



The 2026 commerce readiness index

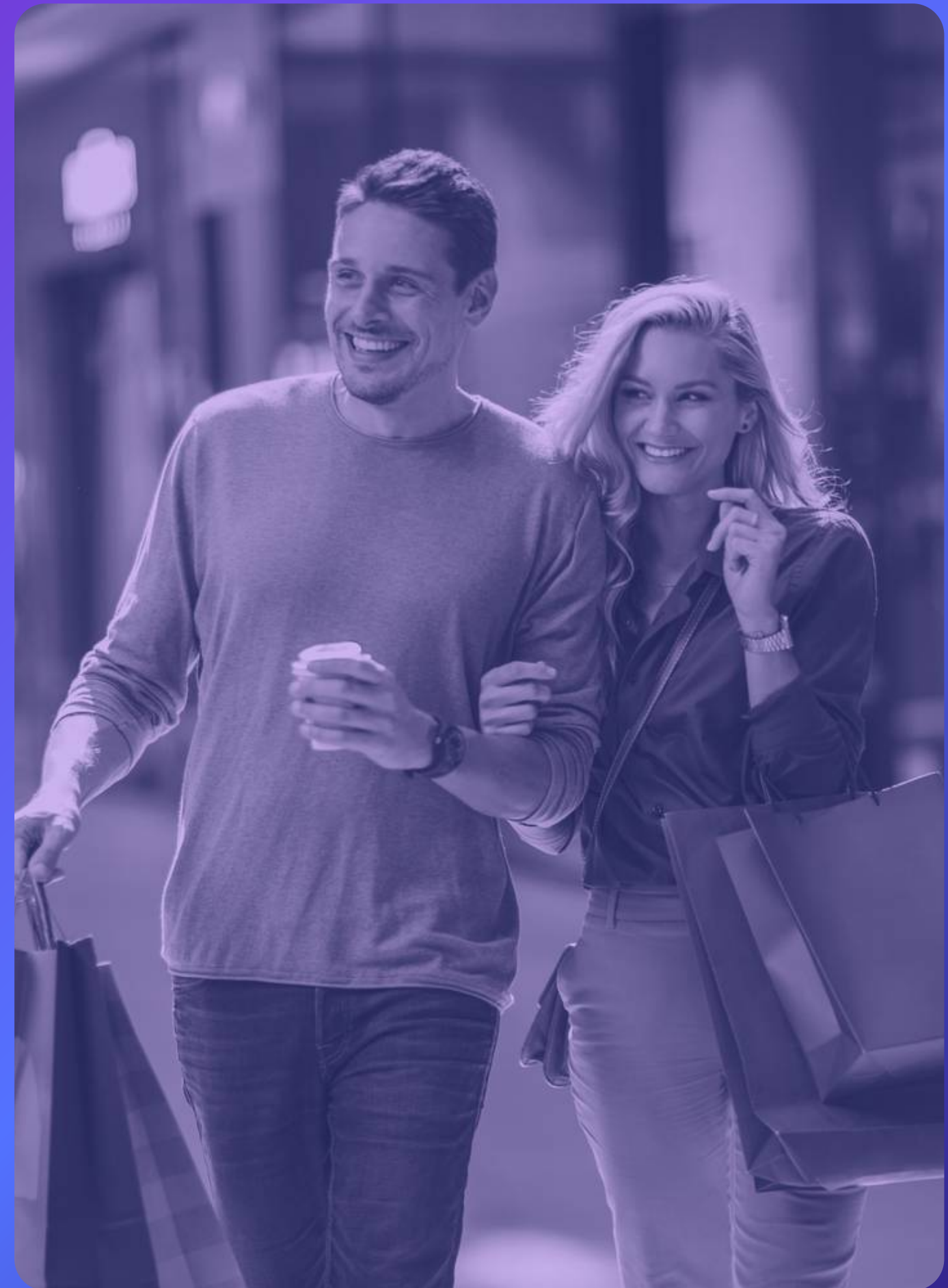


Table of contents



3

Executive summary

4

Key findings

5

1: External pressures and internal roadblocks

10

2: Stuck at spreadsheet speed

17

3: AI is being rushed onto shaky foundations

22

4: Margins are under siege

28

5: Customer journeys are bleeding revenue

34

Final takeaways

Being ready for 2026 doesn't require flashy campaigns or wide catalogs.

Instead, it depends on your ability to stay more agile—and act on cleaner, more connected data—than everyone else.

Executive summary

In 2025, the commerce industry was upended by economic jitters, the rapid advancement of AI, rising costs, and unpredictable customers. That turbulence isn't slowing down—if anything, 2026 will dial it up.

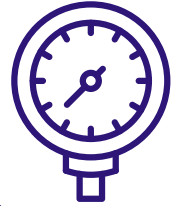
But there's a quieter, equally dangerous threat that rarely makes headlines: internal drag. Clunky processes, messy data, and slow decision-making can drain more resources than tariffs or inflation.

In July 2025, we surveyed 200 commerce executives across the U.S. and U.K. to uncover how brands and retailers are coping with both external volatility and the cracks forming inside their own operations.

BRANDS
+
RETAILERS

While brands and retailers share many challenges, they're starting from different points: retail executives are focused on protecting margins and operational stability, while brands are chasing growth and innovation. Despite these differences, one thing's clear for everyone: speed and agility, powered by trustworthy data, is your best competitive edge going into 2026.

Key findings



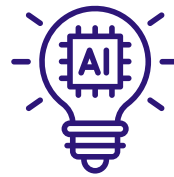
External forces and internal friction choke growth

External shocks grab headlines. Internal misalignments quietly limit growth. Both must be addressed to get ahead.



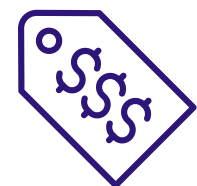
Teams are stuck at spreadsheet speed

Most brands and retailers still rely on manual processes and workflows—leaving them vulnerable to inefficiency, errors, and lost revenue.



AI is being built on shaky foundations

3 out of 4 leaders say AI is advancing faster than their organizations can adopt it, creating a widening gap between ambition and execution.



Margins are under siege

Rising costs, changing tariffs, and product complexity are eroding profitability, with no clear playbook for protecting margins—forcing difficult trade-offs.



Customer journeys are bleeding revenue

Both retailers and brands are losing customers at critical points across the purchase journey, turning operational cracks into revenue leaks.

A woman with long, wavy brown hair, wearing a white collared shirt and a bright orange blazer, is smiling and looking down at a black tablet she is holding with both hands. She is standing in a warehouse or storage area, with tall metal shelving units filled with cardboard boxes in the background. A large white number '1' is overlaid on the left side of the image.

1

External pressures and internal roadblocks

Even if the economy stabilized tomorrow, most leaders say that outdated processes, resource shortages, skill gaps, data issues, and internal misalignment would still hold them back.

In 2026, it isn't about waiting for the market to settle. It's about building the internal resilience and agility to thrive regardless of what the market throws at you.

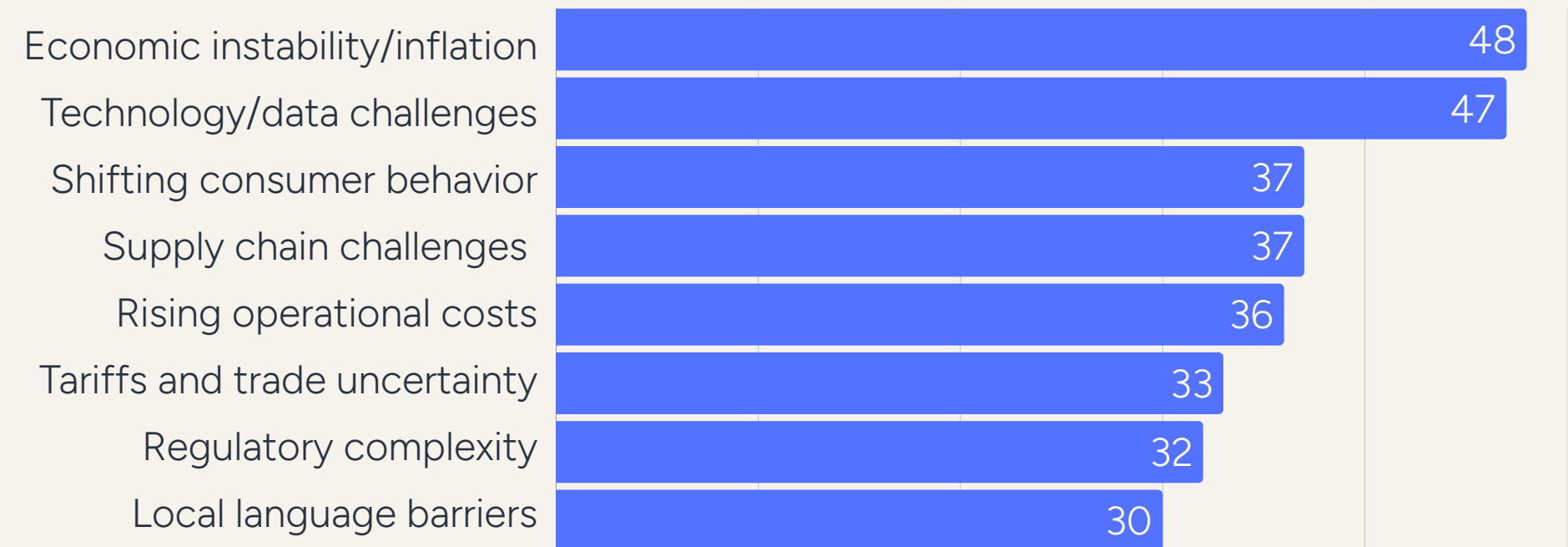
The top expansion hurdles in 2026

For both brands and retailers, economic instability is the biggest hurdle to market expansion. Close behind it are technology and data challenges, as well as rising operational costs, shifting consumer behavior, and supply chain pressures.

