VIENNA

The future of Retail

Panagiotis Kriaris - Unzer

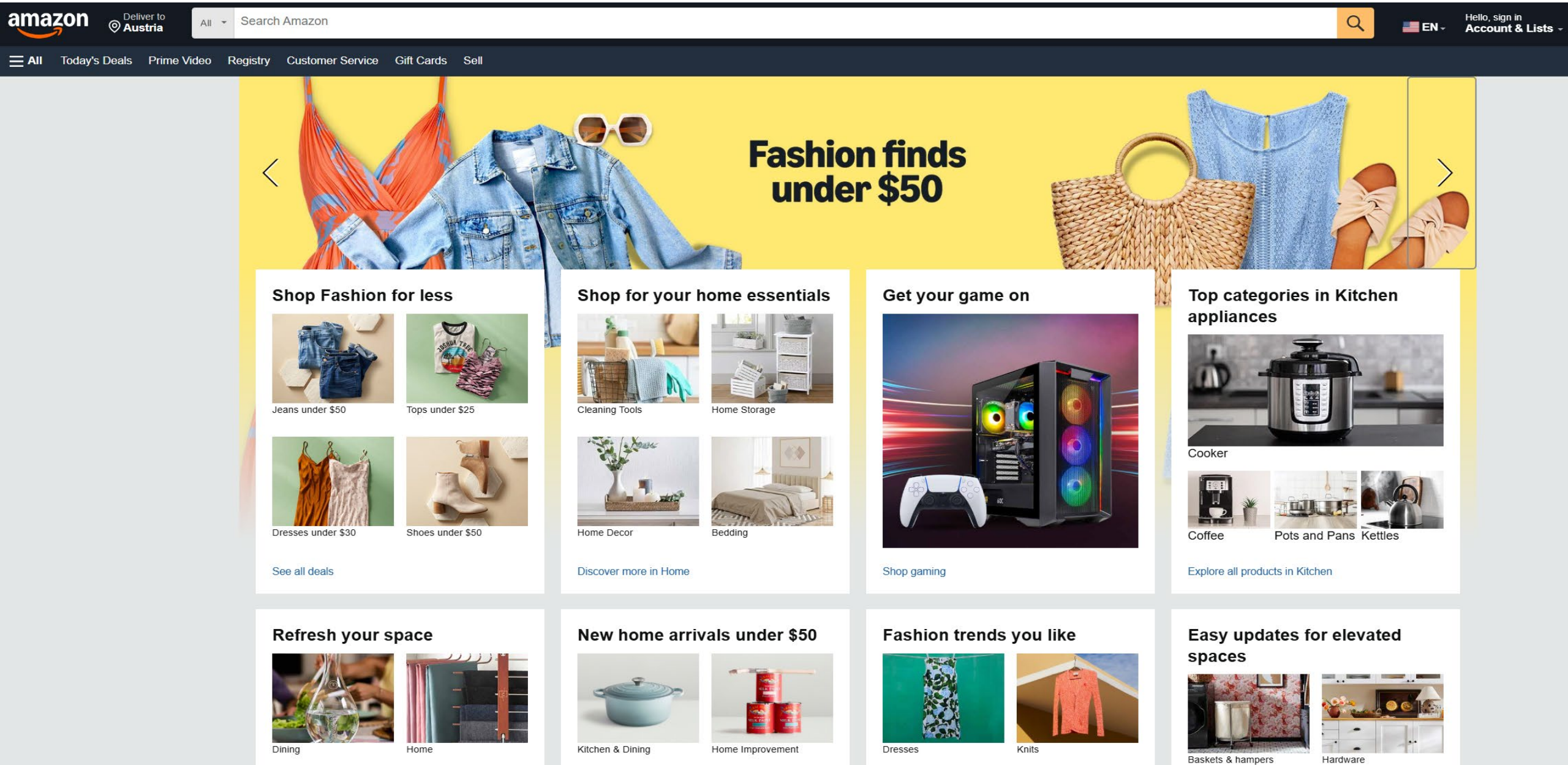
25 Nov 2025

nexo STANDARDS | 2025 ANNUAL CONFERENCE

Traditional Retail: physical, linear, store-led

Scale, selection, and convenience **moved online** - faster than stores could compete.

Platforms & Marketplaces



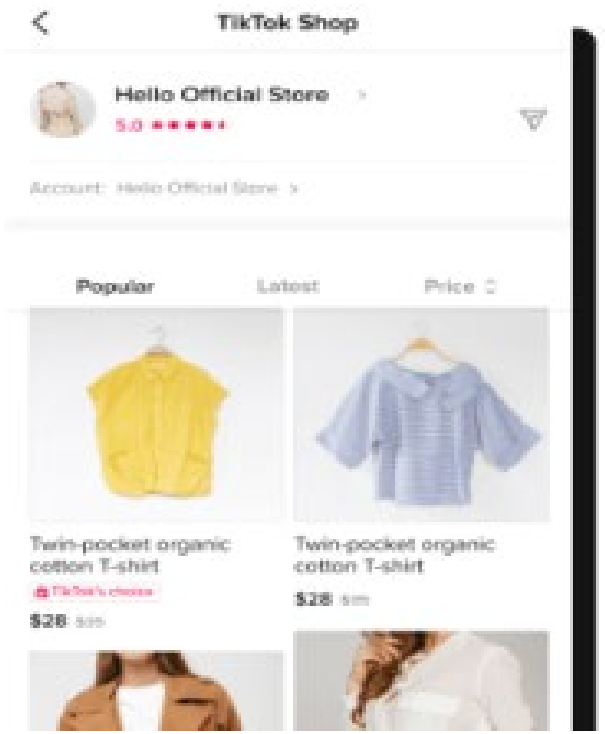
Retailers had to **unify online and offline** to **compete** with marketplaces.

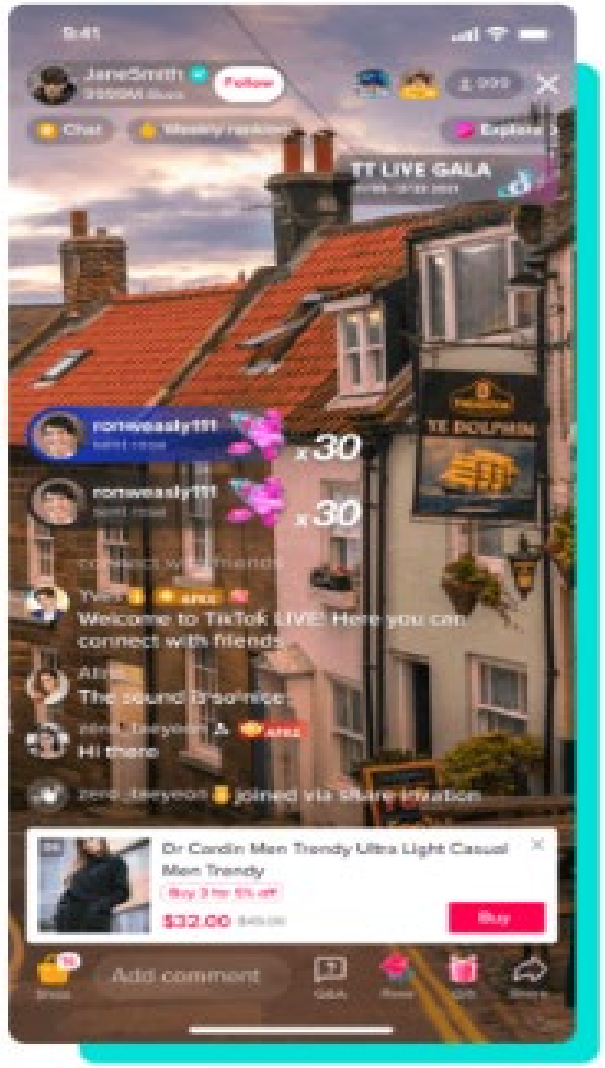
Omni-channel Retail

Discovery shifted from **search** → **to social** → to **influencers**.

Social / Content Commerce

TikTok Shop





The **rise** of agentic **AI**.

