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Agentics Driving Business Model Innovation

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The Agentic Economy is the emerging economic paradigm in which autonomous AI agents - capable of perceiving, reasoning, and acting - participate directly in markets as independent economic actors. Unlike traditional automation that merely executes pre-programmed tasks, these agents make decisions based on goals, real-time data, and learned behaviors. They can engage in activities such as price negotiation, supply chain coordination, and creative production. They can represent individual consumers, businesses, or themselves, interacting with other agents or humans to buy, sell, collaborate, and innovate. The Agentic Economy is being powered by advances in large language models, reinforcement learning, and decentralized infrastructure, and it blurs the lines between human and machine agency.



In a practical sense, agents will be capable of doing 'things' on behalf of consumers – without direct engagement by the user. For example, an agent may be given the task of finding the best travel deal or the best health insurance contract for its customer, and it will employ all the power of GenAI to do this, monitoring what is available in the market. But unlike the search engines of the past two decades, these agents will be empowered to go further on behalf of the customer. They will be able to make decisions, negotiate with other systems, get the customer the best possible deal, and then close that deal. These agents will be empowered by the customer to sign contracts on their behalf, make payments, and essentially act as if they are the customer. Give them a task, and they'll figure out how to get it done. Not only that, but they will be working actively on that task 24/7, limiting the lock-in duration of a signed contract to an absolute minimum so that they can keep looking for better and better deals. In the Agentic economy, instead of having a health insurance contract for a year, it might be renegotiated by your agent on a weekly or daily basis.

To some, this is the exciting vista of the real potential of AI to change lives, while to others it's the scary prospect of a dystopian world. But like them or not, the very first implementations of Agents are already here, and they're not going away. Agents are already being built using the latest large language models from OpenAI, Anthropic, DeepSeek, and others, using technologies such as MCP & A2A, and powered by orchestration frameworks such as LangChain and CrewAI. The hyperscalers in all parts of the world, from Google, Meta, Microsoft, and Alibaba, are already investing heavily here as they see this as fundamentally disruptive, changing how we use the internet and who reaps the profits from it.

The shift to the Agentic Economy promises greater efficiency, personalization, and scalability, and will be hugely disruptive to existing digital economy business models. It seems clear, from even a cursory glance at the dynamics of the Agentic economy, that the disruption to innovation in all parts of the value chain will be substantial. Of course, technology innovation is driving the emergence of Agentics, but business model innovation & adaptation will need to be just as fundamental as the models that have driven the current digital economy (digital advertising, platforms, etc) are likely to be utterly disrupted.

How Agentics disrupts current business models

Some of the business models that have defined the digital economy over the past fifteen years are platform business models, search-based advertising, and the wider app economy. As I mentioned earlier, in the Agentics economy, the consumer (or enterprise) simply instructs their agent to “book me a trip to Kyoto next month.” It knows your schedule, it knows what you are interested in, and it understands your budget. It asks you a quick series of questions for clarification and then starts looking at options. It looks up flights, picks hotels, car hire, experiences, etc, that it knows you’d like. And then books the lot. No requirement for app download, no opportunity for attractive digital adverts to be presented to you! And no engagement with travel platforms, hotel booking platforms, or car hire platforms. Just done! And possibly at a lower price, as by avoiding booking aggregation platforms and going straight to the airline, car hire, or hotel website, your agent also avoids the additional ‘transactional taxes’ charged by those platforms.

Of course, it is never going to be that simple. A consumer’s digital assistant agent is not really going to be an expert (i.e., have all the necessary integrations in place) for everything from car hire to insurance to restaurant bookings, so we are probably looking at an ecosystem of agents where your personal executive agent interacts with many other specialist agents to get stuff done. This opens the door to “agent marketplaces,” where your agent finds other agents to handle a specific job— a bit like a digital gig economy. The specialist niche agents sell their services on a case-by-case basis to personal master agents in the agentic economy. This creates a very different marketplace business model from the platform business models that currently dominate. Similarly, the ‘niche’ agents replace the App-economy with very different characteristics from existing apps. Consumers will still be purchasing access to Agents (instead of Apps), but probably on a very short-term basis. These secondary agents will very rarely interact directly with consumers, instead interacting at high speed with other agents. Topics such as ‘gamification’ and embedded cross-selling will become irrelevant.

