



# The State of Ecommerce Fulfillment 2026

Trends, Challenges, and Strategies for  
Scalable Global Operations



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# Introduction

Ecommerce fulfillment is entering a new phase of complexity and strategic importance. Based on a combination of industry survey data, operational benchmarks, and aggregated ecommerce performance trends from 2025, this report highlights how brands are adapting to shifting consumer expectations, rising costs, and global expansion pressures heading into 2026.

## Major Shifts in Ecommerce Fulfillment

- **From Single-Node to Distributed Fulfillment Networks**

Brands are increasingly moving away from centralized fulfillment models toward distributed networks. By positioning inventory closer to customers, companies are reducing shipping zones, lowering costs, and improving delivery speeds.

- **Fulfillment as a Strategic Function, Not a Cost Center**

Fulfillment is no longer viewed solely as an operational necessity. It is now a core driver of customer experience, influencing conversion rates, repeat purchases, and overall brand perception.

- **Rising Expectations for Delivery Speed and Transparency**

Two- to three-day delivery has become the standard benchmark for domestic ecommerce orders. At the same time, customers expect real-time tracking, accurate delivery promises, and seamless returns experiences.

- Increased Complexity from Omnichannel and Global Operations

As brands expand across channels and geographies, fulfillment operations are becoming more complex. Managing inventory across multiple nodes, complying with regional regulations, and maintaining consistent service levels require more sophisticated infrastructure.

- Technology and Data Visibility as Differentiators

Real-time data, system integrations, and automation are playing a growing role in fulfillment performance. However, many brands still face gaps in visibility, particularly between warehouse operations and final-mile delivery.



## What Operators Should Pay Attention to Now

- **Balancing Cost and Speed**

Faster delivery often comes at a higher cost. Leading brands are investing in network design and inventory placement strategies that reduce reliance on expensive expedited shipping.

- **Evaluating Fulfillment Network Design**

Decisions around the number and location of fulfillment centers are becoming critical. Distributed models can improve delivery performance but introduce new challenges in inventory planning and coordination.

- **Preparing for Continued Cost Volatility**

External factors—including tariffs, carrier pricing changes, and geopolitical shifts—are likely to continue impacting fulfillment costs. Building flexibility into operations will be essential.

- **Adapting to Omnichannel Complexity**

Each sales channel comes with unique fulfillment requirements, cost structures, and customer expectations. Operators must assess performance and profitability at a channel-specific level.

- **Investing in Scalable Infrastructure**

As growth continues, brands will need systems and processes that can scale efficiently. This includes technology platforms, fulfillment partnerships, and operational workflows that support expansion without proportional increases in cost.

As ecommerce continues to evolve, fulfillment is emerging as a central lever for both growth and profitability. Organizations that align their fulfillment strategies with changing market dynamics will be better positioned to compete in an increasingly complex and globalized landscape.



# Ecommerce in 2025 Performance & Seasonality Trends

Ecommerce performance in 2025 continued to demonstrate strong underlying demand, while also highlighting increasing concentration around peak events and evolving consumer purchasing behaviors. Order patterns, regional dynamics, and shifting expectations around convenience and value are reshaping how brands plan inventory, marketing, and fulfillment operations.

## Order Volume Patterns and Peak Season Dynamics

Order activity in 2025 remained highly seasonal, with a significant concentration of sales occurring during major promotional periods. The Black Friday–Cyber Monday (BFCM) window once again represented the highest volume period of the year, with many brands experiencing order spikes exceeding 200% compared to average baseline days.

Rather than being limited to a single day, peak demand continues to extend across multiple days, with elevated order volumes spanning the entire holiday weekend and surrounding promotional periods. This trend reflects a broader

shift toward longer promotional cycles, as brands aim to capture demand earlier and reduce operational bottlenecks.

At a weekly level, order activity tends to peak at the beginning of the workweek, with Mondays consistently emerging as one of the highest-performing days for ecommerce transactions. In contrast, weekends—particularly Saturdays—generally show lower purchasing activity, although this can vary by category and promotional timing.

These patterns reinforce the importance of proactive inventory positioning, workforce planning, and carrier coordination to ensure fulfillment operations can scale effectively during periods of extreme demand.



## **Consumer Purchasing Behavior Shifts**

Consumer behavior in 2025 reflects a growing emphasis on both value and convenience. While demand remains strong,

purchasing decisions are increasingly influenced by shipping costs, delivery speed, and overall shopping experience. Several key behavioral shifts are shaping ecommerce performance:

- **Increased Price Sensitivity**

Rising costs and broader economic pressures have made consumers more responsive to pricing, promotions, and shipping incentives. Free shipping thresholds and bundled offers are commonly used to encourage higher order values.