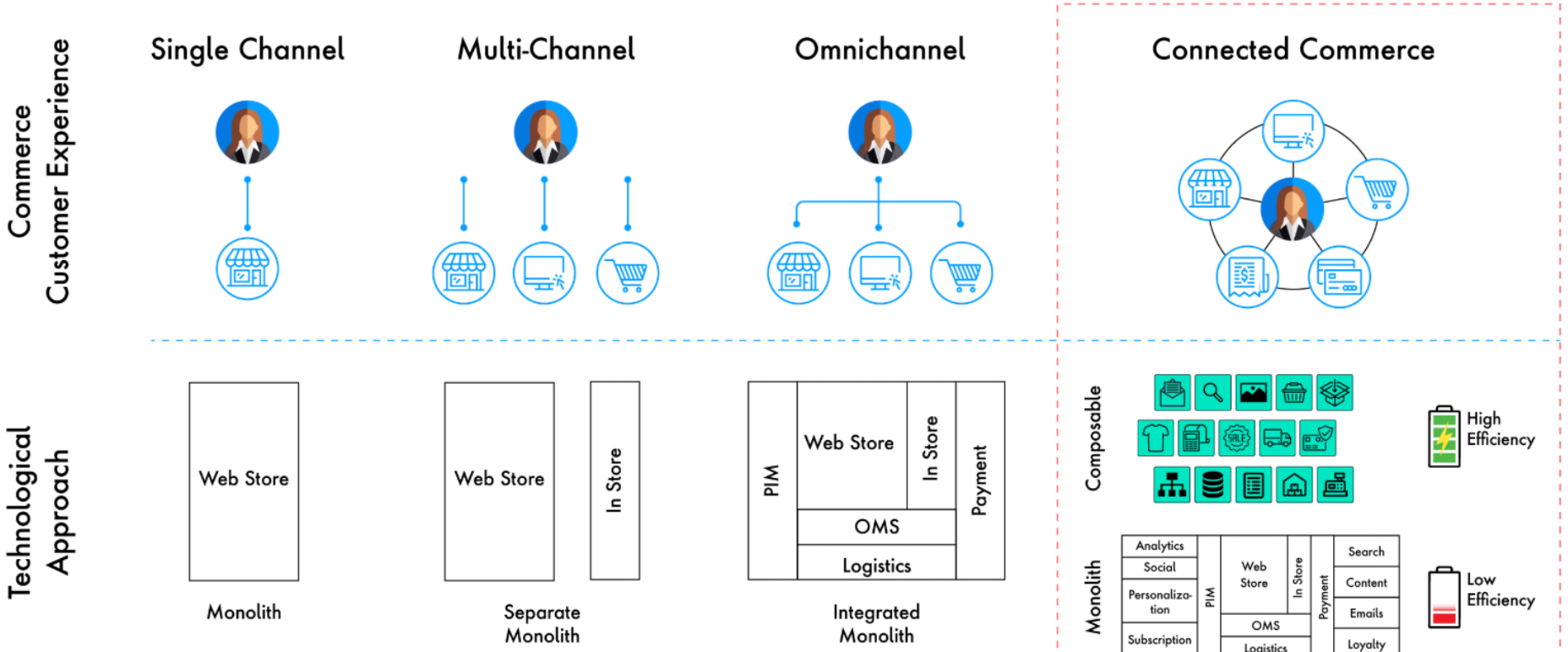
Agentic Economy

The Change Drivers

From Omnichannel to Composable Commerce

— Retailers are striving to deliver a **consistent experience** for consumers across all retail channels and touchpoints.

— **Composable commerce** is the way to standardize these interactions.



- **One isolated retail channel** (e.g., a web store)
- Powered by a monolithic system.

- **Multiple disconnected channels** (web, store, marketplace)
- Each managed by separate monolithic systems.

- **Unified customer** experience across channels
- Via an integrated monolith (centralized systems managing logistics, payments, etc.).

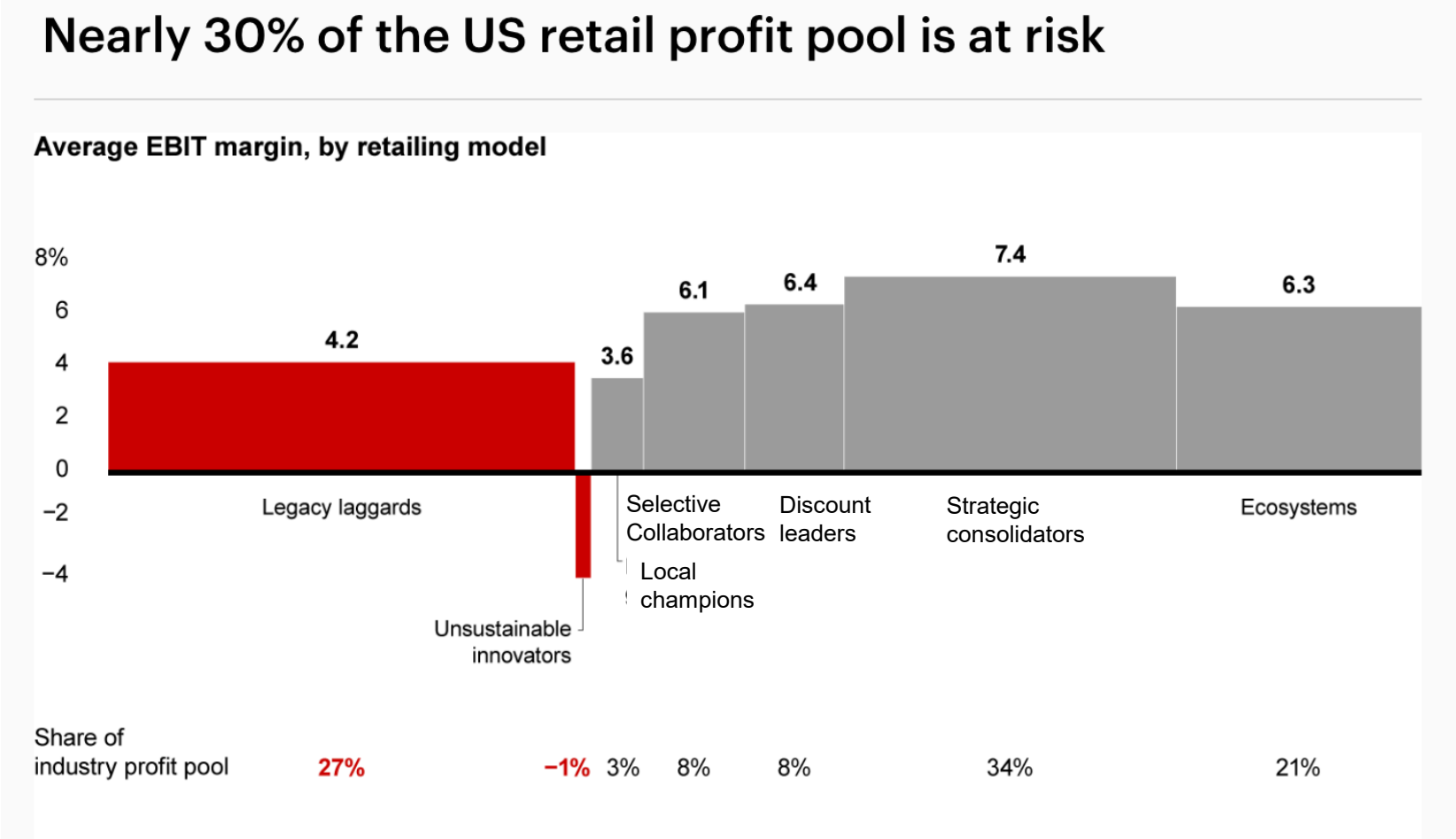
- **Fully connected experience across all touchpoints** (e.g., web, in-store, mobile, payment, support).
- Modular, best-of-breed components (search, payments, CMS, logistics, etc.) – connected via APIs - that can be assembled and reassembled quickly.

Graphic source:publicis sapient

Panagiotis Kriaris

New Skills are Needed

- The **rules** of retail have fundamentally changed.
- **Scale** alone is no longer enough.
- The **enterprise value-to-revenue ratio** for most retailers has dropped 4% annually since 2015.
- In the US, retailers accounting for nearly **30% of the sector's entire profit** pool are currently at risk.



Graphic source: Bain & Company

Who is at Risk?

Unsustainable Innovators

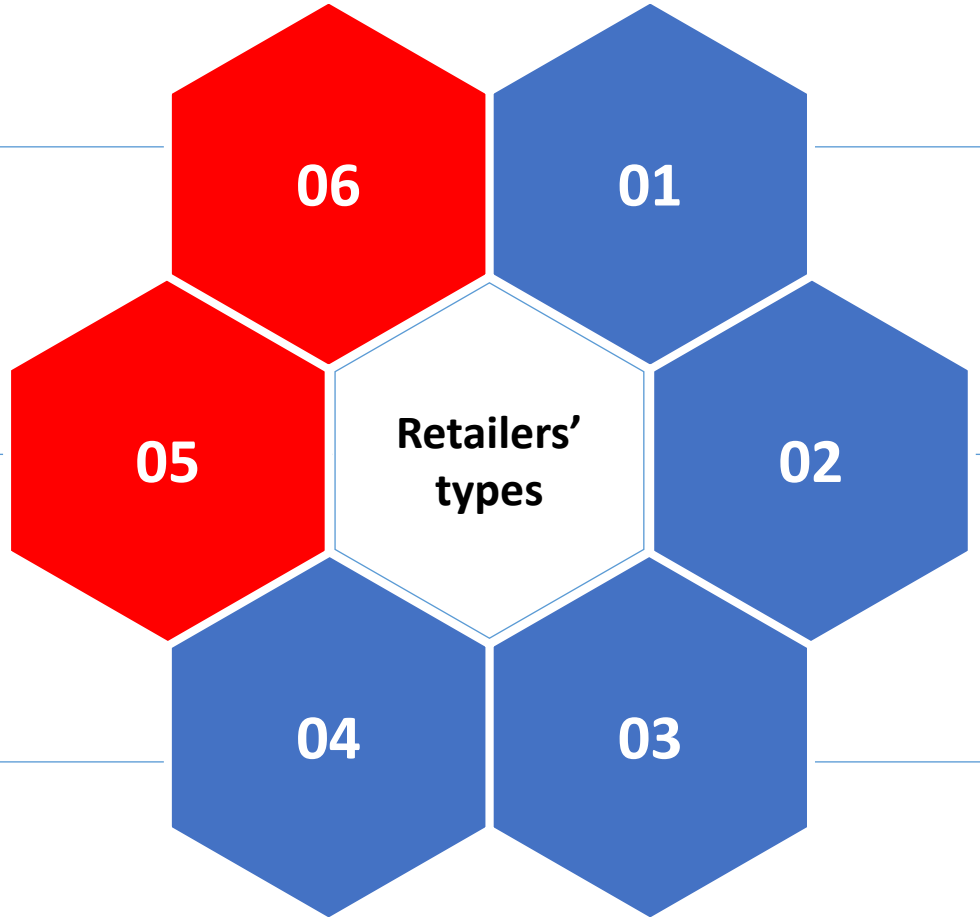
Digital-first brands known for bold customer experiences, but still searching for sustainable, profitable business models.

Legacy Laggards

Established retailers focused on incremental change and cost-cutting, often struggling to adapt to digital disruption.

Local champions

Deep customer connections and fine-tuned local knowledge, but face increasing threats from online players.



Ecosystem players

Retailers with vast, interconnected groups of consumers, brands, sellers and services.

Strategic Consolidators

Use of mergers, acquisitions, and partnerships to grow.