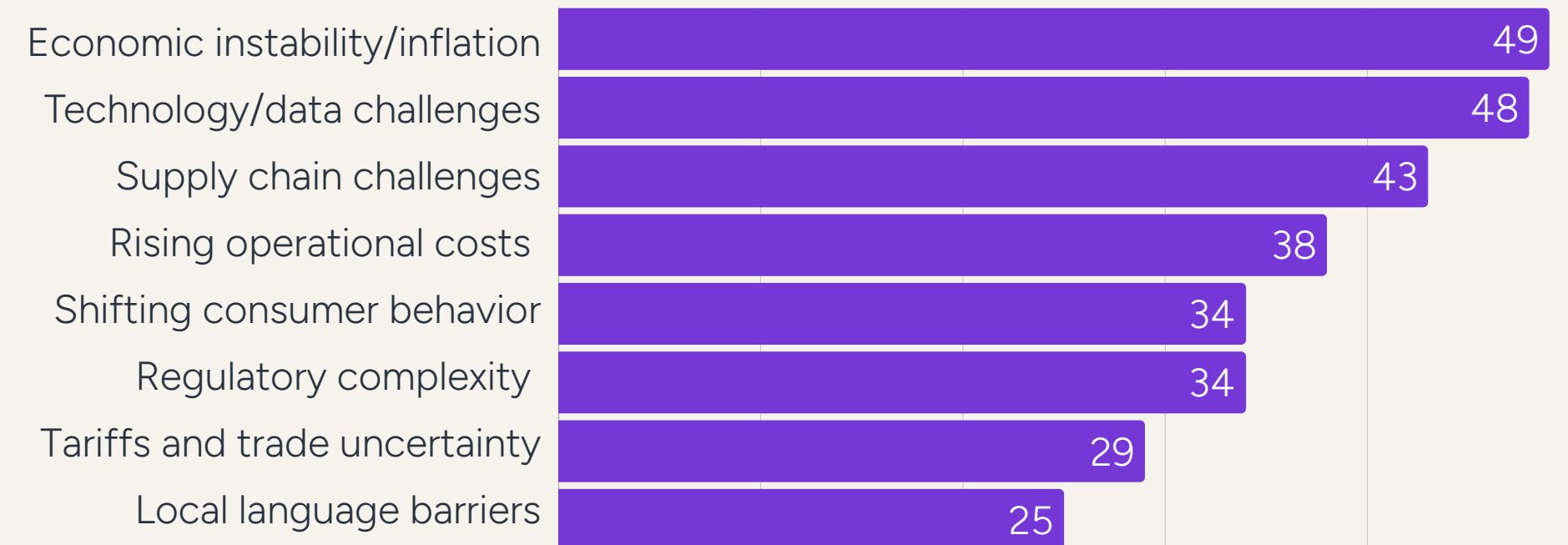
These obstacles don't generate the same headlines as tariffs or policy changes, but they impact expansion strategies just as much—if not more—than external forces.

What are your 3 biggest hurdles to expanding to new markets?

RETAILERS



BRANDS



Internal frictions limit your scalability

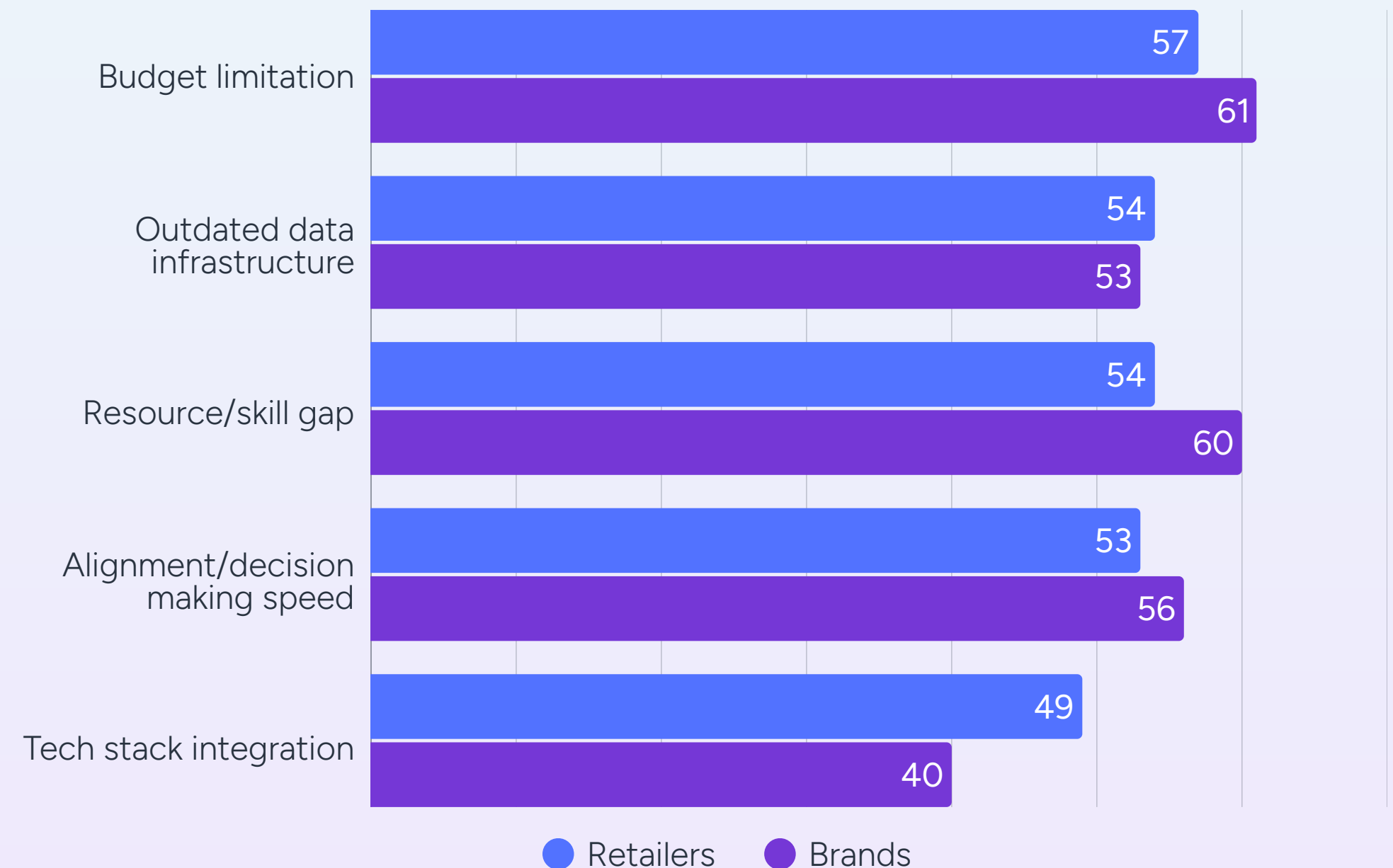
Economic uncertainty isn't going away, but it's not the only barrier holding businesses back.

Retailers and brands also face internal hurdles: limited budgets, outdated data infrastructure, resource and skill gaps, slow decision-making, and tech stack challenges.

These operational frictions may seem like back-office problems, but they quickly ripple outward and can erode your competitive edge in volatile markets.

Which of the following operational areas are limiting your ability to scale or optimize your retail/channel efforts?

Select all that apply



What brands and retailers are prioritizing for growth

AI tops the to-do list, with 43% of retailers and 37% of brands prioritizing enablement across operations and decision-making.

Both groups are also investing in digital transformation and automation to build the infrastructure for faster, smarter execution.

After that, retailers are leaning into channel expansion (40%) to unlock new revenue streams, while brands are prioritizing margin protection (35%). At the same time, brands are sharpening their focus on customer experience (31%), reinforced by investments in sustainability (35%) and first-party data strategy (35%) to build loyalty and differentiate in a crowded market.

What are your company's top 3 strategic priorities?





When pressure is everywhere, focus becomes everything

Retailers and brands face the same headwinds, but they're responding in very different ways.

Retailers: Stability first

Retailers are prioritizing efficiency, scale, and resilience by leveraging technology to streamline operations and safeguard growth.