- **Expectation of Faster Delivery**

Two- to three-day delivery has become the standard expectation for domestic orders in many markets. Consumers are less willing to tolerate long delivery windows, particularly for non-specialty items.

- **Growth of Omnichannel Shopping**

Customers are interacting with brands across multiple touchpoints, including direct-to-consumer websites, online marketplaces, retail locations, and social platforms. Purchasing journeys are increasingly non-linear, with discovery, research, and transactions occurring across different channels.

- **Preference for Convenience and Transparency**

Clear delivery timelines, real-time tracking, and easy returns are now baseline expectations. Friction in any part of the fulfillment experience can directly impact conversion and repeat purchase behavior.

These shifts are placing increased pressure on fulfillment

operations to deliver both speed and reliability without significantly increasing costs.

## Regional and Market-Level Differences

Ecommerce activity continues to vary significantly by region, driven by differences in population density, infrastructure, and consumer behavior.

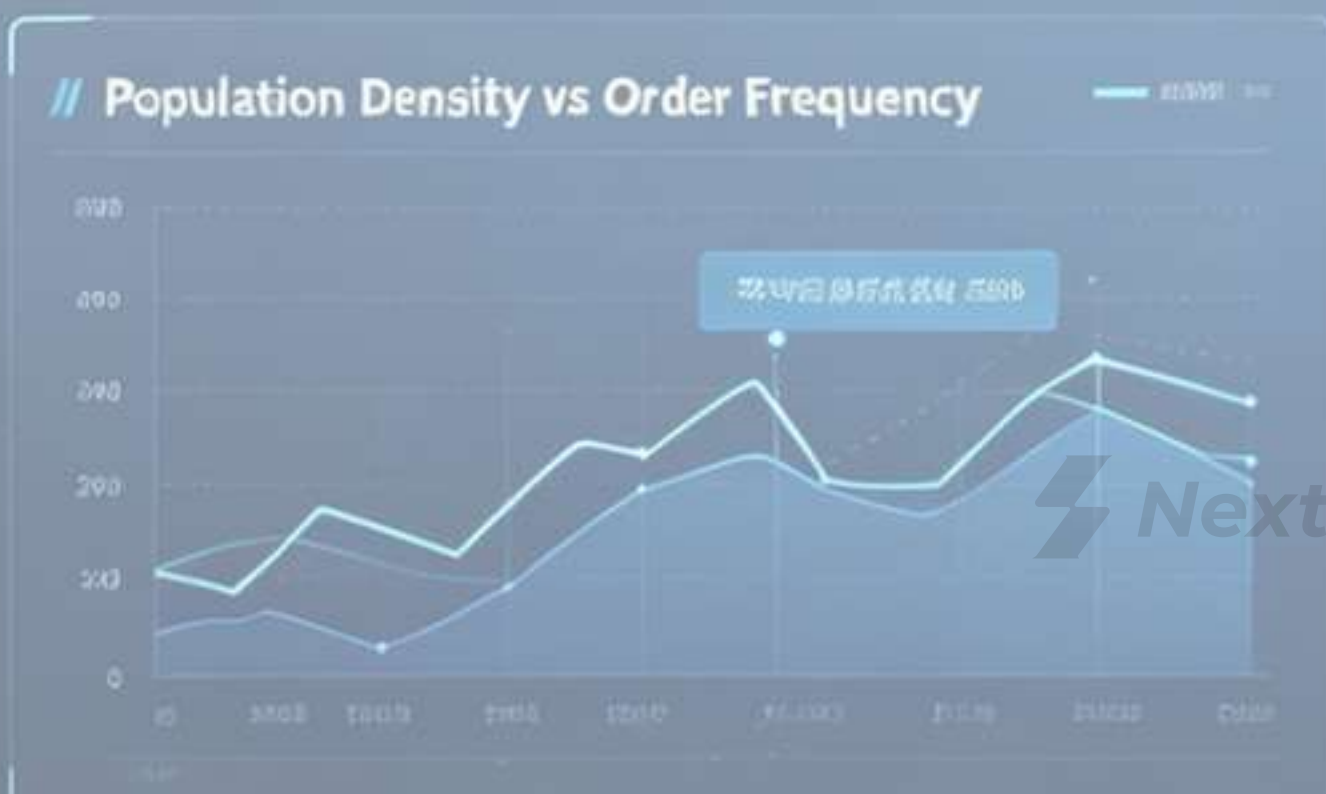
In the United States, a disproportionate share of total ecommerce volume is concentrated in a small number of highly populated states, including California, Texas, Florida, and New York. These regions account for a large percentage of total orders and gross merchandise value (GMV), making them critical for inventory placement and fulfillment network design.