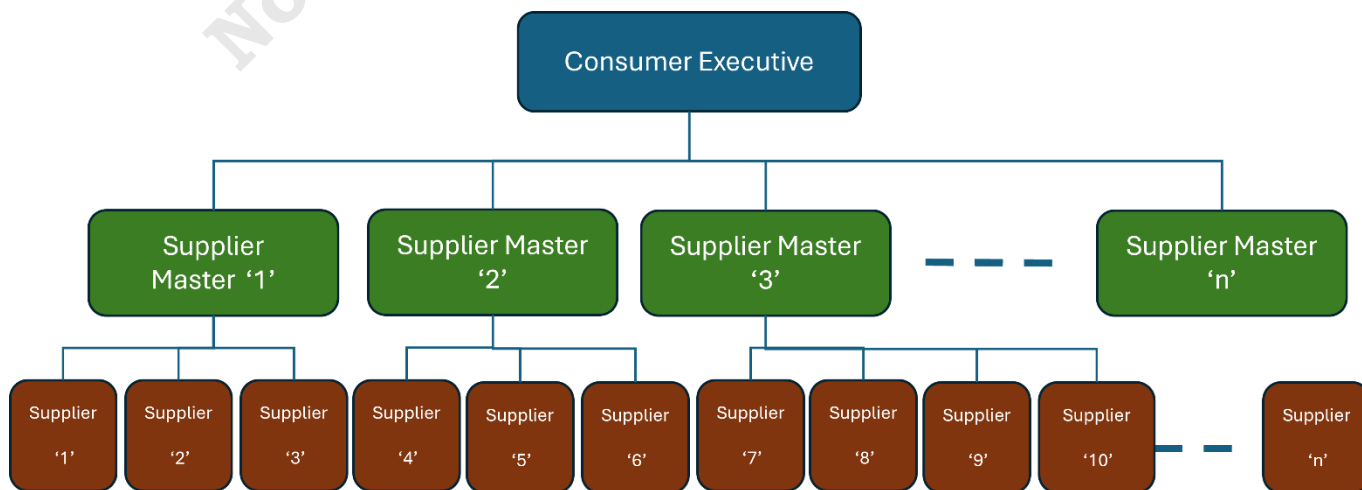


Figure 1 - Hierarchy of Agents
[Click here for the full image](#)

Agents as a platform killer

Every digital consumer has become intimately familiar with the role of platforms over the past decade. From Uber Eats to Booking.com to Expedia, platforms have inserted themselves into the digital economy by simplifying the endless choices that have become available. They help consumers find products, services & solutions, while in parallel providing a route to market for sellers. In addition to the transactional value delivered by the platform to the platform owner, the platform generates massive amounts of data through the aggregation process and has the opportunity of monetizing that data with third parties using a variety of business models. The value of the platform economy is estimated to be around 10-15% of all global GDP! That is to say that up to 15% of all global annual spend is executed through a platform. This is a potentially huge prize for anyone who can successfully disrupt this market. And that is what Agentics is threatening to do.

Geoff Parker, Marshall Van Alstyne, and Sangeet Chowdry wrote an excellent book a number of years back called *The Platform Revolution*, which would be worth reading to really understand the dynamics of the platform business model. One phrase they used in the book was that "...platforms beat products every time...". I now think that we might be entering a world where "...agents beat platforms every time....". AI agents pose a significant threat to traditional platform business models.

The first target in the Agentic takeover of platforms will be in the area of online search. AI agents can autonomously search thousands of options across multiple platforms and independent providers without paying attention to advertising or preferences. This results in the platform losing control over discovery and curation, becoming a mere data provider.

Secondly, and most importantly, the AI Agent can disintermediate the platform by bypassing intermediary sites and booking directly with suppliers. By using APIs, email parsing, and browser automation, they can interact directly with accommodation or fast-food providers without the need to pay a transaction tax to the intermediate platform. If it encounters any transaction friction being applied by the platform it can favour low-friction, low-cost vendors, disincentivizing high-fee platform listings.