Brands: Transformation and differentiation

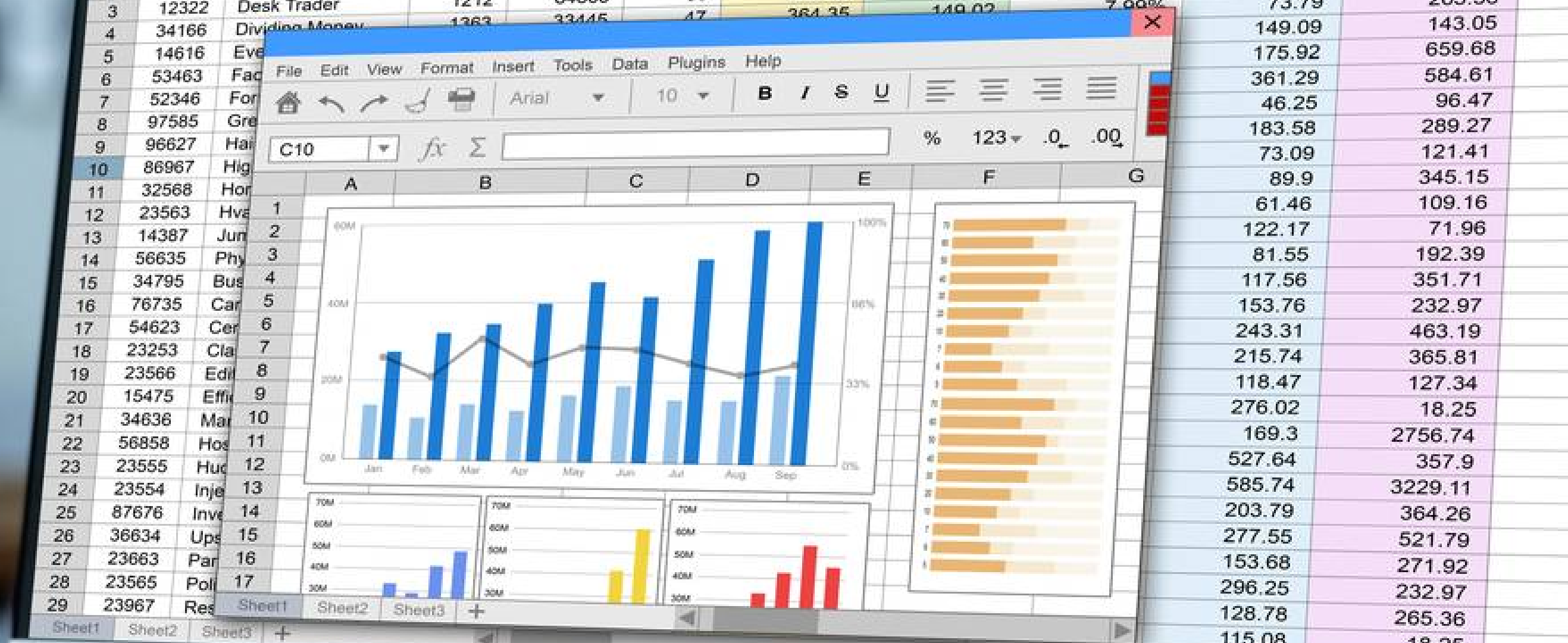
Brands are leveraging technology to differentiate themselves—reshaping how they innovate, market, and connect with consumers.

TAKEAWAY

You can't pause on expansion until the economy stabilizes. Growth in 2026 will be about building the internal resilience and agility needed to thrive regardless of what the market throws at you.

2

Stuck at spreadsheet speed



When a viral TikTok can wipe out inventory in minutes and a marketplace rule change can tank a bestseller overnight, speed to action is a matter of survival. That's why we asked retail and brand leaders how long it takes their teams to move from signal to next step.

The results reveal a critical gap: Even the fastest movers say they're working with incomplete or inconsistent data, and primarily rely on manual processes.

The risk? Costly blind spots and errors, like repricing off stale competitor insights, promoting out-of-stock products, or deploying fixes that miss the root cause.

Data accuracy and speed can't be trade-offs. They have to be solved together.

Fully automated workflows are almost nonexistent

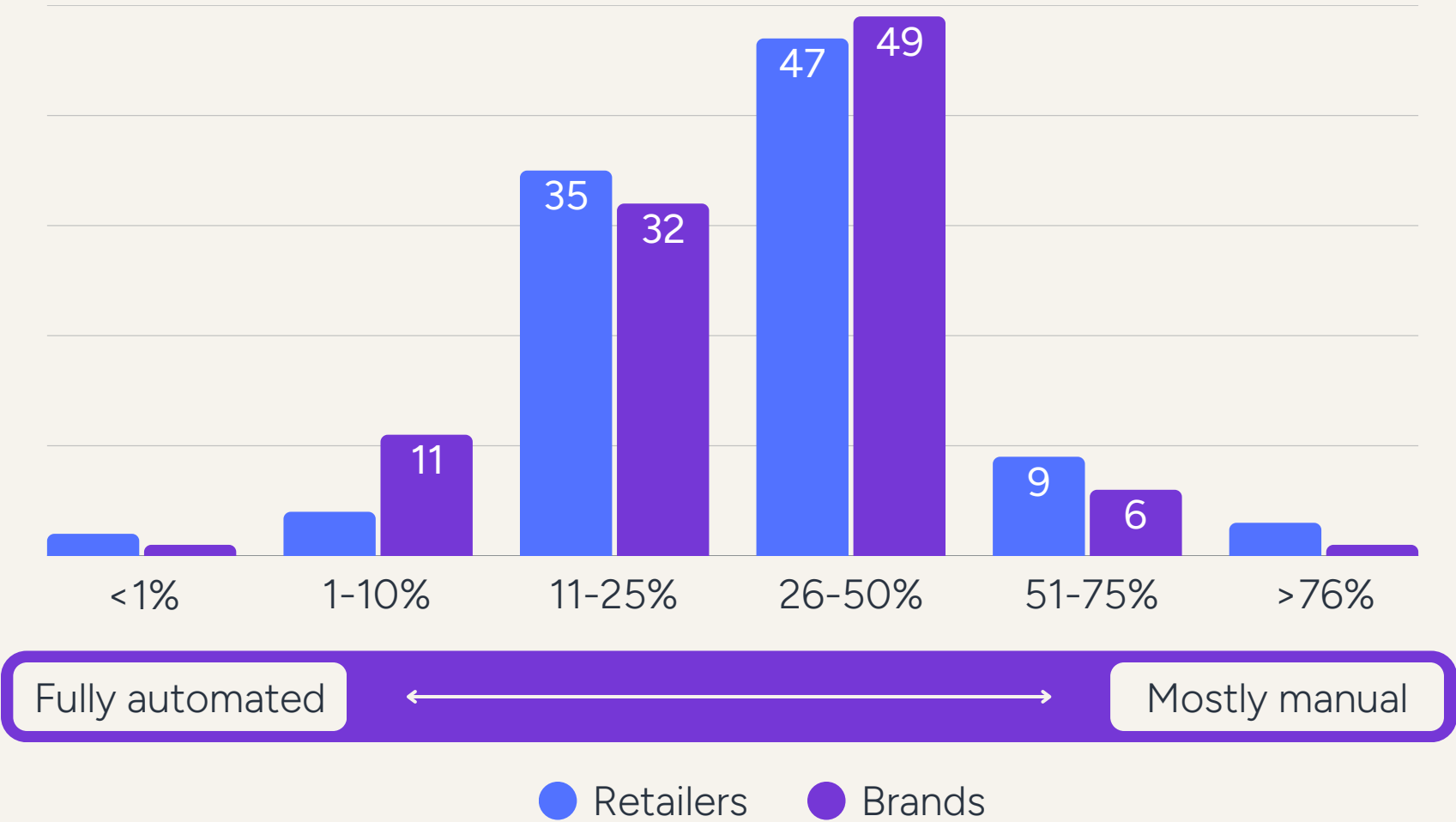
Most retailers and brands still rely heavily on manual processes.

For retailers, this could mean vendor analysts spending hours pivoting late-order reports in Excel, emailing suppliers one by one, or manually rewriting product descriptions before listings can go live.

On the brand side, manual processes often involve pulling performance signals across multiple platforms, reconciling conflicting reports in spreadsheets, and chasing down analysts for validation before action can be taken.

However manual processes show up, the result is the same: they bog teams down, delay reaction times, and increase errors in workflows.

What percentage of your workflow still relies on manual processes?
(spreadsheets, manual data entry, manual approvals, etc.)



Manual processes don't just slow you down—they compromise your data

Every spreadsheet entry, siloed update, or delayed sync increases the odds of outdated, incomplete, or inconsistent information.

It's no wonder, then, that nearly 75% of brands and retailers admit to sometimes making decisions based on inaccurate data. And more than one-third say it happens "often" or "all the time."

When bad data drives decisions, the result is wasted resources, missed opportunities, and costly errors that waste further resources to repair.

Speed matters. But data hygiene, governance, and validation must also be baked into every move, so you can act not only quickly but confidently.

How often do data quality issues (such as outdated, incomplete, or inconsistent data) affect business decisions?



When performance signals light up, speed to action can be critical

Over half of retailers say they respond within 48 hours, while brands are more likely to take three to five business days to act.