At the same time, less densely populated regions often exhibit different purchasing patterns, including lower order frequency but, in some cases, higher average order values. Factors such as shipping costs, delivery times, and geographic accessibility can influence how and when consumers in these areas place orders.

Internationally, cross-border ecommerce continues to expand, but performance varies depending on local infrastructure, customs processes, and delivery expectations. Markets with established logistics networks tend to support faster and more cost-effective fulfillment, while emerging markets may present

additional challenges related to transit times and duties.

Overall, 2025 performance trends highlight a clear takeaway: demand remains strong, but it is increasingly concentrated, cost-sensitive, and dependent on fulfillment execution.



# The Financial Reality of Fulfillment

As ecommerce brands continue to grow, fulfillment is becoming both more expensive and more central to profitability. Rising transportation costs, evolving shipping expectations, and global trade dynamics are increasing pressure on margins, forcing brands to take a more structured approach to cost management. **Margin Pressure and Rising Logistics Costs.**

Fulfillment is now one of the fastest-growing cost centers for ecommerce businesses. Increases in carrier rates, labor, warehousing, and last-mile delivery have significantly impacted overall cost structures. At the same time, external factors such as tariffs and regulatory changes are adding further cost pressure, particularly for brands operating across borders.

While many brands continue to grow revenue, maintaining profitability has become more challenging. This is driving a shift toward more efficient fulfillment strategies, including better inventory placement, optimized shipping methods, and tighter control over operational costs.



## Shipping Economics: Free Shipping vs. Thresholds

Free shipping remains a strong driver of conversion, but it is becoming increasingly difficult to offer without impacting margins. As a result, many brands are moving away from unconditional free shipping and toward more structured pricing models that balance customer expectations with cost

Area	Common Approach	What It Signals
Shipping pricing	Variable pricing by weight/product	Brands are protecting margins by matching shipping fees to order economics
Shipping pricing	Real-time carrier rates	Brands are prioritizing transparency and cost accuracy
Shipping pricing	Flat-rate shipping	Brands are simplifying checkout but may absorb cost differences
Shipping pricing	Sitewide free shipping	Brands are using shipping as a conversion tool, but with higher margin risk
Free shipping threshold	\$50-\$79	Common middle-range threshold used to encourage larger baskets
Free shipping threshold	\$80-\$99	Higher threshold used as costs rise
Free shipping threshold	\$100+	Margin-protection strategy for higher-cost fulfillment models
Free shipping availability	No free shipping	Indicates stronger cost control or limited margin flexibility

These patterns indicate that brands are becoming more selective in how they use shipping incentives. Rather than offering free shipping by default, it is increasingly used as a targeted tool to drive higher order values and improve conversion efficiency.

## Impact of Tariffs, Duties, and Global Trade Changes

Global trade conditions continue to add complexity to fulfillment operations. Changes in tariffs, duties, and de minimis thresholds have increased costs for brands shipping internationally or importing goods.

These factors influence not only pricing strategies but also broader operational decisions, including sourcing, inventory placement, and market expansion. As a result, many brands are exploring alternative fulfillment models—such as regional distribution and hybrid cross-border strategies—to better manage cost exposure and maintain competitive delivery performance.

# Omnichannel Commerce as the Default

Omnichannel has become the norm rather than the exception. Survey data shows that 86% of brands already sell on two or more sales channels, 55% sell on three or more, and 15% sell on five or more. In addition, 75% of brands said they plan to add at least one new sales channel in 2026.

Expansion Across DTC, Marketplaces, Retail, and Social  
Direct-to-consumer remains the primary channel for most brands, with 65% identifying their DTC website as their top sales channel. At the same time, diversification is accelerating: 77% of brands already fulfill B2B or brick-and-mortar orders, 43% already sell on big-box retailers' websites, and brands are increasingly investing in Amazon, retail, and social commerce as growth channels.