Discount Leaders

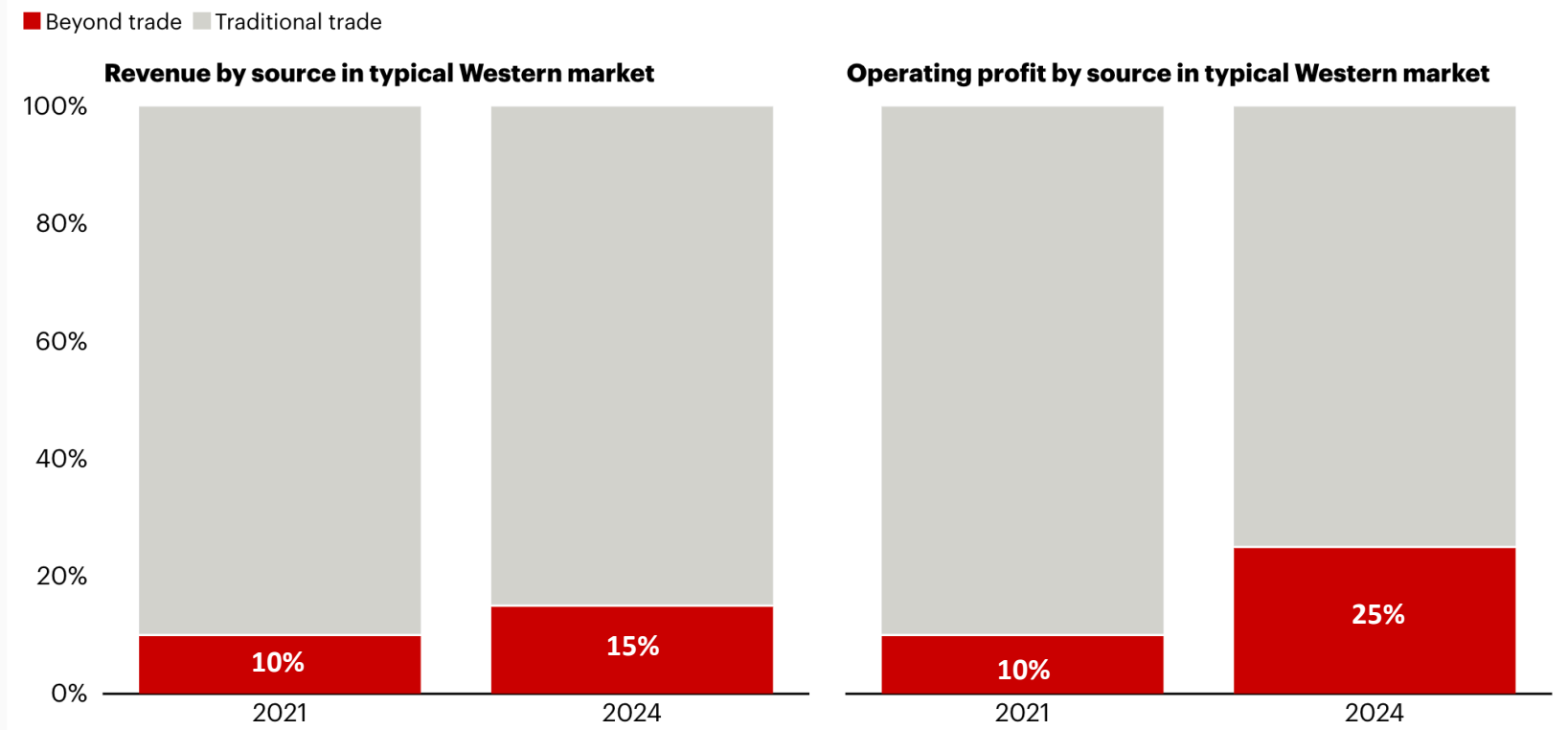
Focus on affordability and cost leadership.

Graphic source: Bain & Company

Diversification is the new Name of the Game

— More and more, retailers are **diversifying from traditional** buying and selling of goods.

— **"Beyond trade"** diversification, such as retail media and marketplaces, now accounts for 15% of sales and 25% of profit at a typical US or European retailer (vs 10% in both cases in 2021)



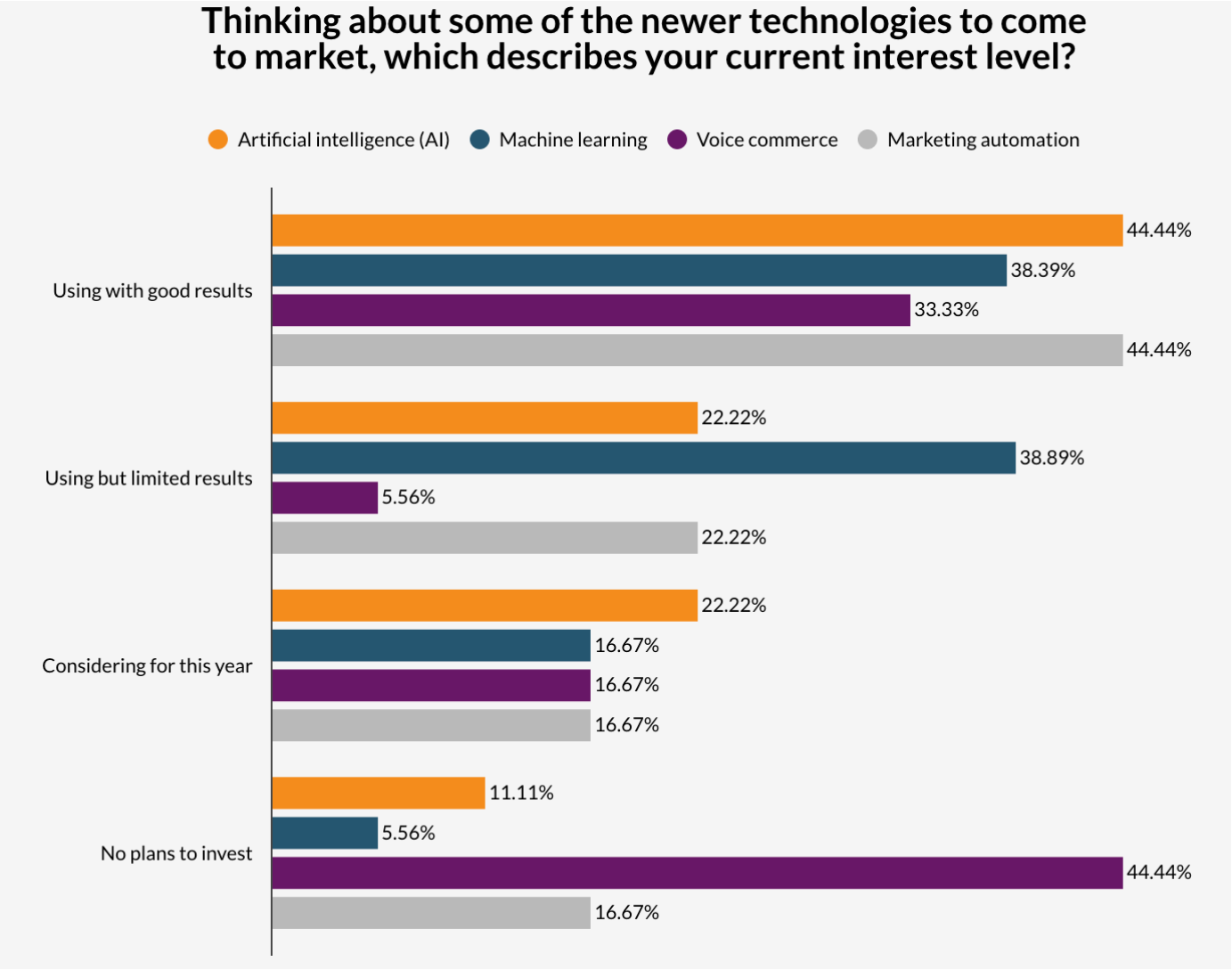
Notes: Traditional trade revenue includes traditional buying and selling, trade spending (e.g., in grocery), rental of stores within stores, and wholesaling (e.g., by retail brands that also sell through third-party channels); "beyond trade" revenue includes third-party marketplace activity (counted as gross merchandise value), data monetization, monetizing assets with business-to-business customers, and consumer financial services; proportions have been rounded

Source: Bain & Company

AI is the Dominant Discussion

- AI dominates the discussion
- **Only 11.11%** of surveyed online retailers (Digital Commerce 360) had **no plans** to invest in AI in the year.
- **Why?**

  AI is giving retailers new tools to reinvent almost every element of their core:
  - Cost structure
  - Customer experience
  - Competitive differentiation
  - etc