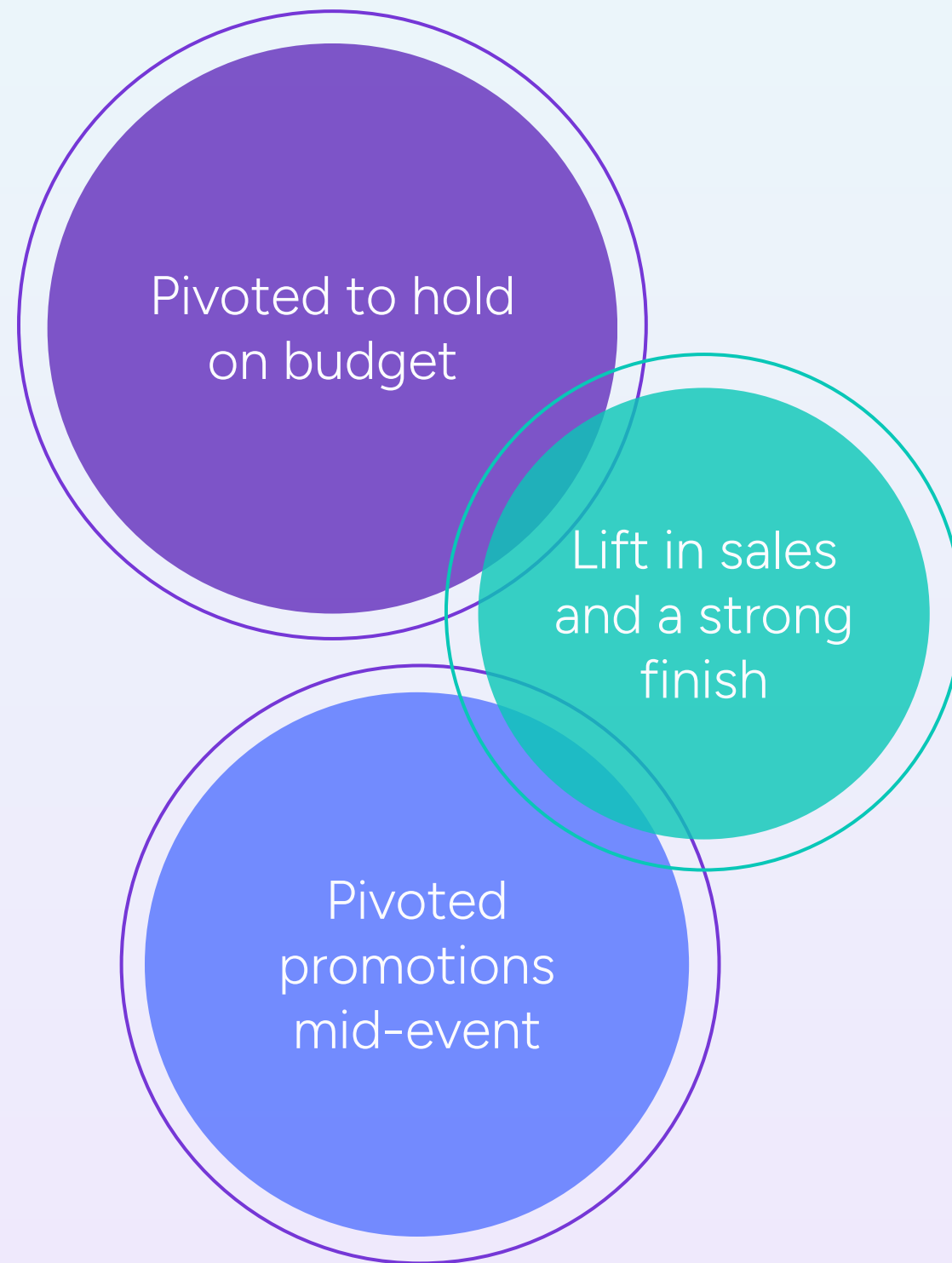
This makes sense: not every performance signal requires the same response.

True 2026 readiness will require automated data that helps you quickly analyze those performance signals, so you know when speed drives results and when patience preserves them.

How long does it take your team to act on meaningful performance signals?
(poor product page performance, low margin SKUs, sudden campaign spikes, etc.)



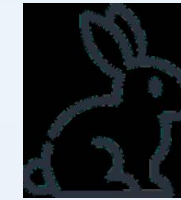
Two stories of speed vs. steadiness during Prime Days 2025



During the kickoff of July 2025 Prime Days, one brand experienced softer-than-expected demand and lower efficiency in early campaigns. Conversion rates dipped, and average order value (AOV) trailed previous events.

Instead of chasing spend blindly, they pivoted to reserve budget for any demand or conversion changes in the final few days of the event.

When AOV and conversion rates rebounded at the tail-end, they were ready. Waiting and seeing with spending helped them turn a slow start into a strong finish.



An apparel brand took a different tactic. With reliable performance signals pointing to shifts in seasonal demand, the brand pivoted its promotions mid-event.

They recalibrated their assortments to focus on back-to-school products, introduced bundle offers, and optimized product titles and keywords.

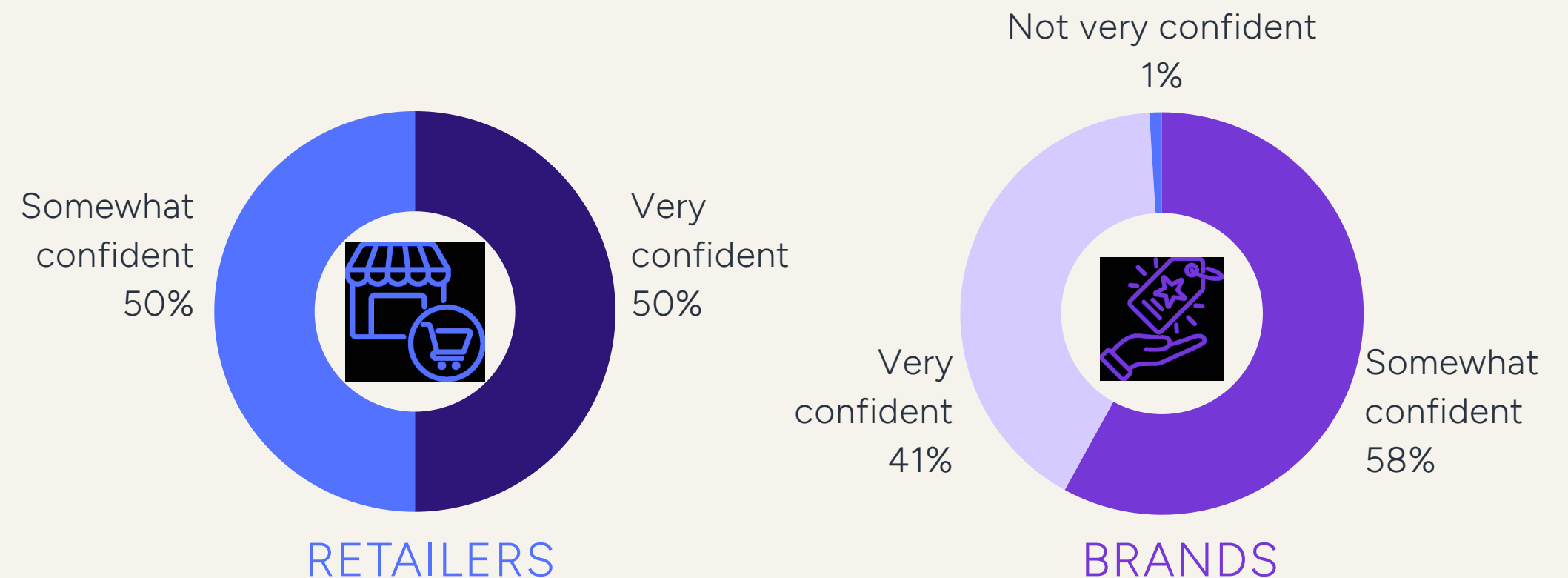
The result: a 15% lift in sales compared to their prior year's Prime event.

High confidence isn't the same as high accuracy

Even with poor data quality, nearly all teams say they're confident in measuring performance (99% of brands, 100% of retailers).

But high confidence doesn't always equal high accuracy. The gap between perceived and actual data quality is a warning sign: moving fast on flawed inputs can result in rework, wasted spend, and operational errors.

How confident are you in your organization's ability to accurately measure performance across marketing and commerce channels?





If you're still waiting on complete data, you're already behind

The majority of retail and brand leaders admit they often make decisions on outdated, inconsistent, or incomplete data.

And nearly half of executives say 26-50% of their workflows still rely on manual tasks like spreadsheets, data entry, and approvals.

Those manual and incomplete data dependencies slow decision-making down to spreadsheet speed, making it harder to capture growth opportunities or act on issues before they compound. Data drags hold teams back from moving with confidence at every level.

Strengthening underlying data and reducing manual reliance ensures accuracy keeps pace with agility.

TAKEAWAY

In a volatile economy, agility is survival. Confidence in measuring performance is nearly universal, but confidence isn't accuracy. Automation is what closes the gap—helping teams move fast when the moment demands it and stay steady when patience pays off.

3

AI is being built on shaky foundations

Commerce leaders see AI as the shortcut to instant insights, automated optimization, and market advantage.

But AI is only as good as the inputs it's given. Feed it flawed data, and it will confidently deliver flawed outputs, faster than ever before.