## Operational Complexity Across Channels

Each channel comes with different operational requirements. Retail and wholesale often require compliance workflows such as EDI, routing guides, labeling, and stricter delivery windows, while marketplaces and social platforms demand faster

fulfillment and tighter inventory coordination. As brands expand channel mix, they also increase the complexity of managing inventory, orders, returns, and service levels across multiple systems.

## Profitability Challenges by Channel

Revenue growth across channels does not always translate into equal profitability. Different channels carry different cost structures, including fulfillment fees, return rates, packaging requirements, compliance costs, and margin expectations. The survey results reflect this growing complexity: while brands are expanding aggressively into new channels, they are also being forced to evaluate performance more carefully at **the channel level rather than treating fulfillment as a single blended cost.**

The broader takeaway is clear: omnichannel growth is now a standard part of ecommerce strategy, but it requires stronger operational coordination and closer control over channel-specific economics.



DTC

# Fulfillment Network Strategy as a Competitive Lever

Network design is becoming a major determinant of fulfillment performance. As delivery expectations rise and shipping costs remain under pressure, brands are paying closer attention to where inventory is stored, how many fulfillment nodes they operate, and how those decisions affect both cost and service levels.

Centralized vs. Distributed Fulfillment Survey findings show that fulfillment models are already mixed. 34% of brands said they rely on third-party fulfillment providers only, while 44% reported using a hybrid model that combines internal and external fulfillment capabilities. Only 16% said they use self-fulfillment alone.

The number of fulfillment locations is also expanding. In the survey, 35% of brands said they currently ship from one fulfillment center, while 36% already ship from three. Looking ahead, 44% said they plan to increase the number of fulfillment centers they use, compared with just 4% planning to reduce them. This reflects a broader shift away from single-node fulfillment toward more distributed networks designed to place inventory closer to demand.

**Inventory Placement and Shipping Zones** The operational logic behind distributed fulfillment is straightforward: shorter shipping distances can reduce both transit time and parcel cost. The report's zone-based examples show that relying on a single fulfillment center can leave a large share of orders shipping into higher-cost zones,

while distributing inventory across multiple locations can reduce average zone exposure and eliminate some of the most expensive lanes. The report also notes that domestic orders shipped from closer locations can move by ground service while still meeting fast delivery expectations. This is especially relevant in the U.S., where carriers price domestic shipments in part based on distance traveled across shipping zones. According to the operational examples included in the report, multi-node distribution can reduce both average shipping cost and delivery time by moving more orders into lower zones.

Factor	Centralized Fulfillment (Fewer Locations)	Distributed Fulfillment (Multiple Locations)
Cost	Lower fixed costs (fewer warehouses, less inventory duplication) but higher shipping costs due to longer distances and higher zones.	Higher operational costs (more facilities, inventory distribution), but lower average shipping costs due to shorter distances.
Speed	Slower average delivery times, often requiring expedited shipping to meet expectations.	Faster delivery times, with more orders fulfilled via ground shipping within 2-3 days.
Complexity	Simpler operations, easier inventory management, and fewer coordination challenges.	Increased complexity in inventory allocation, forecasting, and system coordination across multiple nodes.

# Global Expansion Through Hybrid Fulfillment

As more ecommerce brands expand internationally, hybrid fulfillment models are becoming a practical way to balance cost, speed, and operational control. Rather than relying entirely on either domestic shipping or fully localized infrastructure, brands are increasingly combining owned operations, third-party fulfillment, and cross-border shipping to serve different markets more efficiently.

## Why Hybrid Fulfillment Is Gaining Traction

Survey data shows that hybrid fulfillment is already widely used. 44% of brands reported using a hybrid fulfillment model, compared with 34% using third-party fulfillment only and 16% relying solely on self-fulfillment. At the same time, 67% of brands already ship outside of the United States, while 30% plan to start physically fulfilling orders in new countries in 2026.

These figures suggest that many brands are not choosing between domestic and international fulfillment in absolute

terms. Instead, they are building blended models that allow them to keep some operations centralized while selectively adding regional fulfillment capacity where demand justifies it.

#### Balancing Cross-Border Reach With Localized Service

Hybrid fulfillment allows brands to use cross-border shipping for lower-volume or test markets while localizing inventory in higher-demand regions. This can help reduce transit times, improve delivery consistency, and manage costs without requiring a fully localized footprint in every market.

The report also notes that 44% of brands plan to ship to new countries in 2026 or fulfill orders in new countries, while 15% already fulfill orders from their home country and ship internationally but plan to fulfill internationally in 2026. These patterns reflect a broader trend: brands are using international expansion in stages, often beginning with cross-border shipping and later moving to regional inventory placement as volume increases.

