



TrendzOwl



# RETAIL & eCOMMERCE TRENDS TO WATCH IN 2026 & BEYOND:

## Instant Checkout from Legacy Models



A TrendzOwl  
executive brief  
in partnership with



In 2026, the rapid pace of technological change and fierce competition in the consumer economy are increasing expectations for seamless omnichannel experiences and compelling organizations to reimagine their retail and eCommerce customer management strategies.

In 2026 and beyond, TrendzOwl observes three key themes in retail & eCommerce:

**Instant Checkout.** Instant checkout is revolutionizing the retail landscape by transforming the purchasing journey into a seamless experience that also addresses specific pain-points such as cart abandonment.

**Handling Fraud.** Retailers continue to confront the challenge of fraudulent returns and claims, while the increasing reliance on digital platforms increases vulnerability to cyberattacks and data breaches that can harm brand reputation and customer trust.

**Enabling High-Value Engagement.** Emotionally intelligent human beings can provide hyper-personalized support with the assistance of uniquely designed AI tools that empower the human touch. The combination of emotional intelligence (EI) with artificial intelligence (AI) engenders high-value engagement.

## TRENDZ SPOTLIGHT

### The Ongoing Digital Shift

Globally, “retail sales are expected to increase at a CAGR of 2% from 2024 to 2029. With consumers continuing to shift spending to digital channels, online sales are expected to account for a whopping 74% of the projected sales growth over this span. As a result, eCommerce penetration, which grew to 22% of total retail sales in 2024, is projected to increase to 28% by 2029.”<sup>1</sup>

Still, ongoing trade tensions could impact the industry. According to Morgan Stanley, tariffs “are likely to lead to significant earnings revisions by several retailers.”<sup>2</sup> Depending on specific arrangements between countries, it also seems likely consumers could be paying higher prices on everyday goods. The lack of clarity is affecting corporate and consumer confidence alike.

### The Reality of AI: Complex Operational Realities

Digital innovation is speeding ahead as retailers leverage AI-enabled technology for operational efficiency and consumer engagement. But retailers need to be cautious about commerce (and eCommerce) software’s capacity to automate all workflows. The complexities of retail businesses are considerable. Indeed, “merchants often have multiple behind-the-scenes software systems to manage,” and sometimes choosing, customizing, or switching software can involve unforeseen hassle or risks. Software integrations with social media platforms add to the complexity.<sup>3</sup>

Consider too that implementing and leveraging AI technologies demands constant maintenance, from understanding technology integration to training employees and satisfying customers. AI enthusiasts might overestimate how fast the translation of new innovations into practice will happen. Technology diffusion is often slower than technologists expect.<sup>4</sup>

### Cybersecurity

Meantime, emerging technologies are surfacing additional realities for retailers. With the increasing reliance on digital platforms, retailers are more vulnerable to cyberattacks that have the potential to harm brand reputation and fracture customer trust (according to Qualtrics, a one point increase in trust can boost retention by as much as 5%, so it’s a real business lever). Cybersecurity threats such as data breaches and other categories of fraud are on the rise. “Account takeover” is a type of fraud that involves unauthorized access to customer accounts, leading to fraudulent transactions. Retailers also continue to confront the challenge of fraudulent returns and claims. Other forms of fraud include stolen merchandise returns and “wardrobing,” where consumers purchase, use, and then return items.



Cybersecurity threats, including “account takeovers” are on the rise.