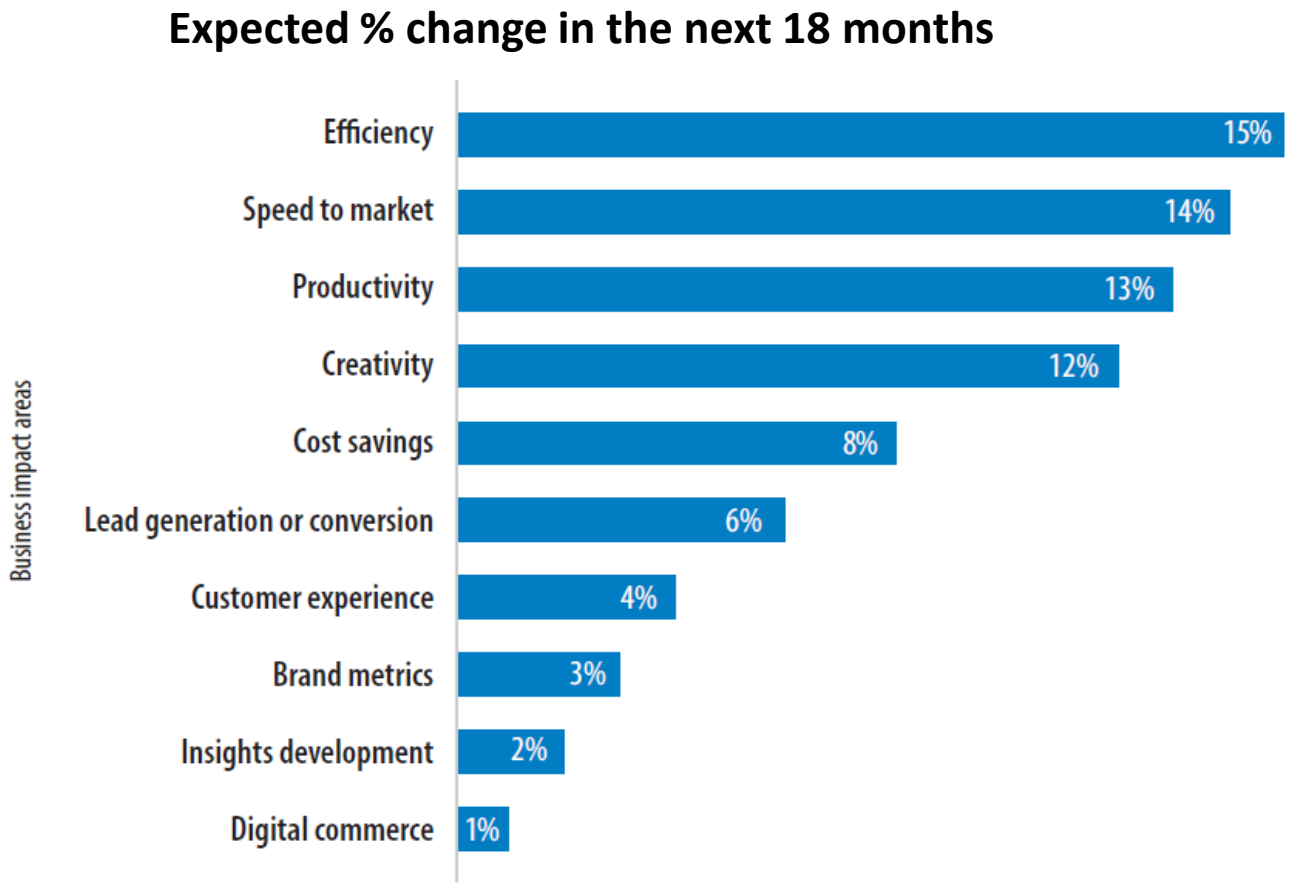


Graphic source: Digital Commerce 360 survey, Ecommerce Platforms Report, February 2025

Impact of AI on Retail

— **Retail CMOs** anticipate that AI initiatives will drive the most impact in **efficiency**, **speed to market**, and **productivity** over the next 18 months.

— These areas have already delivered benefits, including **cost reductions**, and **streamlined processes**.

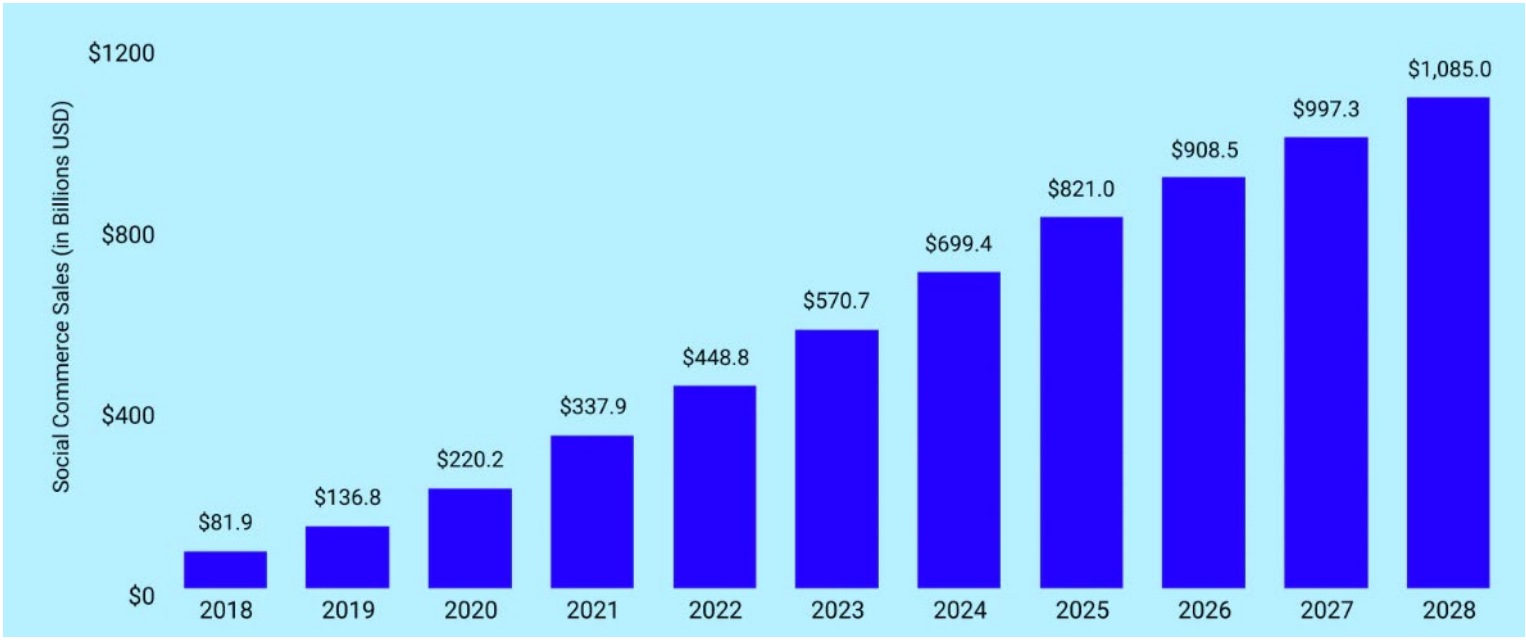


Source: Infosys Knowledge Institute

Social Commerce

- Social commerce is product and service sales made through **social media** platforms.
- The commerce experience happens on the respective platform, from **discovery to check-out**.
- For example, if you see a video on your **TikTok feed** about a skincare product, click ‘Add to cart' or directly on ‘Buy’ and check it out within the app. After the purchase, you can **continue scrolling** through your feed

Social Commerce Sales



Graphic source: Statista, Oberlo

1. Direct In-Platform Purchases
2. Streamlined Checkout Experience (fewer clicks)
3. Increased Impulse Buying
4. Personalization and Trust
5. Reduced Steps and Friction
6. Multiple Payment Options

Case Study: Social Commerce in China

- In China, more people are shopping online via social media than ever before.
- **Douyin** (known as TikTok in the rest of the world) is the most popular platform.
- The secret behind Douyin's success is simple: it's a **social platform first and foremost**.
- The commerce functionality lets users make **instant, hassle-free purchases** without ever leaving the app.
- Social commerce represents **roughly 40-45%** of Douyin's total e-commerce GMV ($200 billion out of $483–$509 billion).

Short Video

Livestream

Shop & Search

Source: wpic

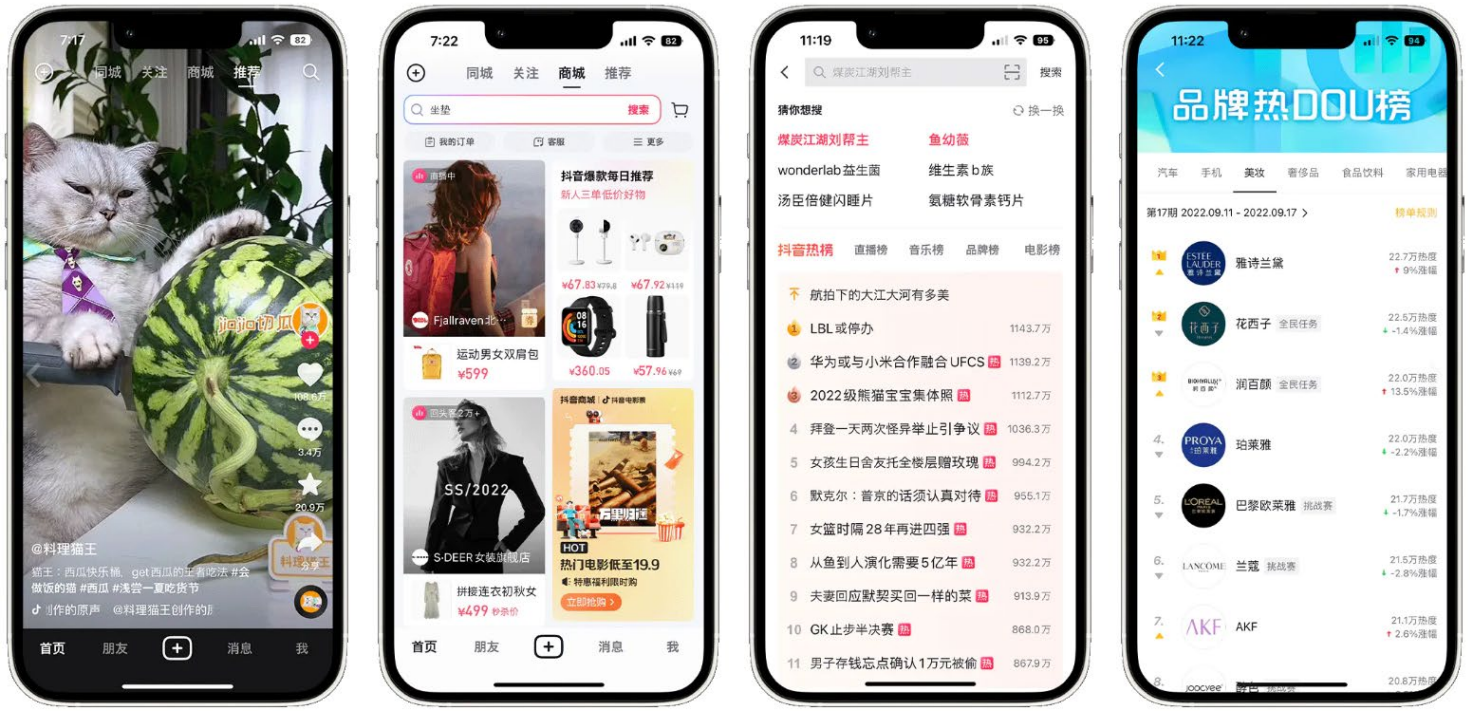
Douyin vs TikTok

- Both Douyin and TikTok have the same addictive short-video format, but **Douyin's features** are far more advanced.

