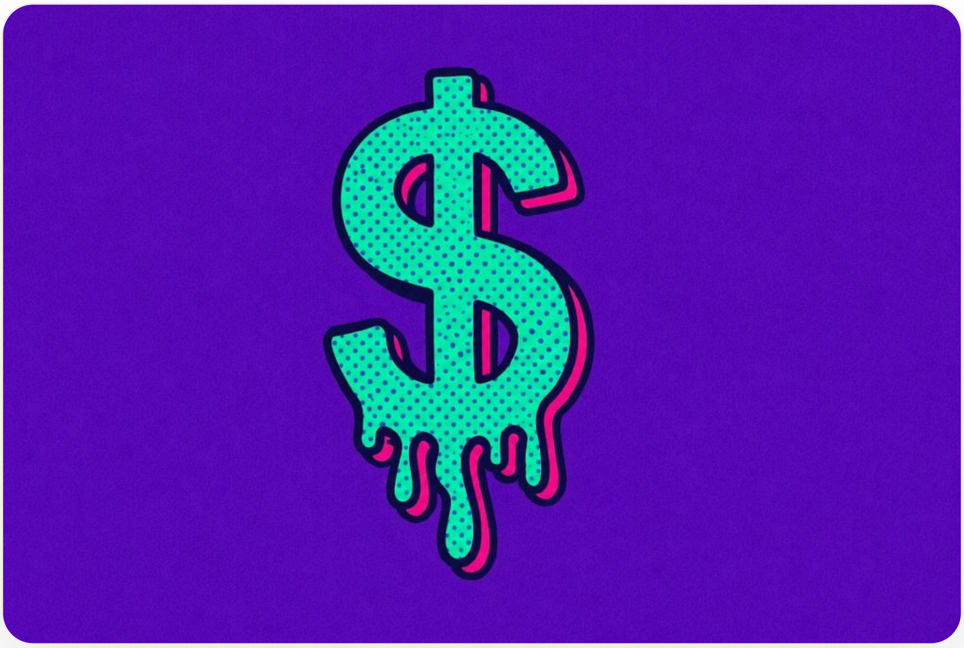
Artificial Intelligence

Agentic commerce is a mirage (part 3)

By **Eric Benjamin Seufert** August 24, 2026



See: Agentic commerce is a mirage parts one, two

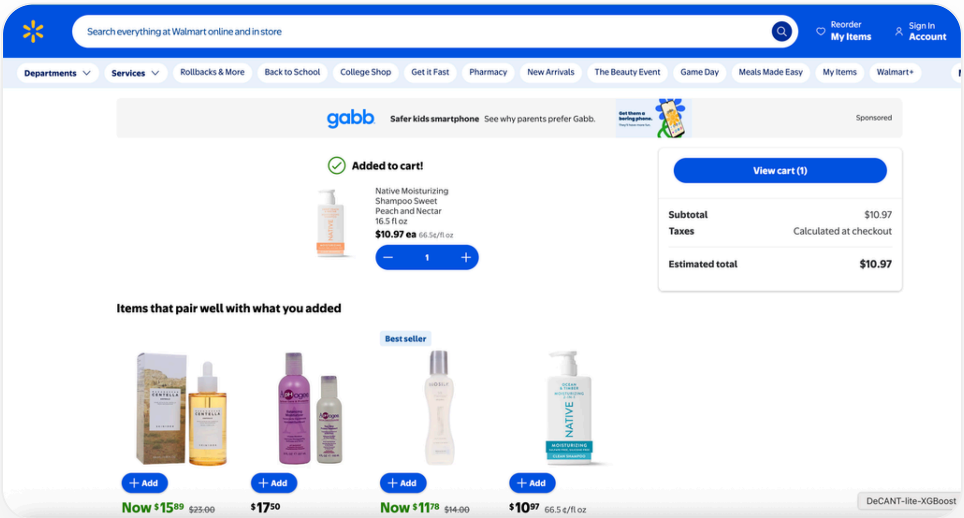
Walmart released earnings for its Q2 FY2027 quarter last week. The company beat analyst expectations on both revenue ($187.94BN, for 5.9% year-over-year growth) and earnings, but its same-store sales growth was weaker than expected, and it announced broad price cuts that will pressure its margins. The company's stock dropped by as much as 9% following the release.

Global eCommerce growth, at 23%, was a highlight of the company's quarter; John Furner, the President and CEO of Walmart Inc., noted on the earnings call that US eCommerce growth exceeded 20% for the 10th consecutive quarter. The company's advertising business grew by 38% in the quarter, while Walmart Connect, which encompasses the company's US retail media network, grew by 43%. Walmart's recent acquisition of Vibe.co, which I covered in June when it was announced, was highlighted as an accelerant to the company's advertising ambitions.

John Rainey, the company's CFO, referring to profit, revealed on the call that "almost half of the growth came from areas like membership, advertising, marketplace." John Furner also provided some helpful data on the growth of Sparky, the company's on-platform shopping agent. From the earnings call (emphasis mine):

> Sparky is a great example. **The number of customers using Sparky is up 70% from last year**, and **the customers and members who use Sparky for shopping spend 40% more per order than others who don't**.