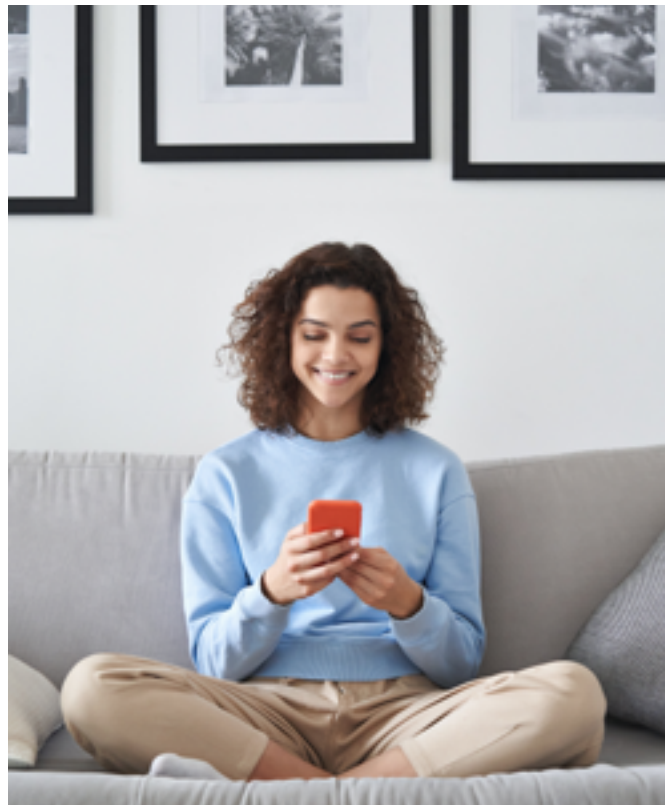
## HUMAN-DRIVEN SUPPORT

### Driving Trusted Interactions with the Human Touch

According to COPC Global Benchmarking Series research, “46% of executives are trying to transition traffic from human-assisted channels to self-service technologies (SSTs). However, 53% of customers still prefer real-time human assistance, highlighting a potential disconnect between organizational strategies and customer preferences. Human-assisted channels achieve higher customer satisfaction (CSAT) scores (75%) than SSTs (55%).”<sup>5</sup> In fact, “hallucinating” AI chatbots, “have been a problem for users since AI chatbots hit the mainstream over two years ago. They’ve caused people and businesses to hesitate before trusting AI chatbots with important questions. And, they occur with any AI model.”<sup>6</sup>

As a result, selling AI to businesses continues to be challenging. “The technology has remained relatively unreliable. That has caused many chief information officers to say they can’t cede control of key business decisions to the technology, which could spit back completely wrong, made up answers.”<sup>7</sup> In May, 2025, a buy-now pay-later (BNPL) fintech firm announced it is pulling back on AI as a replacement for customer service staff. The company’s CEO said that emphasis on cost control had led to lower quality and that, “Customers had to know they could always reach a human if they had to.”<sup>8</sup> Moreover, Deloitte and PWC have shown that customers are 60-70% more likely to engage positively with an AI system when they’re told up front that it’s AI driven.

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## WORLDWIDE REGIONAL TRENDZ

### The United States: Improvements Accelerate

By 2029, Forrester expects total retail sales in the U.S. to reach \$6.0 trillion and U.S. online retail sales to reach \$1.8 trillion.<sup>9</sup> According to the latest official data from the U.S. Census Bureau, retailers “started 2025 on solid ground, with total sales in the first quarter 4.1% higher than a year earlier.... But amid tariff uncertainty, investors are now asking whether that growth is sustainable or if it’s just a reflection of consumers’ hasty purchases in anticipation of tariff-related price increases.”<sup>10</sup> As the National Retail Federation puts it, due to the current trade war, “consumers are concerned about higher prices, rising inflation, and getting less while paying more.”<sup>11</sup>

As shoppers turn to AI search, retailers are offering more chatbot shopping features. “More brands and retailers are starting to revamp their websites and product listings so that chatbots can reference them more easily in their results.”<sup>12</sup> Some retailers are posting on Reddit in order to show up on ChatGPT recommendations. As per Deloitte estimates, in-app payments on social media sites in the U.S. are likely to grow at a 30% CAGR of about 30% from US\$19.1 billion in 2024 to US\$94.5 billion in 2030.<sup>13</sup>

In addition, as the adoption of advanced data analytics and predictive analytics help companies better understand buyer trends and preferences and offer meaningful recommendations, instant checkout is revolutionizing retail by transforming the purchasing journey into a seamless experience that also addresses issues like cart abandonment. Studies indicate that the average cart abandonment rate stands at approximately 70% (the exact figure differing based on factors such as complexity of the checkout process, purchase intent level, and specific device used).

