media budgets continue to rise, and AI capabilities continue to advance. On the surface, the ecosystem looks healthy and dynamic. But beneath that surface, the rules have changed. Margins are tighter. Competition is denser. Measurement is more complex. And consumer behavior is evolving faster than ever.

Retail media is no longer an efficiency shortcut. Amazon remains dominant, but extracting incremental gains now requires discipline, coordination, and technical fluency. Full-funnel strategies are no longer experiments. They are structural requirements. Diversification is not optional expansion. It is protection against concentration risk.

At the same time, AI is reshaping the operating model of modern commerce teams. The leaders are not adding manual layers to manage complexity. They are embedding AI into forecasting, creative production, and optimization workflows. AI is no longer a feature, but infrastructure.

And the next shift is already underway.

Consumers are beginning to shop through agents. Discovery is moving from keywords to prompts. Recommendations are increasingly mediated by systems that evaluate structured data, comparison signals, and performance inputs at machine speed.

The brands that win will not be those optimizing isolated tactics. They will be those building integrated systems that connect advertising, content, pricing, and measurement into a coordinated engine designed for an AI-mediated marketplace.

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The Operating Model 2026 Demands

The findings in this report point to a single conclusion: retail media now sits at the center of commercial performance.

AI functions as a coordination layer where pricing, advertising, and inventory operate as one system.

In a concentrated retail media environment where margins are tight and discovery is increasingly machine-driven, fragmented decision-making creates friction. Lag between signal and action creates waste and disconnected tools create blind spots.

The brands built for what's next are not simply optimizing campaigns. They are synchronizing decisions.

They operate with:

- A unified view of demand and profitability
- Real-time coordination between advertising and pricing
- Inventory-aware media allocation
- AI systems that move from insight to execution

Success comes from removing the seams between systems, not layering on additional dashboards.

From Fragmentation to Coordination

The commerce stack is consolidating and the operating model must follow or risk fragmentation.

When advertising, pricing, and inventory decisions are aligned continuously, brands can:

- Protect visibility without overspending
- Capture incremental demand without margin erosion
- Respond to volatility without reactive fire drills

Coordination becomes the competitive advantage. This is the environment Feedvisor was built to power.

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Feedvisor

As retail media competition intensifies and signals shift by the minute, visibility and performance increasingly depend on coordinated advertising, pricing, and demand signals.

AI-Powered Amazon Advertising Optimization for Brands That Compete to Win

amazon ads Advanced partner · Walmart Connect · G2 ★★★★½ · Best Est. ROI SUMMER 2025 · amazon marketplace developer council · Walmart Connect Certified Creative Partner

Feedvisor is built for this new era of retail media, bringing together and optimizing across all of the signals that drive business performance.

- **Advertising optimization** – aligning spend to profitability, not just ROAS
- **AI-powered pricing and promotion** – adapting to market shifts, competitor moves, agent behavior, and margin pressure
- **Inventory and demand signals** – protecting visibility by avoiding stockouts and operational penalties
- **Conversational insights** – giving teams direct answers instead of dashboards to decipher

The result is a unified decision engine that allows brands operate with the speed, precision, and intelligence that 2026 demands. While competitors are reacting to yesterday's data, Feedvisor clients are acting on what's happening *now.*

In 2026, intelligence is the advantage. Feedvisor makes it operational.

Build the operating model 2026 demands

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