The danger isn't just inefficiency; it's the potential to hard-code bad decisions into automated systems, making them near-impossible to catch and correct.

AI is accelerating and every delay makes it harder to keep up

Nearly three in four commerce leaders say they're falling behind on AI.

This growing readiness gap means slower companies waste investments while faster rivals seize opportunities and raise the bar for what customers expect.

How much do you agree or disagree with the following statement:
"AI is advancing faster than our organization can adopt and apply it effectively in the workplace."



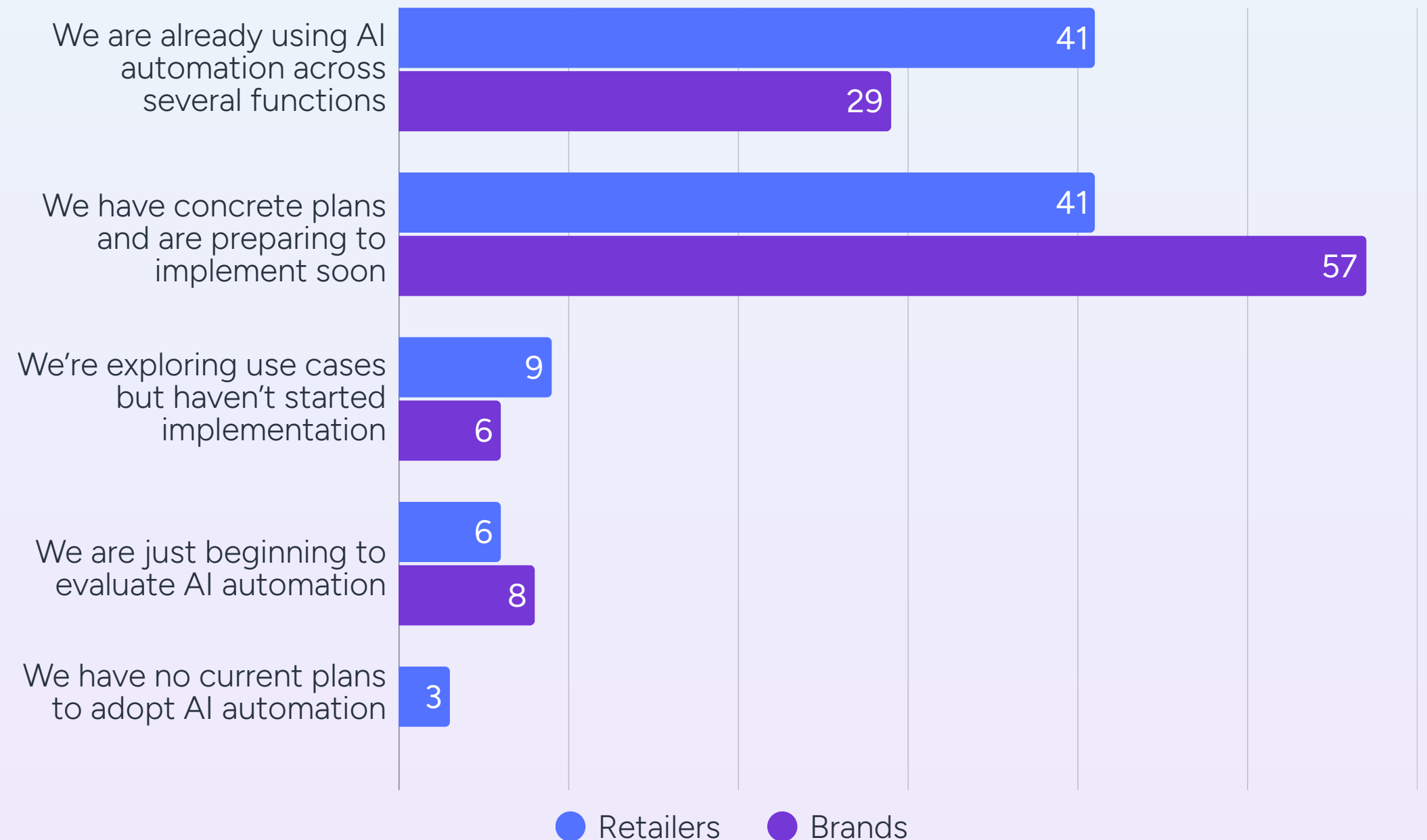
AI is operational, not experimental

AI adoption is moving quickly from pilot projects to core operations, with 41% of retailers and 29% of brands already using automation across multiple functions.

Another 57% of brands and 41% of retailers plan to implement soon, leaving only a small fraction still evaluating or with no plans at all.

Anyone lagging behind risks losing ground as competitors leverage AI to optimize pricing, inventory, and marketing.

How ready is your organization to adopt AI-based automation across areas such as pricing, inventory, and marketing?



The rush to AI skips the hardest part: fixing the data first

Many retailers and brands that prioritize AI adoption also report struggling with too many manual processes (49% of retailers and 62% of brands) and poor data quality (91% of retailers and 78% of brands).

It makes sense: data quality issues and manual overload are exactly why AI has become a top priority. For organizations weighed down by inefficiencies, AI promises a clear path forward.

But in that leap, you could be sailing over the crucial step of data readiness.





AI is only as good as the data it consumes

There's a universal urgency to adopt AI, and for good reason. But there's also a clear readiness gap: where the technology's potential outstrips most retailers' and brands' ability to operationalize it.

Skipping the step of cleaning and connecting data before scaling AI is setting you up for failing, fast. To get meaningful ROI from AI investments, you must first build the infrastructure, governance, and data quality needed.

TAKEAWAY

Leaders see AI as a shortcut to automation, instant insights, and market advantage. But feed it bad data, and it will confidently deliver bad answers—faster.



4

Margins are under siege

Margin pressure is always relentless. But coming into 2026, the combination of uncontrollable external factors and rising operational costs is forcing tough trade-offs.

Brands cite fulfillment and logistics costs as their biggest source of margin erosion, while retailers blame tariffs and trade disruptions. Neither side has found a singular winning tactic to counteract these challenges.

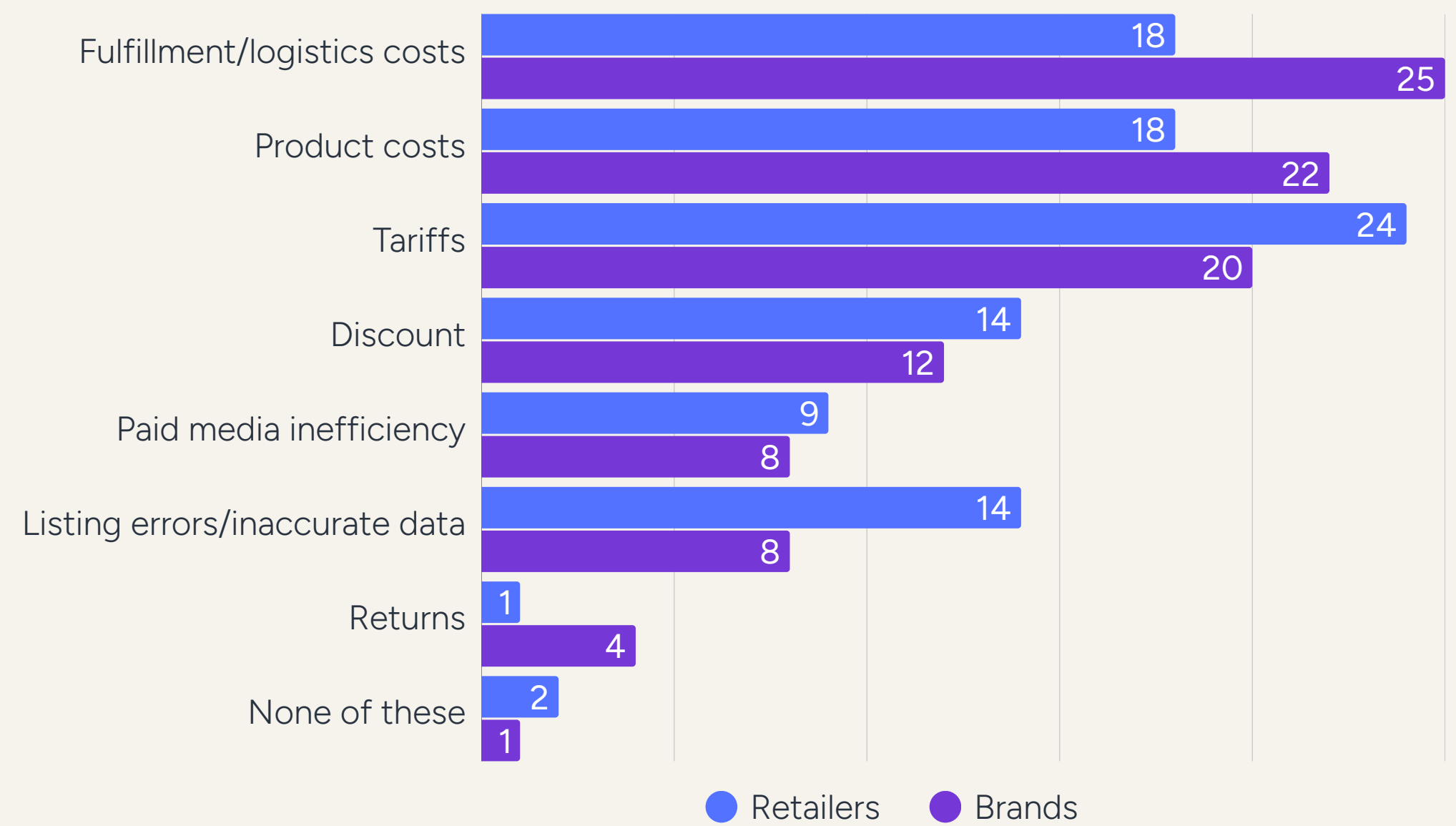
Instead, the response is fragmented: some are diversifying sourcing, others are negotiating costs with suppliers, and still others are investing in supply chain resilience. The problem? Without coordinated focus, these strategies can cancel each other out or deliver too little, too late.