Thirdly, Agents are zero loyalty, customers. Agents are optimization machines, not brand loyalists, so they will consistently choose what is cheapest, best reviewed, and fastest, without emotional or habitual loyalty. This completely eliminates the advantage of platform loyalty programs (e.g., Booking Genius, Uber Gold).

As agents begin to treat platforms as one of many interchangeable data sources, platforms will lose pricing power, face pressure to lower fees to remain competitive in agent comparisons, and will ultimately be pushed toward open APIs and standards, diluting any proprietary edge they may have. Similar disruption will happen in the app economy, which over the past 20 years has seen the emergence of somewhere between 7 and 10 million apps that provide every conceivable digital service. Apple's advertising catchphrase "there's an app for that..." has made its way into popular culture and, in essence, has become true. But in the Agentic economy, we will see something very different. We will see a shrinking of app stores that are browsed by users, and a growth of agent platforms/stores that will be accessed by higher-level agents. The user will interact with their own personal/executive agent(s), and it is the executive agent that will interact, through an Agentic platform, with the wider agent ecosystem.

No battle is entirely one-sided, and the obvious platform survival strategies fall into two main areas.

Firstly, if you can't beat 'em, join 'em. Every platform out there is currently looking at how to evolve their platform into one or more agents. This makes sense, but the challenge that they face will be in innovating a business model that continues to be as lucrative. Platforms rely on network effects to create and capture value. In most cases, the explicit transaction tax is placed on suppliers rather than on the buyer side of the platform. In the Agentic Economy, the barriers are relatively low for new platforms to emerge. Some will continue to charge a transaction tax to the suppliers while others will attempt capture value by charging a 'subscription charge' to the buyer and reduced or zero transaction tax on the supplier. This is likely to cause a price war between the two models – probably ending in a situation where the supplier transaction tax is greatly reduced, and the platform super-profits are eliminated.

Exclusive lock-in with Suppliers: In the short term, platforms can try to develop incentives that limit the supplier's ability to transact with other platforms or agents. This could prove to be very expensive and/or of limited effectiveness. This lock-in could be via superior developer APIs that become essential infrastructure for third-party agents, rather than end-user destinations. Or platforms might leverage verified reviews, fraud protection, or insurance as moats that agents cannot easily duplicate.

Just as search engines once disrupted traditional retail by enabling e-commerce comparison shopping, AI agents will disrupt platforms by collapsing the value they add in curation, discovery, and loyalty. But just as retailers didn't disappear, they innovated & adapted — and platforms will, too.

Disrupting the Online Advertising Model

Traditional advertising has a playbook for capturing user attention and then monetizing that attention. The science behind this playbook is very sophisticated and wide-ranging, but the table below summarizes some of the key aspects.

| Psychological and Cognitive Influences | Affective and Motivational Influences | Social and Cultural Influences | Behavioural and Economic Influences | Digital and Algorithmic Influences |
|---|---|--|--|--|
| <ul style="list-style-type: none"> o Attention and Awareness: Advertising first makes consumers aware of a product or brand through vivid imagery, celebrity endorsement, emotional cues, repetition, and novelty. | <ul style="list-style-type: none"> o Desire Creation: Advertising doesn't just respond to needs—it creates perceived needs. | <ul style="list-style-type: none"> o Social Proof and Peer Influence: Ads often portray social acceptance as contingent on using a product. Influencer marketing and testimonials enhance credibility via perceived peer validation. | <ul style="list-style-type: none"> o Brand Loyalty and Habit Formation: Loyalty programs, consistent messaging, and habitual reinforcement make switching costly. | <ul style="list-style-type: none"> o Personalization and Microtargeting: Data-driven ads tailor messages to individual preferences and behaviours, increasing relevance and conversion. For example, retargeting ads for items you browsed but didn't buy. |
| <ul style="list-style-type: none"> o Memory Formation and Recall: The ability to remember a brand when making a purchase decision – think slogans, jingles, and consistent visual branding to aid long-term memory encoding. | <ul style="list-style-type: none"> o Symbolic and Aspirational Value: Brands are tied to aspirations, lifestyles, or identities. Consumers buy what the brand represents (e.g. rolex) rather than its functional benefit. | <ul style="list-style-type: none"> o Cultural Values and Norms: Advertising reinforces or shapes social norms around gender, success, beauty, and family. | <ul style="list-style-type: none"> o Price Sensitivity Manipulation: Advertising shifts focus from price to value (emotional or symbolic). Premium brands reduce price elasticity through perceived exclusivity or quality cues. | <ul style="list-style-type: none"> o Neuromarketing and Behavioural Nudges: Modern advertisers use cognitive neuroscience to optimize design, timing, and placement for subconscious influence. E.g. using specific colour, shapes to invoke certain reactions |
| <ul style="list-style-type: none"> o Emotional Conditioning: Emotional appeals associate a product with feelings like happiness, love, freedom, or security. Consumers later recall those emotions when encountering the brand, influencing purchasing. | <ul style="list-style-type: none"> o Fear and Loss Aversion: Some campaigns leverage fear of missing out (FOMO) or social rejection ("Don't be left out") to spur purchases. E.g. insurance | <ul style="list-style-type: none"> o Group Identity and Belonging: Brands build communities (e.g., fandoms, subcultures, or "tribes"). This sense of belonging strengthens brand loyalty and repeat purchase. | <ul style="list-style-type: none"> o Impulse Buying: Advertising triggers immediate, affect-driven purchases—particularly in digital formats (social media, in-app ads). Visuals, scarcity cues ("limited time offer"), and personalized ads heighten urgency. | <ul style="list-style-type: none"> o Social Media Virality: Interactive ads and user-generated content blur the line between advertising and social sharing, amplifying reach and perceived authenticity. |