Finally, according to a research collaboration between Appriss Retail and Deloitte, consumers returned \$685 billion worth of items in 2024, with \$103 billion in losses tied directly to return and claims fraud. The most common types of return fraud include gift card fraud, stolen merchandise returns, and “friendly” return fraud such as “wardrobing.”<sup>14</sup>

### Asia Pacific: the Future of Global Retail?

Asia Pacific commands a major place in the global retail and eCommerce market. “Thanks to a rising middle class, rapid urbanisation and a striking increase in connectivity in recent years, Asia Pacific consumers are becoming more affluent, powering the economy of the region even as much of the rest of the world struggles with inflation and economic malaise. Demographic and economic shifts have also helped shape Asia Pacific into the world’s laboratory of retail innovation, particularly in terms of eCommerce and mobile eCommerce.”<sup>15</sup> In 2025, Euromonitor International projects that South Korea will become the first country in which the majority of retail sales, by value, are transacted online. As a result, South Korea will offer a peek into the future of retail for the rest of the world.<sup>16</sup>

The ramifications are clear. “Asia Pacific’s importance to global retail will continue to increase over the coming years. Indeed, the region is expected to contribute a full 64% of the total value of global retail sales growth from 2024 to 2029. That Asia Pacific is projected to account for almost two thirds of the world’s new retail sales over the next five years demonstrates just how essential its consumers have become to the fortunes of multinational retailers.”<sup>17</sup>

In-app payments on social media are expected to grow at 30% in the US by 2030.

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## Europe: Retail & eCommerce's Influential Role

Retailers and wholesalers are the largest private sector employers in Europe. “The sector generates 1 in 7 jobs, offering a varied career to 26 million Europeans, many of them young people. It also supports millions of jobs throughout the supply chain, from small local suppliers to international businesses.”<sup>18</sup> Against this backdrop, several key issues are impacting Europeans’ consumer behavior—from inflation and supply chain localization to digital adoption and sustainability regulations.

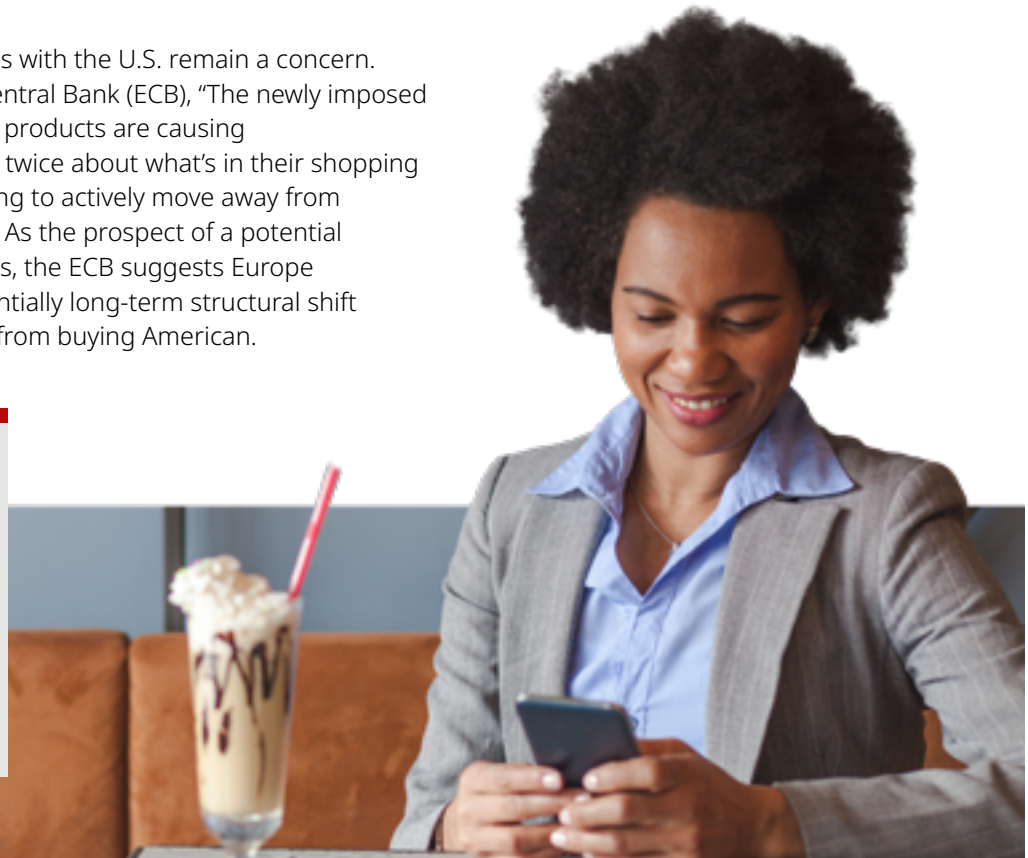
First, consider that inflation and cost-of-living pressures are reshaping shopping baskets (ie, discount grocers such as Lidl, Aldi, and Pepco are expanding aggressively; mid-market retailers are struggling; and premium/luxury brands are showing resilience, with luxury hubs like Paris and Milan seeing strong tourism and high-net-worth consumer spending). Second, “quick commerce” is growing strongly, with certain firms dominating the marketplace (eg, Amazon, Zalando, Allegro). Third, there is continued investment in omnichannel strategies (ie, click & collect, curb-side, D2C, in-store returns for online orders, and hybrid formats). Fourth, sustainability is a real differentiator—particularly in northern and western Europe where regulations are biting (eg, CSRD, packaging rules).