- Douyin has an array of bells and whistles that TikTok doesn't, including:

  - Group livestreams
  - Voice comments
  - In-video search
  - Pinned posts
  - Location tagging
  - Business accounts
  - Most importantly, in-app shopping

Douyin Navigation

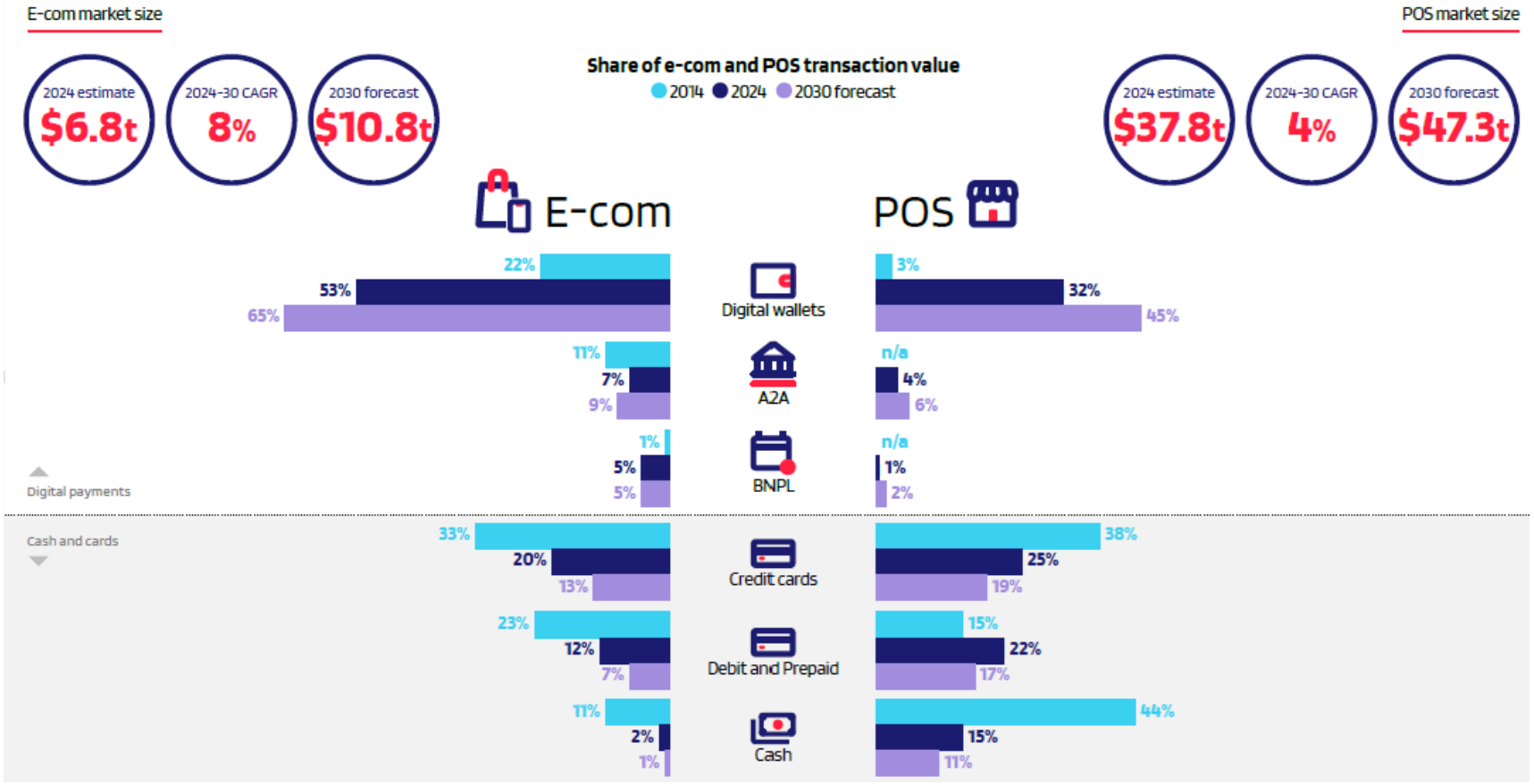


For You page *Commerce page* *Search Page* *Brand Ranking*

Source: wpic

The Change of the Payments Mix

Global Payment Methods



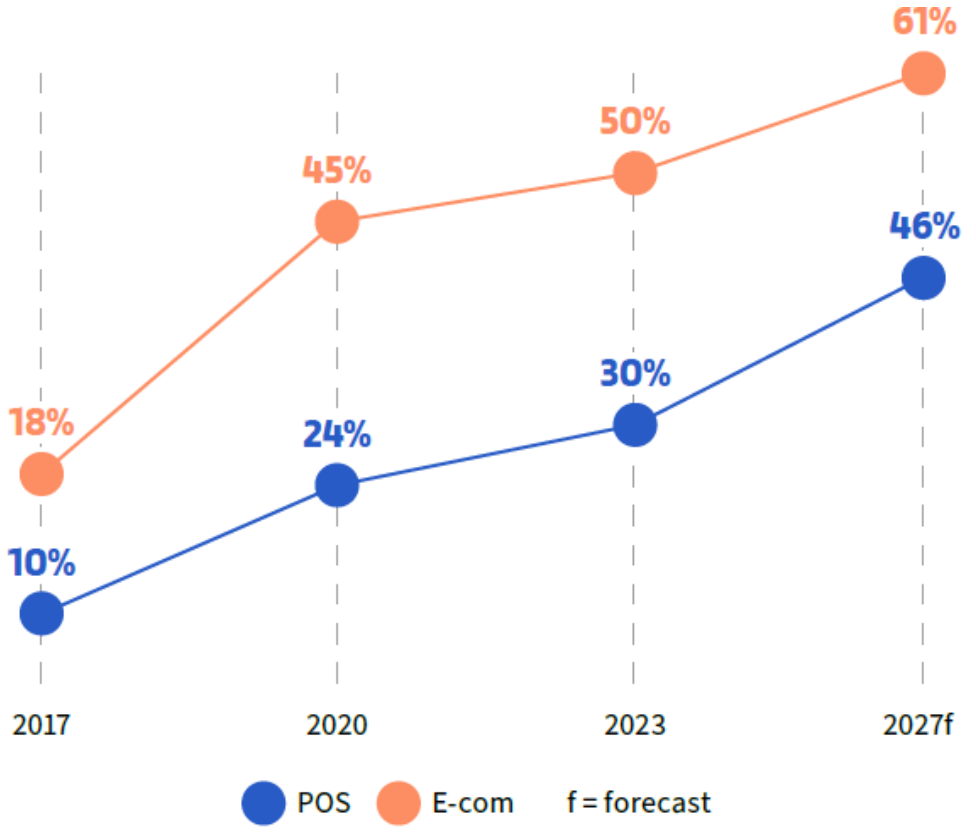
Graphic source: Worldpay Global Payment Methods Report 2025

1. **DP** grew from **34%** of e-com value in 2014 to **66%** in 2024.
2. **DP** will account for 79% of global e-com value by 2030.
3. **e-com** transactions (value) grew more than **6fold** from 2014 to 2024.
4. By 2030 **25% of all in-person shopping** will be done via mobile devices.
5. Global **BNPL** e-com value grew from $2.3 to $580 bn in 10 years (9% CAGR to 2030).
6. **Cards as relevant as ever** - account for 65% of 2024 consumer spending ($29 tr).

The Rise of Digital Wallets

- Digital wallets are the **number 1** and **fastest growing payment method** globally.
- **5.2 bn users** globally by 2026.
- **50% e-com** global share.
- **30% POS** global share.
- DW value **grew ~10X** from $2.3 billion in 2014 to $342 billion in 2024.

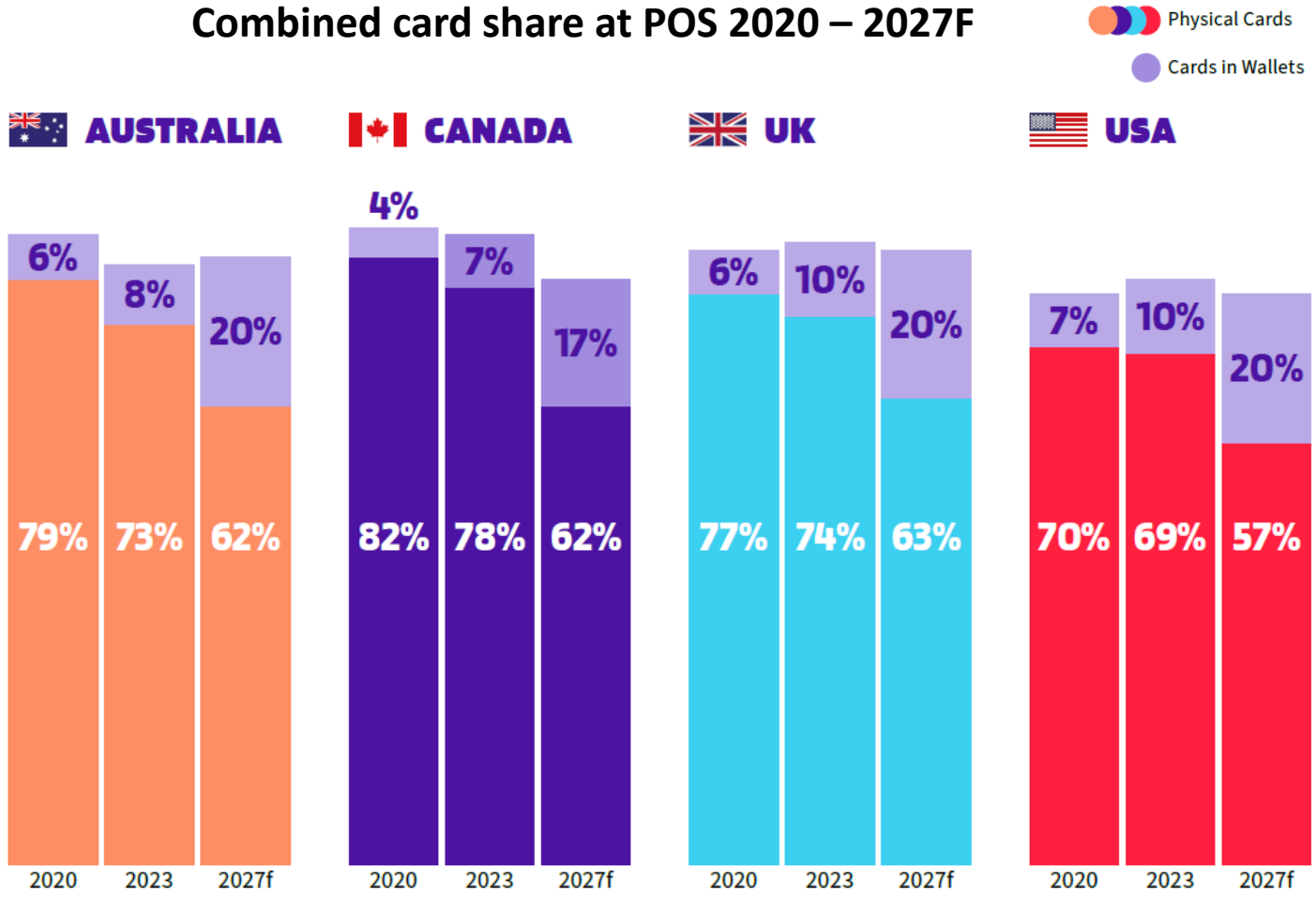
Digital Wallets share of global transaction value