Figure 2 - Advertising Psychology Techniques

[Click to enlarge](#)

The emergence of the executive agent and the agentic platform will cause a profound economic disruption in the ~\$600bn global online advertising market. In the agentic economy, users are

initiating the impetus to make a purchase, but agents are making the decision on how to execute on the users' wishes. Depending on how the agentic economy develops, it is reasonable to assume that consumers will evolve away from instructing their executive agent to 'buy more of a specific brand' and instead ask the agent to 'buy more coffee that I like.' In this scenario, many of the current advertising psychological techniques listed above will become redundant.

Referring to the table in Figure 2, many of the digital & algorithmic techniques, the brand awareness approaches, and the methodologies that exploit cognitive bias in advertising will need to radically change in a world where agents are making the final decision on product selection. These choices will be made based on how the product or service offering matches the criteria that the consumer sets when instructing the executive agent. Furthermore, as the agentic economy takes hold, fewer and fewer spending decisions will be initiated by the user and instead will be initiated by the policy framework that the user developed when commissioning the agent.

Annualised decisions such as car insurance, health insurance, travel insurance, broadband and cable deals etc.. will all be done without the consumer being aware that its 'that time of the year again.' This then opens the door to these deals moving away from being annualised, to these purchases being monthly, weekly, daily or hourly. It makes no difference to an Agent to negotiate the best deal once a year or once an hour. So, we can expect to see the most forward-looking services providers shifting away from annualised packages to packages covering much shorter periods of time.

Final Thoughts

The Agentic economy is a fast-moving beast, and predicting just how it will twist and turn is a risky business. The arguments above tend to avoid the friction that may come from other stakeholders in the existing economy, such as:

Legal industry: E-signature laws, consumer protection statutes, and contract law aren't structured for AI-bound commitments, while liability for hallucinations, errors, etc., is an open question.

Industry rigidity: Most industry sectors have an inbuilt inertia and are comfortable with how they currently do things with respect to fixed pricing, compliance mandates, or minimum contract terms, etc. They have sales forces that are set up to be remunerated on a clearly understood basis. That inertia will certainly hold back agentic emergence unless the benefits are clearly undeniable.

Suppliers within Platforms: Many suppliers deliberately rely on platforms for security, demand aggregation, fraud mitigation, and customer service. They may throttle, block, or charge premium rates for agent access.

Human preference persistence: Consumers value consistency, and even when agents are mature and trusted, there will be a very long tail of consumers preferring to stay with the old ways of working.

So, take this as a guide for what to look for on the journey we are taking towards the agentic economy. It is certainly coming, and when it does, it will disrupt many parts of the current digital economy. Arm yourself with an understanding and awareness of the changing technology and begin thinking through how you may need to innovate your business models to dovetail with a brand-new industry paradigm.