## **Managing Duties, Compliance, and Delivery Expectations**

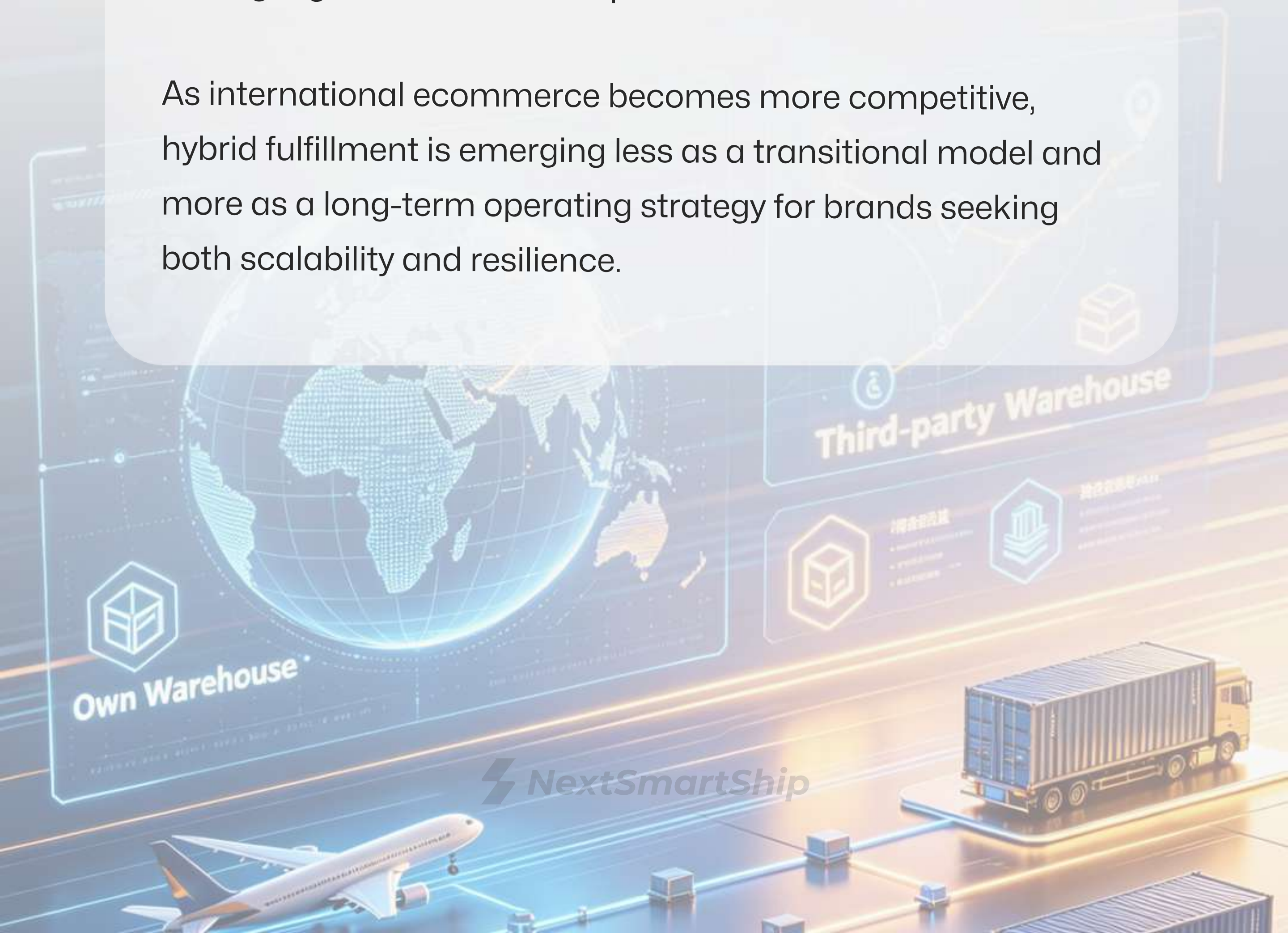
Hybrid models can also help brands respond more flexibly to duties, customs complexity, and delivery expectations. Survey results show that 70% of brands reported having some level of compliance requirements from a fulfillment partner, including regulated handling or process controls.

As brands expand across borders, fulfillment decisions increasingly depend not only on shipping cost, but also on customs treatment, duty exposure, and service expectations in each market. A hybrid setup can reduce some of this risk by allowing brands to localize fulfillment where speed and landed cost matter most, while keeping less predictable markets cross-border.