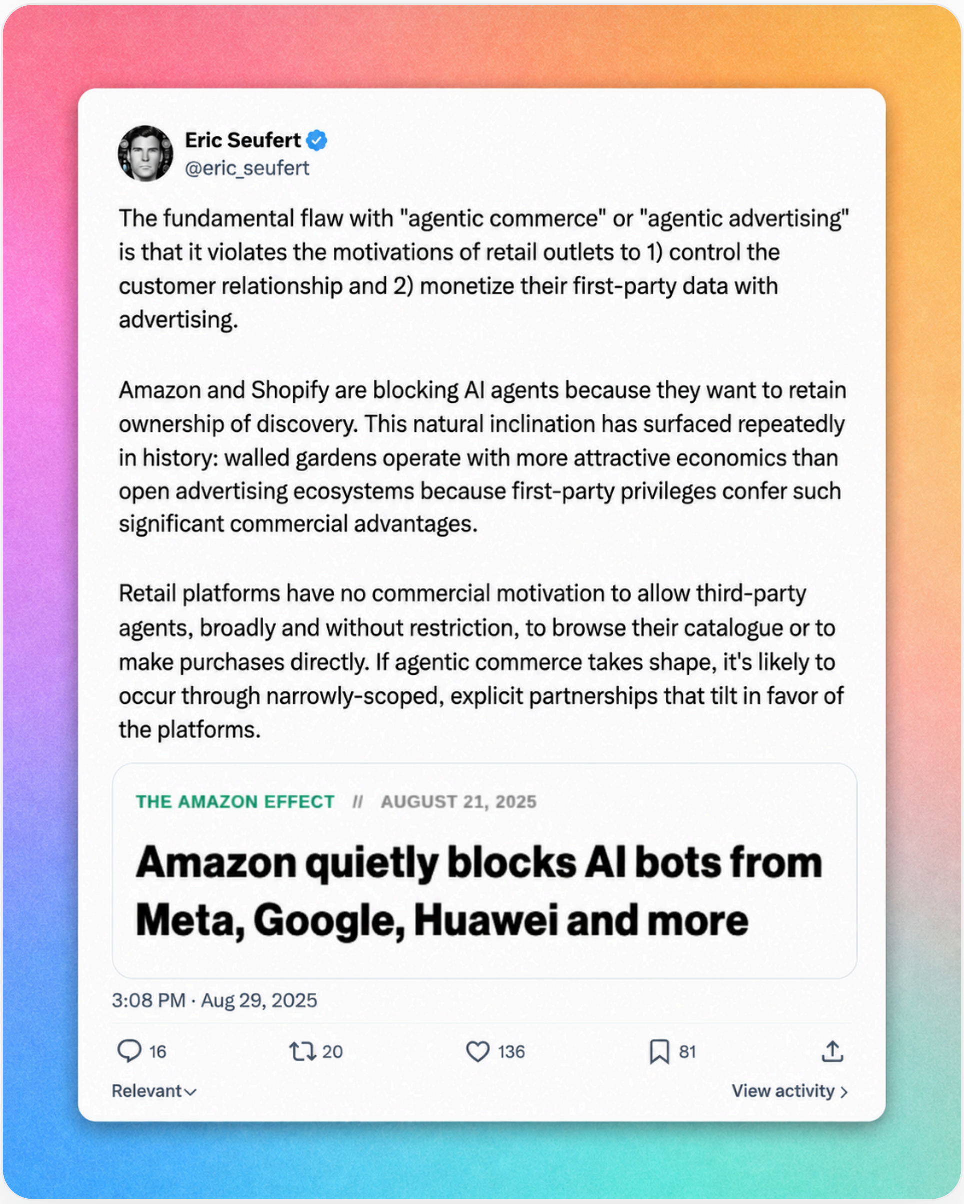
This contrasts meaningfully with what Walmart's Executive Vice President of Product and Design, Daniel Danker, told *WIRED* in a recent interview after the company ended its integration with ChatGPT's Instant Checkout product. According to the interview, Walmart saw an Instant Checkout conversion rate roughly one-third of that when users were forced to click through to Walmart's website. And perhaps more materially, the Instant Checkout experience struggled to manage multi-item purchases, resulting in smaller order sizes than what the company can produce through its own website, when the company is given the opportunity to recommend adjacent products (and, potentially, to serve ads). Danker called the Instant Checkout experience "unsatisfying"; Walmart ultimately ended its Instant Checkout integration, opting instead to make its Sparky agent available as a ChatGPT app.