Profitability is being squeezed on multiple fronts

Brands say the biggest margin hits come from fulfillment, logistics, and product costs, while retailers point to tariffs.

On top of that, discounts, paid media, and listing errors or inaccurate data further squeeze margins, underscoring the multi-front challenge to profitability.

In which area have you experienced the greatest margin erosion in the past 12 months?



When trade winds shift, sourcing feels the strain

Nearly half of retailers (46%) and more than half (60%) of brands are at least somewhat concerned about disruptions to their sourcing strategies. Retailers show a higher share of “very concerned” responses, highlighting a sharper sense of vulnerability.

How concerned are you that your sourcing strategy will be disrupted by the ongoing tariff and trade policy uncertainty?

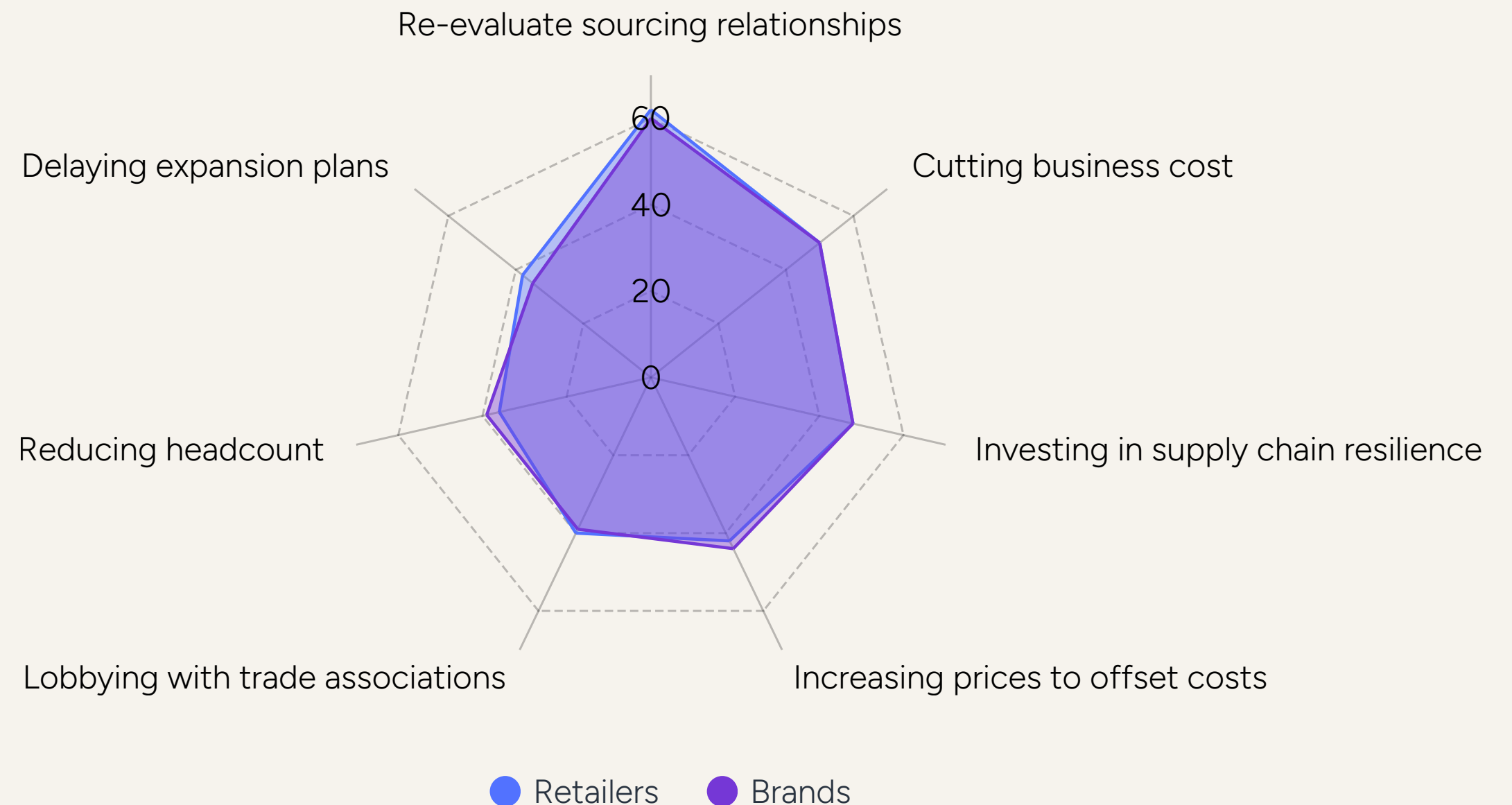


Both brands and retailers are bracing for tariff turbulence

The top strategy to weather the impact? Re-evaluating sourcing relationships (over 60% of brands and retailers), followed closely by cutting costs and investing in supply chain resilience.

While some are exploring price increases or lobbying efforts, others are delaying expansion plans altogether.

How are you preparing for the potential impact of new or increased tariffs in the next 12 months?



Pricing power has left your building

You used to be able to adjust prices to stay competitive or cover rising costs.

Now, that wiggle room is gone, as changing regulations around tariffs, trade agreements, and taxes have removed the flexibility to adjust pricing based on competitive strategy alone.

On top of that, products are getting more complex. More features, more versions, more customization—it's what customers demand, but it makes everything more expensive to make and deliver.



91%

Retail executives say pricing is at the mercy of policy and economy

92%

Retail executives say product complexity makes cost control harder

87%

Brand executives say pricing is at the mercy of policy and economy

91%

Brand executives say product complexity makes cost control harder



Protecting profit requires fresh tactics

Margin pressure is coming from all directions: fulfillment and logistics costs, tariffs, trade disruptions, and product complexity.

With pricing strategies at the mercy of government policy and economic shifts, and product complexity more necessary (and expensive) than ever, old tactics like price tweaks no longer suffice. Protecting margins means finding efficiencies in entirely new places.

TAKEAWAY

Focus on what you can control. Choose the few moves that directly reduce cost-to-serve and protect margin—then execute hard. The best approach will prioritize tactics that deliver a measurable impact, rather than spreading resources too thin.



5

Customer journeys are bleeding revenue

The cracks are everywhere: prospective shoppers bounce at broken links, irrelevant ads, and empty shelves, while current customers churn after bad service, costly returns, and radio silence from brands. Each leak bleeds profit.

Even as most have adjusted their marketing channel mix in the past year, these operational gaps remain.

The mandate is clear: unify product data, inventory, ads, fulfillment, and service. This end-to-end alignment will ensure every click converts, every promise is kept, and every customer comes back.