## Hybrid Fulfillment as a Scalable International Model

The broader advantage of hybrid fulfillment is flexibility. It gives brands more options to match fulfillment strategy to market maturity, order volume, and customer expectations. Instead of committing to a single network design, brands can adapt over time—maintaining centralized control where efficient, while adding regional fulfillment capabilities where needed.

As international ecommerce becomes more competitive, hybrid fulfillment is emerging less as a transitional model and more as a long-term operating strategy for brands seeking both scalability and resilience.



# Implementing Scalable Fulfillment with NextSmartShip

Hybrid fulfillment models have emerged as a practical solution to these challenges—combining centralized sourcing, distributed inventory, and flexible shipping strategies.

NextSmartShip is positioned within this model, enabling brands to implement hybrid fulfillment strategies that adapt to different markets, volumes, and growth stages.

## Hybrid Fulfillment as an Operating Model

Rather than relying exclusively on a single fulfillment structure, NextSmartShip supports a hybrid approach that allows brands to:

- Centralize sourcing and inventory in cost-efficient locations
- Distribute inventory selectively across key regions to reduce delivery times
- Leverage cross-border shipping for lower-volume or test markets
- Scale into localized fulfillment as demand increases

This flexibility enables brands to align fulfillment strategy with actual demand patterns, rather than committing to a fixed infrastructure.

## Balancing Cost, Speed, and Reach

Hybrid fulfillment allows brands to optimize across the three core constraints identified in this report:

- **Cost:** By combining China-based sourcing advantages with global shipping options, brands can reduce production and first-mile costs while maintaining competitive shipping rates
- **Speed:** Strategic warehouse placement across North America, Europe, Asia, and Australia enables faster delivery in high-demand regions
- **Reach:** Cross-border capabilities allow brands to serve over 200 countries without requiring immediate local infrastructure in every market

This approach reduces reliance on expensive expedited shipping while maintaining service levels expected by customers.

## Operational Flexibility and Scalability

NextSmartShip's infrastructure is designed to support brands at different stages of growth:

- **Early-stage expansion:** Entry into new markets with minimal up front investment
- **Growth phase:** Distributed inventory can be introduced in regions with increasing demand
- **Scaled operations:** Multi-node fulfillment supports faster delivery and improved cost efficiency

This staged approach aligns with how many brands expand internationally—starting centralized and progressively localizing as volumes justify it.

## Technology and Integration

To support hybrid fulfillment, NextSmartShip provides:

- Integrated order and inventory management systems across multiple sales channels
- Real-time visibility into inventory, orders, and shipments
- Automated routing and carrier selection based on destination, cost, and delivery time

These capabilities help reduce manual coordination and enable more efficient decision-making across a distributed network.

## Omnichannel and Customization Support

Hybrid fulfillment also extends across sales channels.

NextSmartShip supports:

- Direct-to-consumer (DTC) fulfillment
- Marketplace and retail order management
- Custom packaging, kitting, and bundled fulfillment

This allows brands to maintain consistent operations while adapting to different channel requirements.

# Conclusion

Ecommerce fulfillment is becoming increasingly complex as brands scale across channels, regions, and customer expectations. Rising costs, tighter delivery standards, and global expansion are forcing businesses to rethink how their operations are structured. What was once a back-end function is now a critical driver of both customer experience and profitability.

Throughout this report, one theme remains consistent: there is no single optimal fulfillment model. Instead, leading brands are adopting more flexible approaches—combining centralized efficiency with distributed speed, and balancing cost control with service performance. Hybrid fulfillment, in particular, is emerging as a practical way to navigate these competing priorities while supporting long-term growth.

As the ecommerce landscape continues to evolve, the ability to adapt fulfillment strategy to changing demand, market conditions, and customer expectations will be a key competitive advantage.

# Next Steps

Brands evaluating their fulfillment strategy should assess how well their current operations align with their growth goals, cost structure, and geographic reach.

To learn how these strategies can be implemented in practice, contact NextSmartShip to explore fulfillment solutions designed to support global ecommerce growth.

# Ready to Explore Global Routes?

Going global isn't complicated when you have the right partner. With NextSmartShip, your brand gains the infrastructure, expertise, and speed to scale internationally – without extra stress or cost.

Let's take your brand where the world is shopping.



Contact us today and go global with confidence.

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Contact



 NextSmartShip