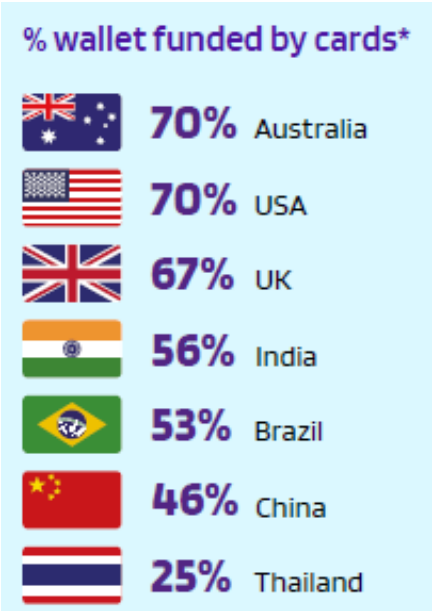
Graphic source: Worldpay Global Payment Methods Report 2024

Cards vs Digital Wallets

Combined card share at POS 2020 – 2027F



- Cards are losing share to wallets as the direct payment mechanism.
- **BUT**, the spend "lost" is shifting to use within "pass-through" and "staged" digital wallets.

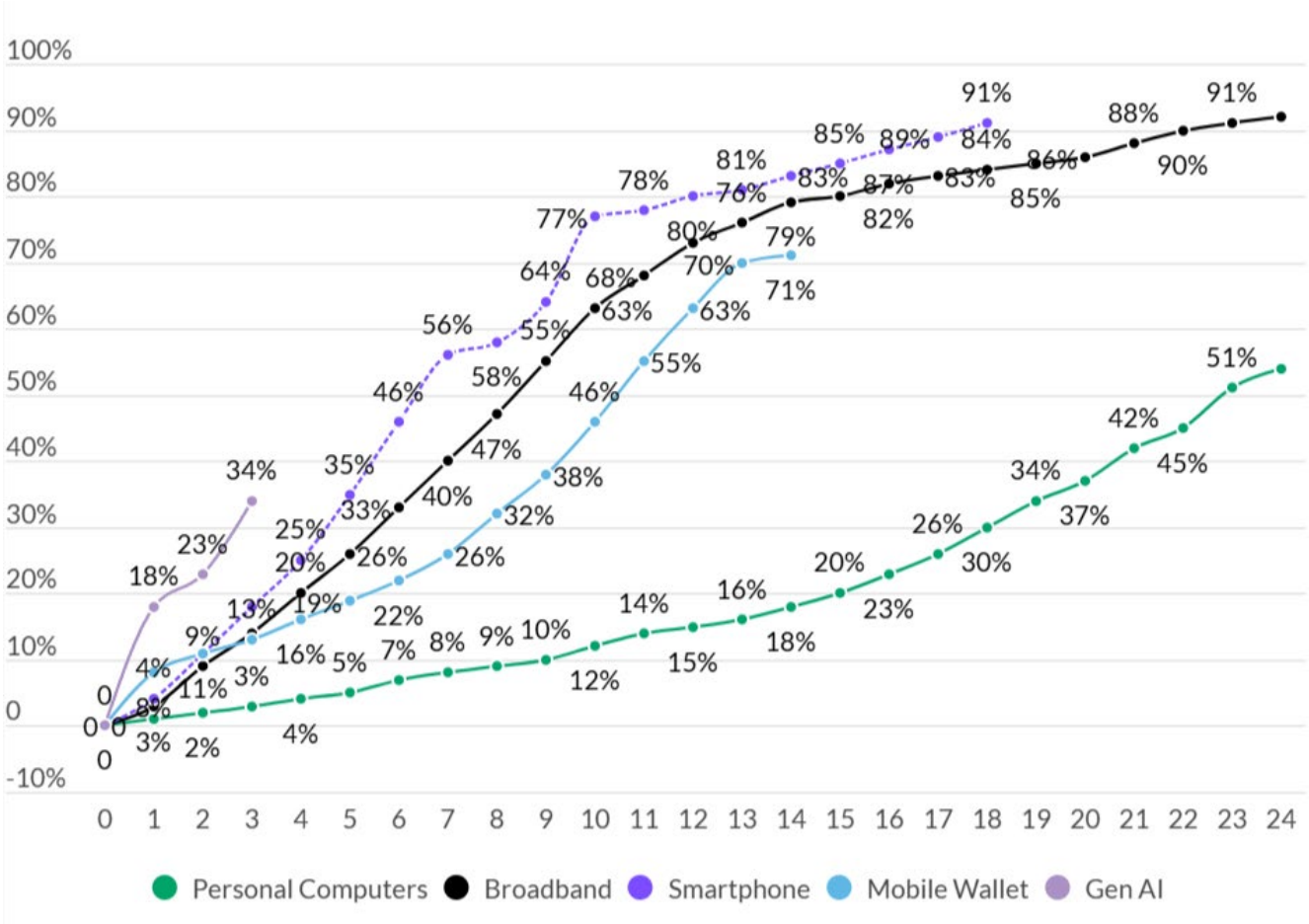


Graphic source: Worldpay Global Payment Methods Report 2025

The impact of AI

The rise of GenAI

Technology adoption rates, by number of years since introduction



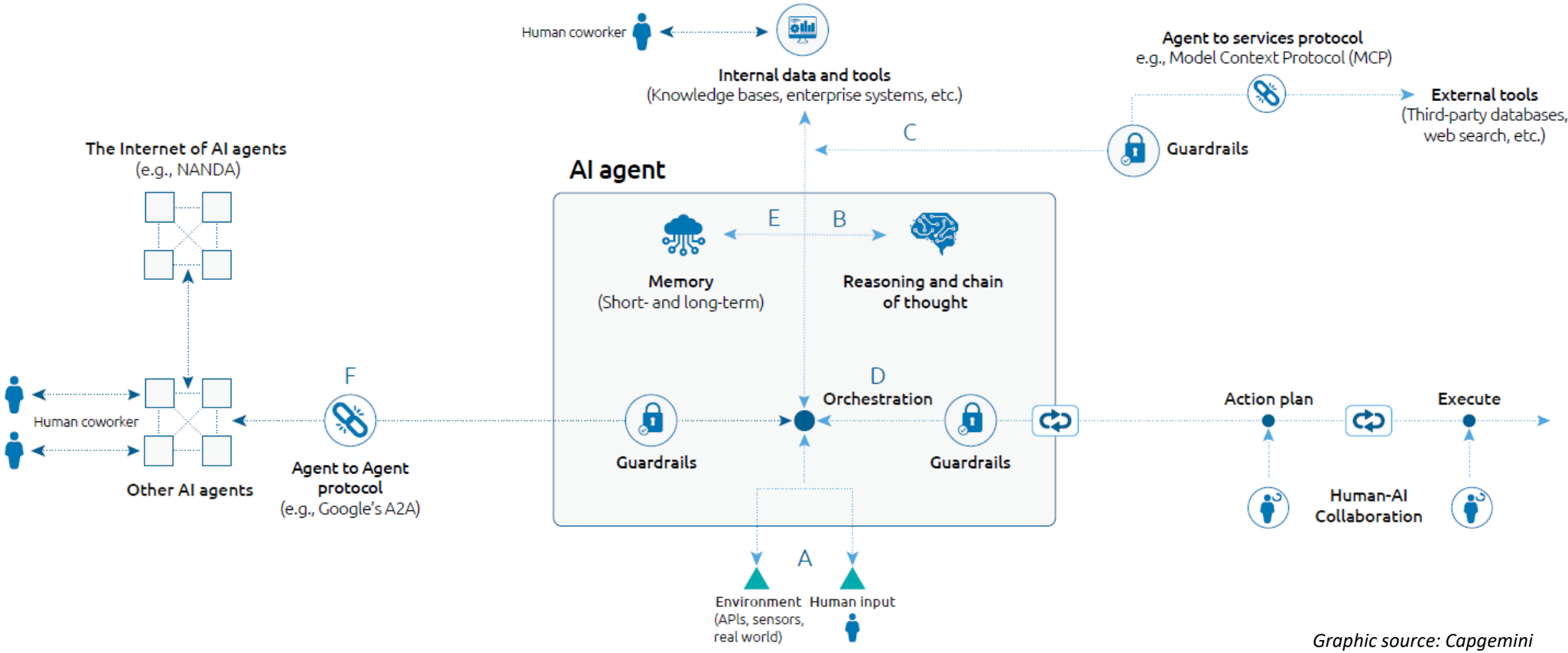
Graphic source: PYMNTS

- **PCs:** ~20 years to 50% adoption (affordable chips + usable software + household readiness)
- **Broadband internet:** ~9 years to 50% adoption (cables + technicians)
- **Smartphones:** 6 years to 50% (carrier subsidies + app ecosystems + 4G networks)
- **Mobile wallets:** ~10 years to 50% (merchants, banks, NFC terminals, consumer habits)
- **GenAI:** 100mn users in 2 months (ChatGPT) — fastest adoption in history

Why?