Meantime, the Digital Markets Act (DMA) and Digital Services Act (DSA) seek to ensure fair and open digital markets, promoting more competition by curbing the power of large digital platforms and protecting consumers online while aiming to curtail online misinformation. In other words, Brussels is determined to regulate AI and protect citizens’ data privacy. As such, marketplaces are adapting to stricter seller transparency rules, retail media networks are expanding under tighter ad regulations, and there’s growth in AI-powered personalization and cross-border digital sales. Sustainability also remains a priority (eg, packaging waste directives, digital product passports, and circular economy initiatives are forcing retailers to rethink packaging and returns).

When it comes to consumer sentiment, southern Europe (ie, Italy, Spain) is recovering more slowly from recent economic challenges than northern Europe, where “green retail” is particularly strong. At the same time, post-Brexit, the UK’s regulatory environment continues to diverge from that of the Continent, with import challenges persisting and cost-cutting dominating. Finally, central and eastern Europe are seeing stronger eCommerce adoption from a lower base.

Alas, continuing trade tensions with the U.S. remain a concern. According to the European Central Bank (ECB), “The newly imposed U.S. trade tariffs on European products are causing European consumers to think twice about what’s in their shopping cart. Consumers are very willing to actively move away from U.S. products and services.”<sup>19</sup> As the prospect of a potential trans-Atlantic trade war lingers, the ECB suggests Europe could see a decisive and potentially long-term structural shift in consumer sentiment away from buying American.

Retailers and wholesalers represent 1 in 7 jobs in Europe.



## The Middle East: Balancing Digital Innovation & Human Connection

Across the Middle East, “the demand for a cohesive and seamless omnichannel experience has grown.... customers now expect such seamless and personalized digital experiences as standard across all sectors.”<sup>20</sup> And retailers, “are leading the charge by combining in-store experiences with robust online platforms. For example, Chalhoub Group, a leading luxury retailer in the UAE, has introduced AI-driven virtual shopping assistants to complement its in-store concierge services, enabling customers to receive personalized recommendations whether they shop online or in person.”<sup>21</sup>

But the human touch remains essential. In sectors like retail, “customers have expressed frustration with overly automated systems that fail to address complex or emotionally sensitive issues. A survey conducted in 2024 revealed that while 72% of Middle Eastern customers appreciate digital convenience, 65% still value human interaction as a critical component of their overall experience. The challenge lies in finding the right balance between digital innovation and human connection. Companies must ensure that technology enhances, rather than replaces, human-led interactions—especially for high-stakes or relationship-driven touchpoints.”<sup>22</sup>

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Africa is expected to see a 17% compound annual growth rate (CAGR) by the end of 2025.

## Africa: Challenges & Opportunities

The online shopping trend is still in its early stages across Africa. Still, according to the International Trade Administration, “Africa is forecast to surpass half a billion eCommerce users by 2025, which will have shown a steady 17% compound annual growth rate (CAGR) of online consumers for the market.... Fashion and electronics products create the highest sales revenues among online shoppers in African markets, with fashion products predicted to reach U.S. \$13.4 billion in sales and electronics predicted to reach U.S. \$11.2 billion in annual sales by 2025.”<sup>23</sup> Projections by the McKinsey Global Institute suggest that by 2025, eCommerce could account for 10% of all retail sales in Africa’s largest economies of Nigeria, South Africa, and Egypt.<sup>24</sup>

Meanwhile, the introduction of mobile payment solutions and innovative fintech platforms is helping bridge the gap for unbanked populations. “The continent’s young, tech-savvy population is driving eCommerce adoption while increasing internet penetration and smartphone usage are expanding access to online platforms.... Furthermore, the rising middle class in many African nations is fueling demand for affordable, high-quality products, making the region a promising landscape for digital commerce growth.”<sup>25</sup> Companies are pursuing a “mobile-first” approach to online commerce.<sup>26</sup>



## Latin America: The Digital Boom & the Human Touch

In Latin America, personalization is helping propel the digital boom. “According to a study by MIT SMR, almost 50% of Latin American retailers use CX technology to personalize their offers and messages.... Latin American consumers are now coming to expect these tailored experiences.”<sup>27</sup> Meantime, retailers are leveraging cloud-based operations and gig staffing models to scale during peak seasons and support multilingual customer journeys.