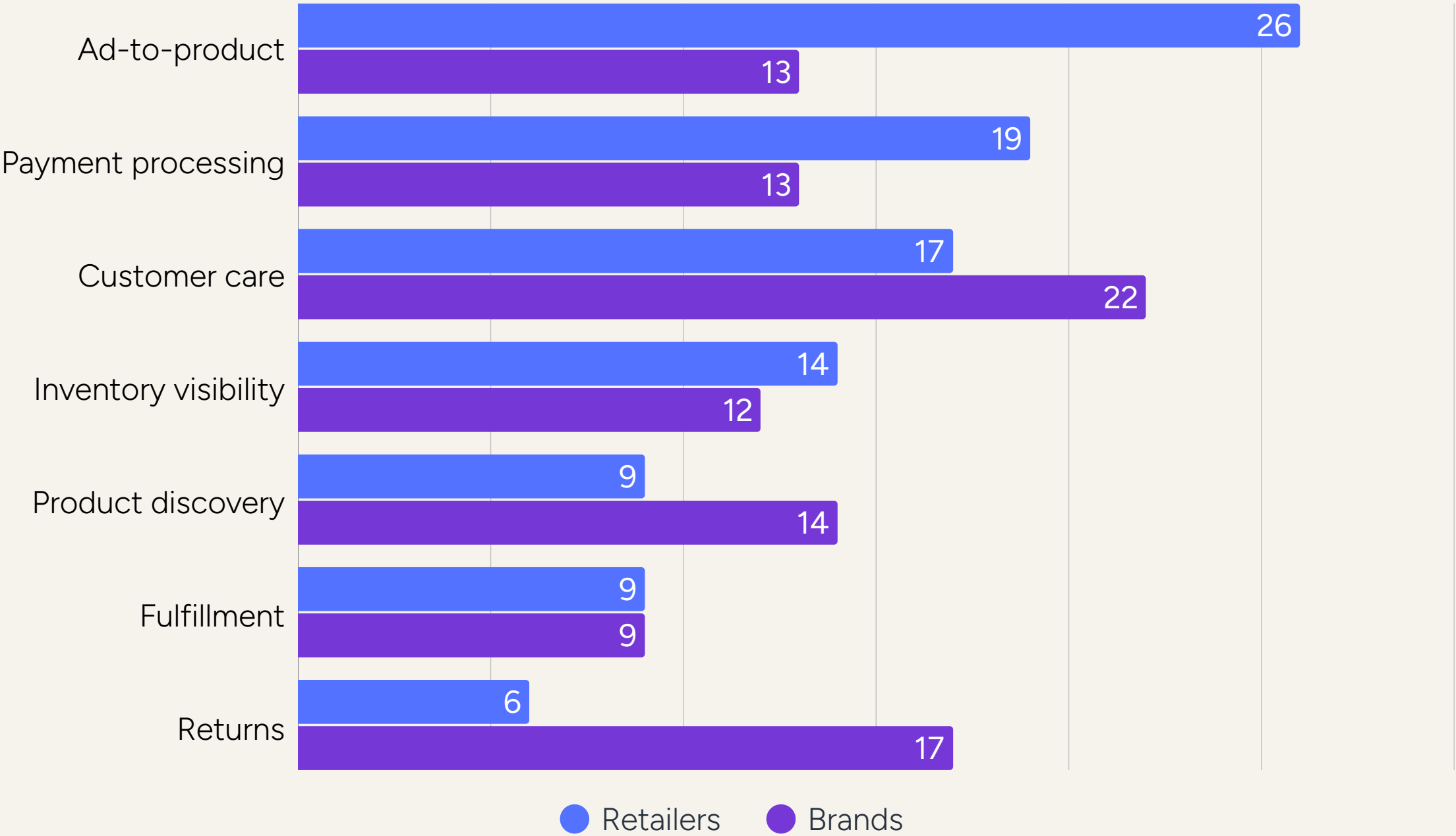
From ads to returns, every slip chips away at loyalty

Retailers see the biggest breakdowns before checkout, with 26% pointing to ad-to-product gaps and 19% to payment processing issues.

Brands are more likely to stumble after the sale, with 22% citing customer care and 17% pointing to returns and refunds.

These friction points don't just hurt conversion—they erode long-term trust and loyalty.

Which stage of the commerce experience currently presents the greatest operational breakdown in your organization?



Retailers react, brands refocus, market mix shifts

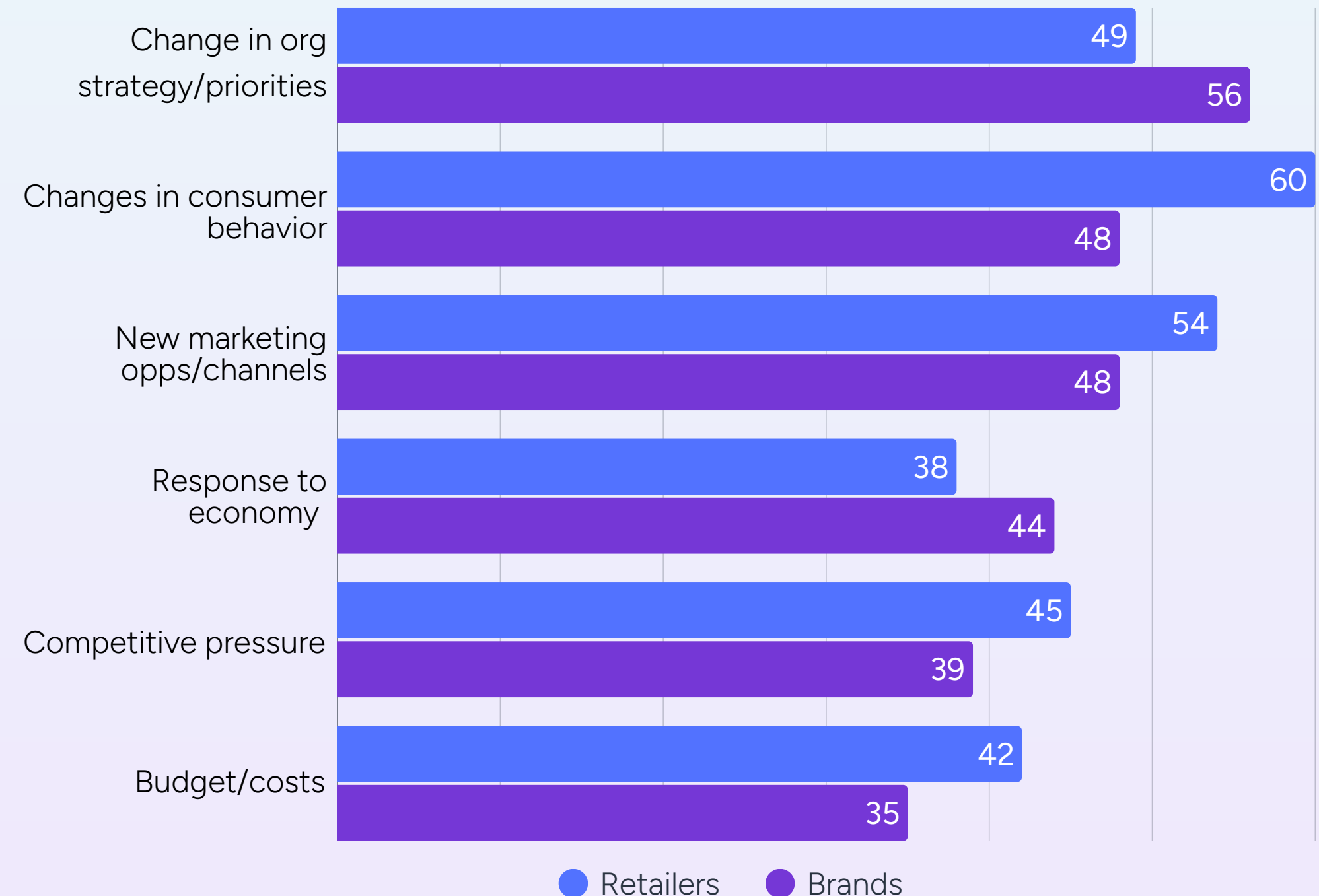
91% of retail leaders and 84% of brands have changed their marketing channel mix in the last year. The reasons point to a shared goal but different triggers.

Retailers say they're adapting to shifts in consumer behavior, while brands cite changes in strategy and priorities as the biggest pivot point.

Both are also leaning into new marketing opportunities and channels, with economic conditions, competitive pressure, and budget constraints shaping the rest of the mix.

What were the main reasons for changing your marketing channel mix?

Select all that apply



When budgets shrink, results rule

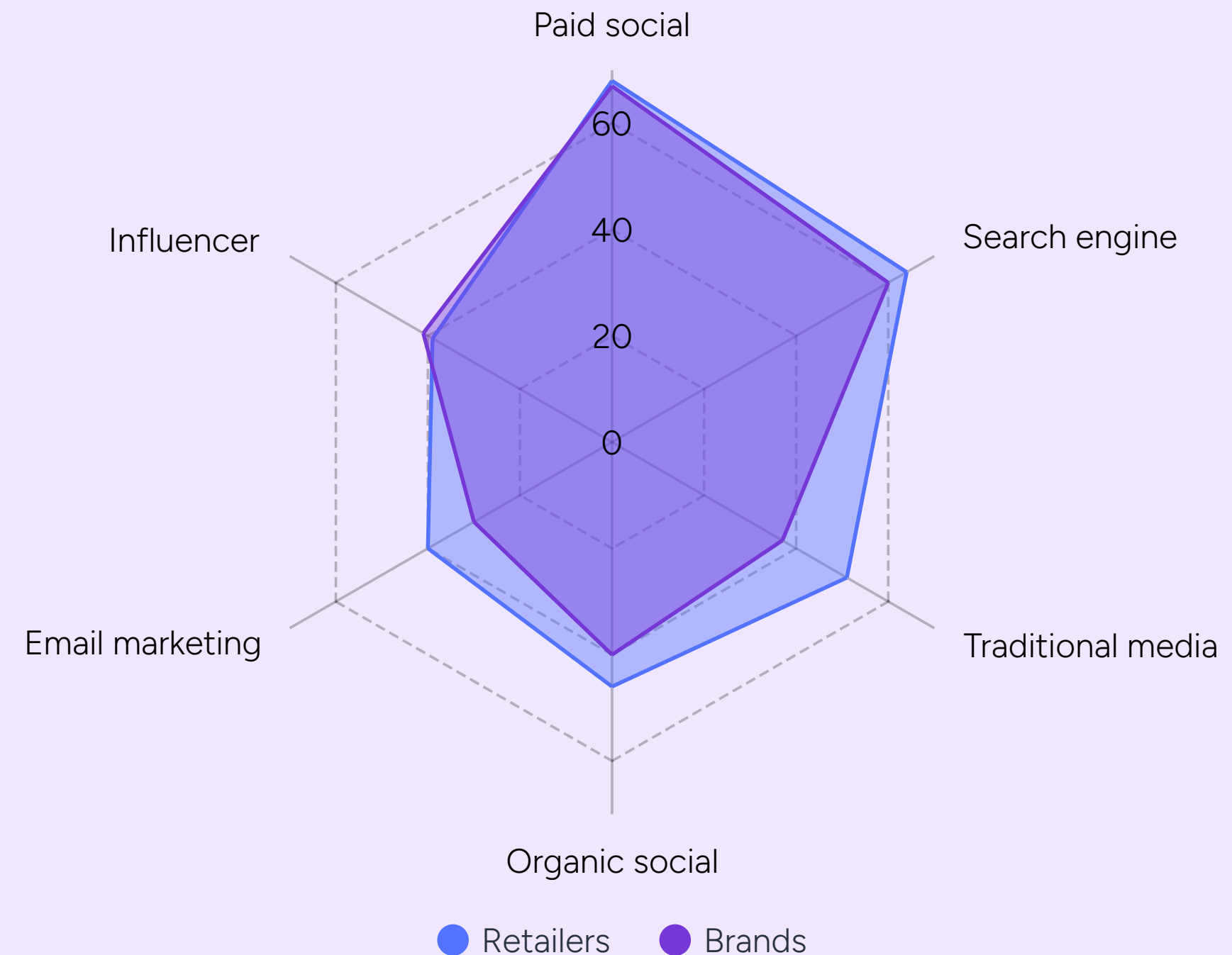
In a volatile economy, there's no room for experimental spend. Retailers and brands are doubling down on proven tactics that deliver, such as paid social and search.