✓ **Infrastructure in place** (devices, connectivity, cloud)
✓ **No new hardware**, contracts, infrastructure – just a browser or an app
✓ Digitally fluent **user base**

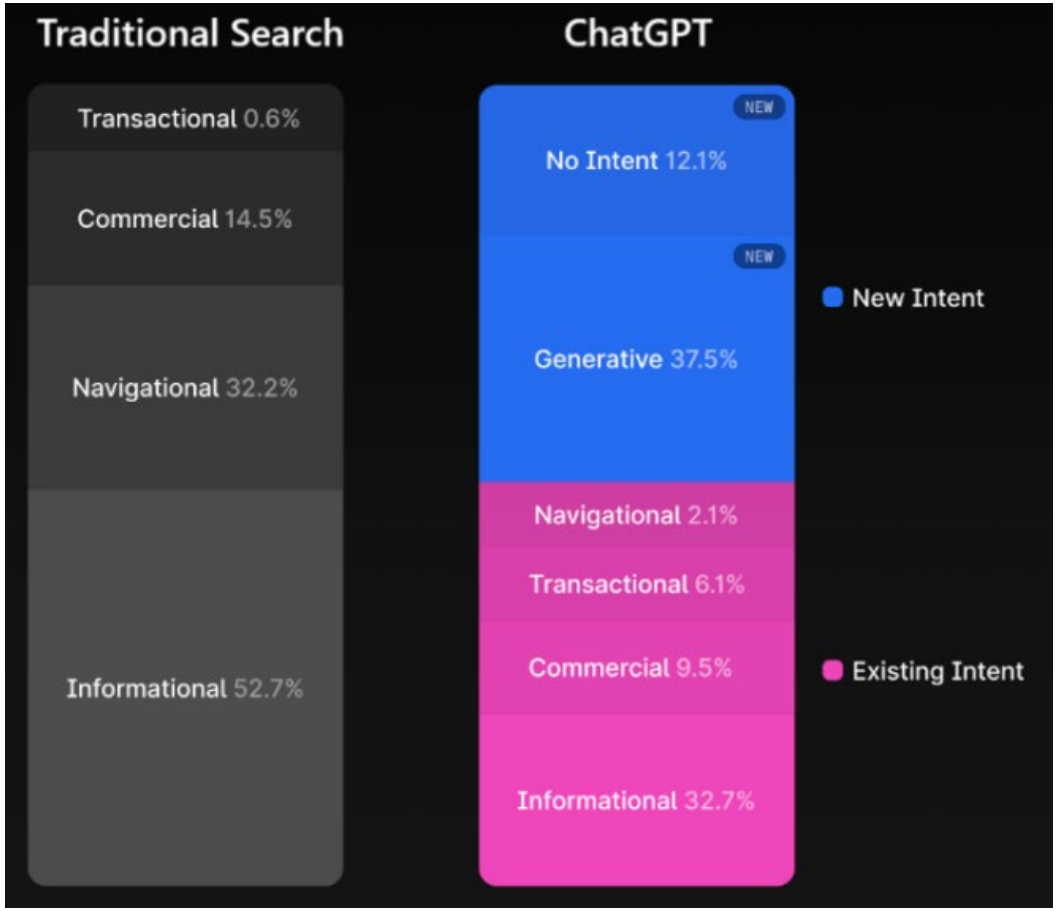
AI Agents as the next catalyst



Graphic source: Capgemini

*Today, AI Agents can reach '**1h' of automation** - doubling every 7 months. If the trend continues to the end of this decade, AI systems will be capable of autonomously carrying out **month-long projects**.*

From Search to AI: Breaking the value chain



Graphic source: Profound

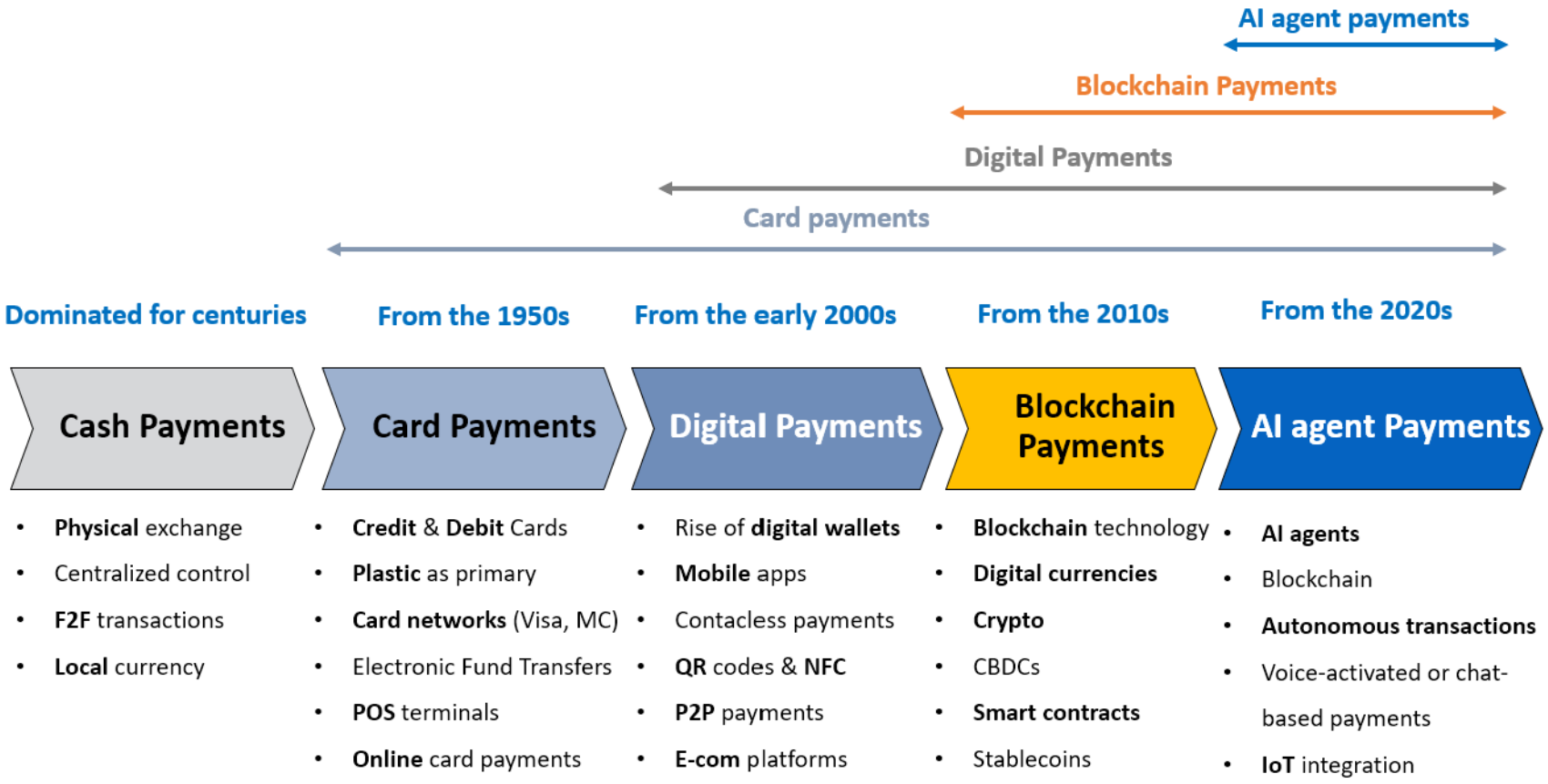
- **Online discovery is breaking:** people aren't browsing, they're asking AI.
- **The old model:** Google search → links → websites → conversion.
- **The new model:** AI tools give direct answers, summaries, and recommendations.
- **Traditional SEO** worked because users clicked on results. In AI chat, there's no click — the answer happens in the conversation.
- Most **marketing KPIs** (traffic, bounce rate, rankings) are **becoming obsolete**.
- The battleground is shifting from SEO to AI visibility — being discoverable by AI.

The Evolution of Payments

Why are AI agent payments important?

— They can be a directional, cross-industry pivot, radically changing strategy, business models and monetization.

— They might represent the build-up of a next-gen payments' infrastructure layer that will work on top (but not replace) of existing platforms and methods.