I wrote ***Agentic commerce is a mirage*** nearly a year ago, in September 2025 — before Instant Checkout was announced. My argument was that Amazon, which had begun blocking various chatbots from crawling its catalog, had no incentive to integrate with external chatbots for agentic shopping, given the importance of advertising and recommendations to the company. Despite the declarative — and probably overly combative, in retrospect, although I'm fully committed to it for the series at this point — nature of the title, my point was not that agentic commerce, categorically, is unworkable, but simply that the native incentive structures would reject *third-party* agentic commerce, with retail platforms capturing the agentic commerce opportunity for their own benefit. From the piece:

> None of this is to say that I view agentic commerce as unlikely or impractical. Quite the opposite: I see it as inevitable. But agentic commerce as a standalone, independent enterprise strikes me as unworkable and untenable, given that it runs counter to the incentive structure of the largest retail platforms. For a commerce agent to achieve scale, it wouldn't merely need to provide a shopping experience that matches

what retail platforms — which have and will continue to launch their own agents — can provide, but also to build the retail backend against which the agent would operate.

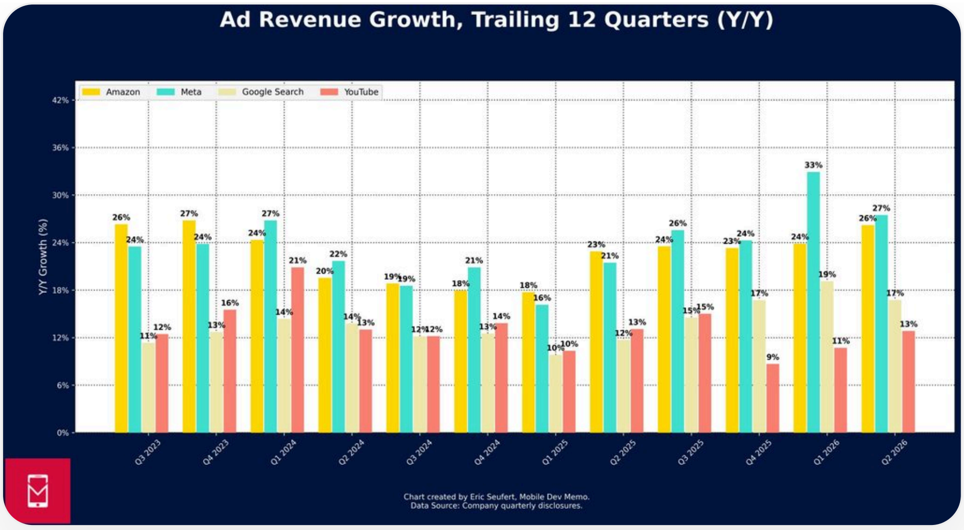


In November, I wrote a long-form piece, ***Affiliate links, personalized ads, and chatbot revenue optimization***, which presents an argument for why I believed the affiliate model that OpenAI had implemented in Instant Checkout was inferior to advertising, both economically as well as from a user-experience standpoint. Four months later, in March 2026, OpenAI announced that it had shuttered its Instant Checkout product, which was the catalyst for ***Agentic commerce is a***

mirage (part 2). Two months prior, the company had announced that it would launch an advertising product.

Meanwhile, on Amazon's Q3 2025 earnings call, the company revealed that its AI shopping agent, Rufus, was on track to deliver more than $10BN in incremental sales for the year, later updated to $12BN; four months later, in February 2026, Amazon announced that it would invest $50BN in OpenAI. I speculated in ***Amazon-OpenAI: advertising, not agentic commerce***, published before the investment was formally announced, that Amazon was likely to pursue an advertising partnership with OpenAI rather than an agentic commerce integration. From the piece:

> Amazon might pursue a partnership with OpenAI that resembles those it unveiled in 2023 with Meta and Snap: that Amazon would deliver fully constructed ads to ChatGPT after a user links their accounts, allowing Amazon to select a relevant product and tailor the ad shown based on a user's Amazon transaction history. I called this a "Walled Compound" approach: in its implementations with Meta and Snap (which, to be clear, don't seem to have scaled or been supported), account linking created a foundation for Amazon to bring its own data to bear in constructing ads while not sharing that data directly with either partner. In other words, account linking unlocked the value of Amazon's data for application on third-party surfaces, which is a win-win proposition: the partner gets the benefit of third-party targeting data, which manifests in the economics of better-targeted ads, and Amazon generates incremental transactions without surrendering its relationship with the consumer.



While no such direct integration has yet to materialize publicly, Amazon is advertising on ChatGPT. More importantly: the investment has not been followed by a direct shopping agent integration. In fact, Amazon seems to be reinforcing its own on-platform agentic capabilities: Amazon retired the Rufus name for its own shopping agent in May 2026 and officially folded the product into Alexa as Alexa for Shopping; the company's advertising revenue growth of 26% outpaced every major advertising platform save for Meta's (at 27%) in Q2 2026.

Walmart's results crystallize the distinction at the heart of this series. Shopping agents may only be viable, for a number of reasons, when they are controlled by retailers and integrated into their commerce stacks. Agentic commerce is not disappearing, and, in fact, it has already demonstrated material commercial traction; it is simply being activated and absorbed by the retail platforms whose catalogs, customer data, recommendation systems, advertising businesses, and fulfillment infrastructure make it useful, rather than by independent agents.

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