Retailers rely more on traditional and organic channels to stretch budgets, while brands put a bit more faith in newer trends, like influencer marketing.

The playbook is clear: focus on what works now, not what might work later.

Which of the following marketing channels are the best bets for navigating economic uncertainty?

Select all that apply



Social commerce is winning the conversion race

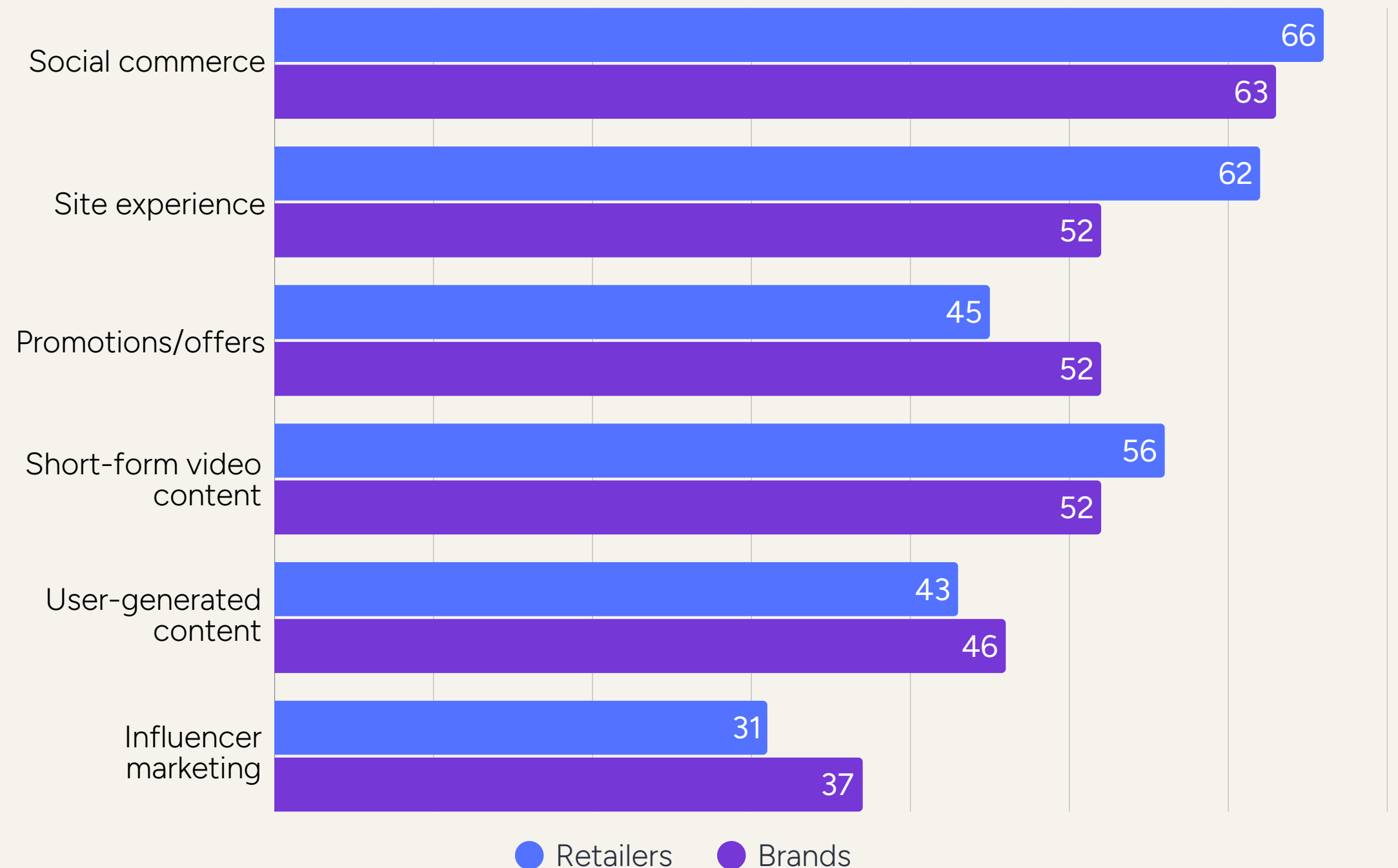
Retailers and brands agree: social commerce is the single biggest driver of conversions right now, outpacing every other tactic.

Site experience remains a close second, underscoring that even the best marketing can't overcome a clunky checkout or slow load times. Retailers are leaning harder on short-form video, while brands are relying on promotions and price reductions to maximize sales.

High-impact conversion strategies are increasingly native, visual, and immediate, meeting customers where they socialize (which is increasingly also where they shop).

Which of the following currently has the greatest impact on your conversion performance?

Select all that apply.





Double down on proven plays to plug the leaks

Retailers lose prospective buyers before checkout, thanks to broken links, irrelevant ads, and out-of-stock products killing conversions. Brands are losing them after the sale, with poor service and low engagement fueling churn, and returns adding to the pain.

Both groups have shaken up their marketing channel mixes this past year, with retailers reacting to consumer behavior and brands to strategy changes. But operational leaks persist.

That's why leaders are doubling down on paid social, search, and high-conversion tactics, from social commerce to short-form video to seamless site experiences.

TAKEAWAY

Pouring more spend into acquisition won't fix a leaky funnel. Patch your highest-loss points first, then scale your spend to drive growth.

Final takeaways

Commerce readiness isn't a static checklist. It's a moving target shaped by shifting consumer behaviors, economic headwinds, and operational complexity. The brands and retailers who adapt first will set the pace for everyone else.

Don't brace for 2026—build for it.



Know where you break and fix it fast

Identify the points in your customer journey that slow conversion. Build the capability to respond quickly, so every adjustment, whether to creative, channels, or experience, keeps shoppers moving forward.



Pair high-conversion experiences with agile strategies

Invest in social commerce, seamless site journeys, and authentic short-form content from real customers. Combine them with flexible channel strategies that meet consumers where they shop, scroll, and socialize.



Treat speed and accuracy as inseparable

Moving fast only works when you trust your data. Keep teams equipped with connected, accessible, and reliable insights and use AI to accelerate decisions so you can adjust in real-time, test quickly, and pivot with confidence.



Control what you can, prepare for what you can't

Strengthen operations, remove tech barriers, and optimize customer experiences to better absorb external shocks, whether that's tariffs, regulatory shifts, or sudden swings in shopper behavior.



Rithum (formerly CommerceHub and ChannelAdvisor) is the leading global commerce solution that supports the entire commerce journey—from product listing and discovery to order fulfillment and performance optimization. By streamlining the path to purchase, Rithum enables brands and retailers to operate more efficiently, so they can maximize profitability.

With AI-powered automation, unified insights, and seamless integration across commerce and media channels, Rithum allows your team to focus on growth strategies while we handle the complexity of omnichannel orchestration. Whether you're launching new products, expanding into new markets, or optimizing retail media campaigns, Rithum helps you turn every customer touchpoint into a revenue-driving opportunity.

Top global retailers and brands, such as Best Buy, Adidas, Draper Tools, The Home Depot, and B&Q, trust Rithum to streamline their commerce operations and maximize results. With teams based in the U.S., U.K., Ireland, Spain, and Australia, we partner with clients worldwide to make commerce smarter, faster, and more connected.

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About the survey

This report is based on the online Rithum Brands Survey and Rithum Retailers Survey, both conducted by Wakefield Research.

The surveys collected answers from 100 brand executives (with revenue between \$20M and \$1B) and 100 retail executives in the U.S. and U.K., between June 7th and July 18th, 2025. Margin of error: ± 9.8 overall, ± 13.9 by market.