

✦ REPORT · MARKET INTELLIGENCE

Marketplace AI Report

How AI is changing discovery, catalogs, seller operations and trust in online marketplaces — and what operators and builders should prioritize.

FORMAT	LEVEL	READ TIME	UPDATED
Report	Intermediate	12 min	Oct 2026

OVERVIEW

What this report covers

Marketplaces live or die on matching buyers with the right sellers, at scale, with trust. AI now touches every part of that loop: how buyers search, how catalogs are built, how sellers operate and how fraud and quality are policed. This report draws on our work on BloomCommerce and marketplace builds, and sets out the trends, regulation and moves we recommend.

KEY TAKEAWAYS

- Conversational and semantic discovery is replacing keyword search as the front door.
- Catalog quality — clean attributes, images and descriptions — decides how well AI discovery works.
- Seller-side AI tools are a growth lever, especially for small sellers with no staff.
- Trust and safety must scale with AI-generated listings, reviews and messages.
- Regulators are focused on dark patterns, recommender transparency and AI disclosure.

WHO IT'S FOR

- Marketplace founders and operators
- Product and growth leaders
- Catalog and trust-and-safety teams
- Commerce engineering teams

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01 / SIGNALS

Trends we are seeing

Patterns from marketplace operators and our own commerce work.

DISCOVERY

Shopping by describing

Buyers describe a need — “a gift for a new runner under a budget” — and expect relevant results, not keyword matches.

CATALOG

AI-assisted listing

Sellers upload a photo and a few words; AI drafts titles, attributes and descriptions for the seller to confirm.

SELLERS

Back-office copilots

Pricing suggestions, stock alerts, reply drafts and performance explanations for sellers without operations teams.

TRUST

AI against AI-scale abuse

Fake reviews, counterfeit listings and scam messages are easier to produce; detection has to keep pace.

The marketplaces gaining ground treat AI as infrastructure across both sides of the market rather than as a single chatbot on the home page.

02 / SHIFT

What is changing

Discovery, catalog and trust are converging into one data problem.

THE OLDER PLAYBOOK	THE EMERGING PLAYBOOK
Keyword search and fixed filters	Semantic and conversational search over structured catalogs
Seller-written listings of uneven quality	AI-normalized attributes, confirmed by sellers
Recommendations from purchase history alone	Recommendations that explain themselves
Manual review queues for trust and safety	Model-assisted detection with human escalation

FIELD NOTE

Fix the catalog before the chatbot

A shopping assistant cannot recommend what the catalog cannot describe. Attribute normalization usually delivers more than any change to the conversational layer.

03 / IMPLICATIONS

What it means for operators and builders

Every AI feature on a marketplace affects both sides of it.

OPERATORS

Invest in catalog data

Consistent taxonomies and attributes make search, recommendations and ads all work better.

OPERATORS

Make sellers more capable

Seller tools for listing, pricing and replies raise marketplace quality without raising your headcount.

BUILDERS

Ground the assistant in live data

Price, stock and delivery answers must come from live systems, never from model memory.

BUILDERS

Design for fairness and disclosure

Label sponsored and AI-generated content, and be able to explain why an item was ranked.

04 / REGULATION

Regulation to watch

A summary to orient teams, not legal advice. Confirm obligations with counsel for your jurisdictions.

INSTRUMENT	WHERE	WHY IT MATTERS FOR MARKETPLACE AI
Digital Personal Data Protection Act 2023 and its Rules	India	Consent and purpose limits on using buyer and seller data for personalization and AI features
Consumer Protection (E-Commerce) Rules 2020	India	Seller disclosures, grievance redress and duties on marketplace entities
Guidelines for Prevention and Regulation of Dark Patterns 2023	India	Prohibits manipulative design such as false urgency and drip pricing — relevant to AI-driven nudges
Digital Services Act	EU	Transparency on recommender systems and advertising for online platforms
EU AI Act — transparency duties	EU	Disclosure when people interact with AI and labeling of certain AI-generated content, applying in stages

India's approach to labeling synthetically generated content under its IT Rules framework is also worth tracking for marketplaces that host AI-generated images and listings.

05 / OUTLOOK

What to watch next

Signals that will shape the next year.

- AI shopping agents that browse and buy on a customer's behalf, and how marketplaces expose catalogs to them
- Multilingual and voice commerce for buyers beyond English-first markets
- Seller expectations that AI tooling is included in the marketplace offer
- Standards for labeling AI-generated product images and reviews
- Interoperable commerce networks and how they change discovery for smaller sellers

✦ 06 / MOVES

Recommended moves

What we would do in the next two quarters.

01 **Audit catalog quality**

Find categories with missing or inconsistent attributes and fix them with AI-assisted normalization and seller confirmation.

02 **Add semantic search alongside keyword**

Hybrid search improves natural-language queries without losing exact matches on brands and model numbers.

03 **Launch one seller copilot**

Start with listing creation or reply drafting, and measure seller activation and listing quality.

04 **Strengthen trust signals**

Detect suspicious reviews and listings, and label sponsored and AI-generated content clearly.

05 **Review nudges against dark-pattern rules**

Check urgency messages, defaults and pricing displays — including those generated by AI.

> On a marketplace, AI that helps sellers describe what they have is worth as much as AI that helps buyers find it.
>
> SPLENDENSLABS

✦ GET IN TOUCH

Let’s talk about your marketplace

We build semantic discovery, catalog enrichment, seller copilots and trust tooling for marketplaces and commerce platforms.

- ✦ Marketplace AI discovery
- ✦ Semantic search and catalog enrichment
- ✦ Seller tools and trust & safety

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