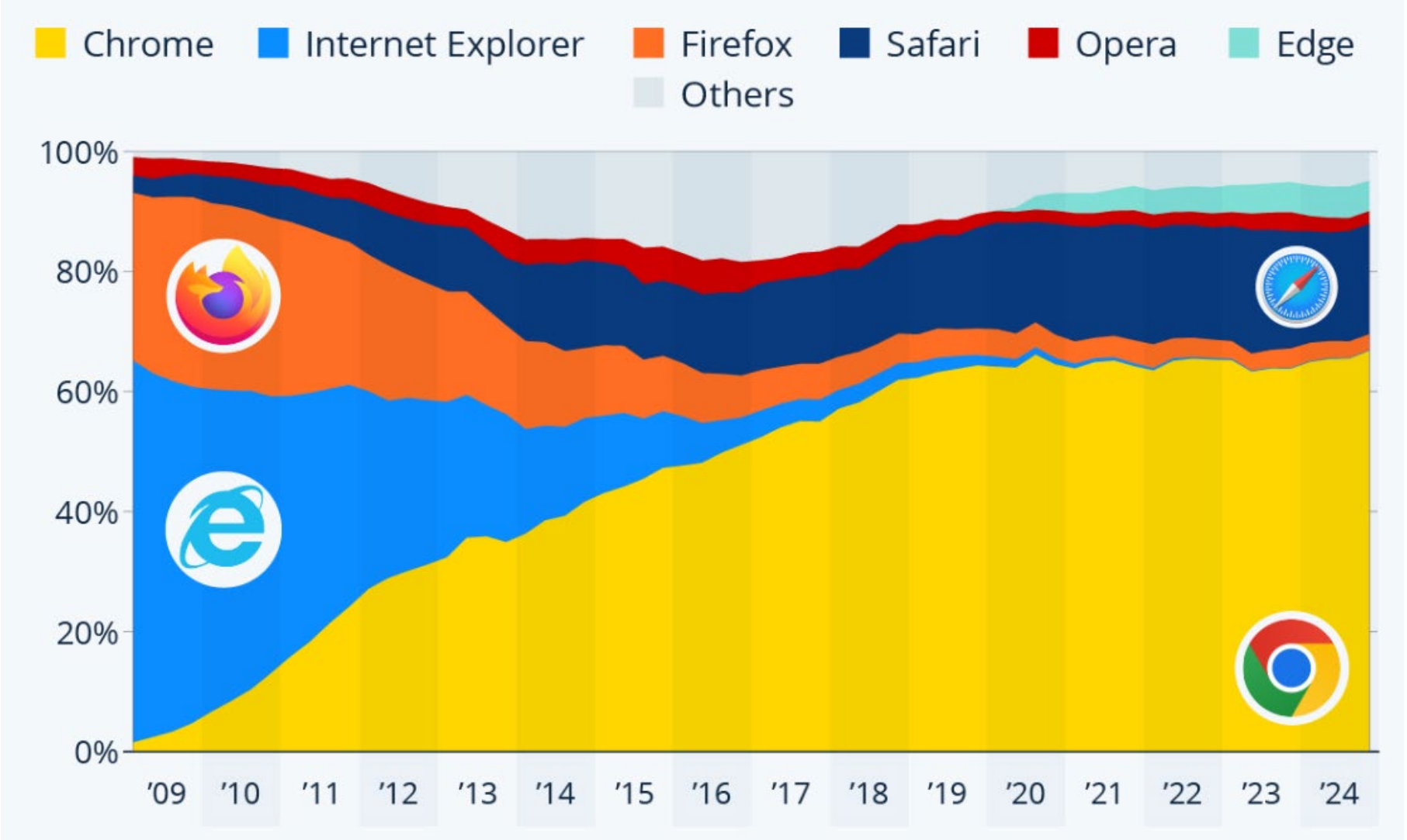


The Agentic Commerce Play

	PayPal Agent Toolkit	Mastercard Agent Pay	Visa Intelligent Commerce
Announcement date	**14 & 29 Apr 2025** PayPal Dev Days	**29 Apr 2025** - global press release	**30 Apr 2025** - Visa Global Product Drop
Headline	**Let any AI agent plug directly into PayPal** to handle the full commerce loop—pay, ship, invoice, dispute	**New payment infrastructure for agentic commerce -** autonomous AI assistants execute transactions on behalf of users	**Empower AI agents** to deliver personalized and secure shopping experiences at scale
Use cases	• Pay for purchases and settle invoices • Track shipments in real time • Auto-manage subscriptions / inventory • Raise or resolve disputes	• Birthday-party shopping concierge • SME agent that sources overseas and settles with a virtual corporate card • Retailer chat-bot - best way to pay	• Book flights/hotels (send spend limit) • Order weekly groceries automatically • Reserve hard-to-get restaurant tables and pay without exposing card data
Key partners	AWS, Google Cloud (Gemini), Microsoft Azure, Anthropic	Microsoft, IBM watsonx, Braintree, Checkout.com	Anthropic, OpenAI, Microsoft, Samsung, Stripe, Mistral AI, Perplexity

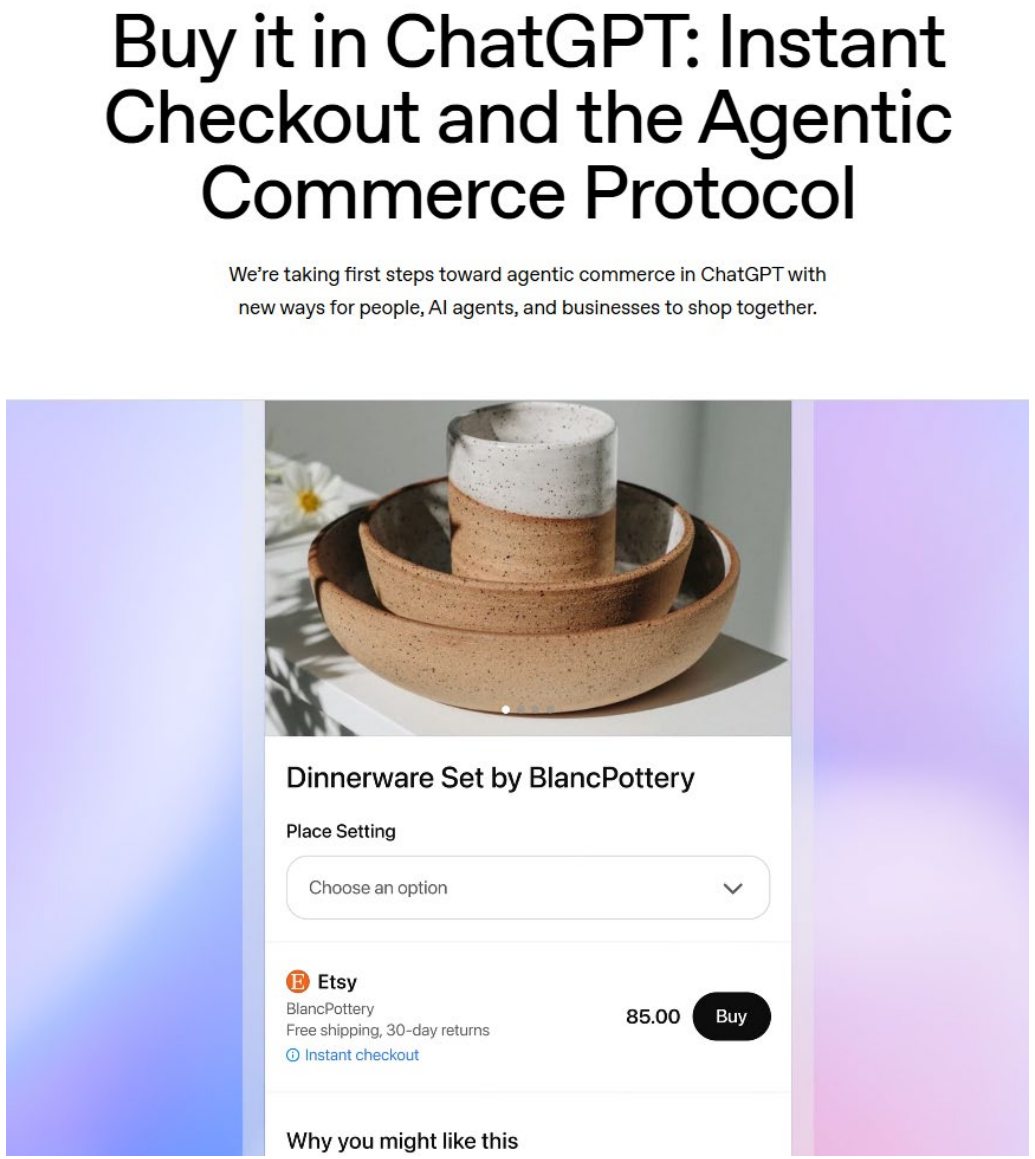
- The **payments race** has always been about **speed**.
- **Checkout disappears** as search, recommendation, and payment converge in one AI-driven flow.
- Agents handle intent-to-purchase end-to-end, removing friction from the customer journey.
- **Owning the credential** = becoming the default wallet in the loop.
- That position captures not just the transaction, but also the data, interchange, and upsell opportunities.
- The real prize is **owning the customer relationship**.
- No one wants to be **disintermediated** by someone else's agent.

We´ve seen this before…



Graphic source: Statista

Instant Checkout



- **OpenAI** introduced **Instant Checkout** inside ChatGPT → checkout now happens in the chat itself, not on a website.
- **Agentic Commerce Protocol (ACP)** → a new technical standard (built with Stripe) that defines how AI agents and merchants talk to each other to make a purchase happen. Open source.
- **Merchants stay in control** (shipping, returns, support, customer relationship) as an incentive for adoption.
- **Checkout is now shifting into the agent**, where discovery, decision, and payment all happen within the conversation.
- If checkout happens inside agents, **websites** risk losing their role as the primary place to transact, **marketplaces** could be reduced to fulfilment backends, and **app stores** may lose control over payment flows.

The Agentic Wars are here…

amazon vs. perplexity

What happened	
• Amazon **sued** Perplexity over Comet, its **agentic shopping browser**. • The browser **lets AI agents browse and buy** on behalf of users. • Amazon claims Perplexity accessed its site **without authorization**.	
Amazon's view	**Perplexity's view**
• **AI agents** exceeded limits and bypassed safeguards. • They **blur accountability** and evade fraud checks. • Amazon says it's **protecting users** and data.	• AI agents act only with **user consent**. • **Users should be free to choose** how they interact. • Amazon is **protecting control**, not consumers
What's behind	
• It's a clash about **who controls the next interface** of the internet. • Platforms like Amazon **risk losing direct access to customers**. • It's the start of a **broader struggle** between **platforms** and **agents**.	

nexo STANDARDS

Panagiotis Kriaris

unzer