Mexico and Peru have emerged as regional leaders in retail BPO and digital transformation. Mexico’s proximity to the U.S., bilingual workforce and robust infrastructure make it a hub for omnichannel retail services while Peru offers similar advantages with a highly bilingual population and strong urban retail presence. In Brazil, the rise of AI video-driven retail is worth noting. As platforms like TikTok transform discovery into commerce, Gen Z consumers are increasing their purchases directly from short-form videos. AI is not just recommending products—it’s becoming the storefront and the salesperson.<sup>28</sup>

Above all, Latin America’s cultural diversity demands a nuanced approach. As such, brands should immerse themselves in local contexts rather than pursuing one-size-fits-all strategies. The region’s young, digitally savvy population is eager to embrace global trends, but expects authenticity and relevance. They also expect empathetic service. HubSpot is clear about the reality of customer service in Latin America—“we believe that the strategic path to improving customer service... involves a combination of technology and a human touch.... This perfect balance is the key.”<sup>29</sup>

Latin American consumers expect tailored experiences.



## TAKEAWAYS

We're living at a time of global trade tensions, and retailers "with the flexibility to adjust future inventory orders according to demand volatility should fare better under this uncertain scenario."<sup>30</sup> It's also a time when consumers are demanding more from brands, putting retailers under pressure to deliver seamless customer experiences and simpler purchasing options such as instant checkout across both digital and in-store environments. For TP, such times necessitate reimagining the rules of engagement.

## THE TP APPROACH

Considering current trends, TrendzOwl and TP propose the following key action items for retail and eCommerce firms and their Business Process service partners:

**Improve Operations, Increase Revenues.** TP appreciates that revenue growth (including through cross-sell/up-sell) is a clear priority and that by addressing issues such as cart abandonment with solutions such as instant checkout, retailers can improve outcomes. But the successful adoption and maintenance of emerging tech tools will demand strategic implementation, proper usage, ongoing employee training, and a keen awareness of the centrality of human agency in the provision of a quality CX. In that spirit, TP strategically deploys multiple technologies and thoughtful location strategies in pursuit of better "phydigital" omnichannel experiences. TP's Retail Solutions aim to enable streamlined and simplified onboarding, seamless real-time engagement, and real-time fraud monitoring, while TP's Retail Tech Stack is a set of AI powered micro-services that enable advanced data analytics, automation and AI solutions, and predictive analytics, all of which help companies better understand buyer trends and preferences and offer recommendations.

**Address Cyber-threats & Fraud Strategically.** It's essential to develop a complete cybersecurity strategy that includes governance frameworks and best practices. Firms should leverage machine learning technology for fraud detection, identifying suspicious patterns in customer behavior or account handling. TP deploys a tailored retail tech stack—an AI-powered set of microservices—featuring advanced analytics that personalize interactions, predict customer needs, prevent churn, analyze behavior patterns to identify anomalies and ensure robust security and compliance.

**Blend EI & AI for Superior Engagement.** Generative AI and analytics are a means toward hyper-personalization, with data analytics helping serve loyal core customers. TP leverages a blended approach that combines EI (emotional intelligence) with their proprietary TP.ai FAB model, providing a comprehensive approach to successfully implementing AI and delivering real business impact. Throughout it all, human beings need to remain at the center of the process; according to TP's Business Insights Lab, in 2024, only 28% of consumers agree that AI bots improve customer support.<sup>31</sup>

## Endnotes

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- <sup>5</sup> COPC Blog, "Analyzing the Current State of Customer Experience Amid Conflicting Data," June 24, 2024
- <sup>6</sup> The Wall Street Journal, "Why Amazon is Betting on 'Automated Reasoning' to Reduce AI's Hallucinations," Belle Lin, February 5, 2025.
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- <sup>9</sup> TP Retail Domain Solution Design, slide #17.
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- <sup>31</sup> TP Business Insights Lab, Global Insights Survey, 2024, slide 36.