



KNIGHT-SWIFT SUPPLY CHAIN

Q1 2026 eCommerce Executive Brief

2026 Opens With a Tighter, Faster, More Volatile eCommerce Landscape

eCommerce demand is stabilizing at higher-than-forecast growth rates, but fulfillment expectations have continued to accelerate. **The biggest theme for Q1: Compression.** Compressed delivery windows, compressed inventory cycles, compressed margins — and increasing pressure on operational accuracy.

But while marketing, merchandising, and transportation get most of the attention, the warehouse is now the decisive performance driver for brands in 2026.



Key Market Signals for Executives

Here are the top high-impact indicators shaping eCommerce and omnichannel supply chains this quarter.

1 Consumer Delivery Expectations Are Rising

Recent 2025 holiday and early-2026 survey data show:

74% of shoppers expect two-day delivery

23% abandon carts due to slow shipping

What this means: Brands must build fulfillment models that move faster, not bigger, and warehouse velocity is now directly correlated to revenue capture.

2 Margin Pressure from Reverse Logistics

2025–2026 return trends continue upward across apparel, electronics, home goods, and specialty categories. Key figures:

18–74% average eCommerce return rate, depending on category

30%+ return rate for apparel and footwear

Increase in return-to-stock cycle times for brands without dedicated processing workflows

Financial impact: With nearly 1 in 5 online orders coming back and reverse logistics costs often running 50–60% of an item's price, unmanaged returns can erode double digits in margin.

3 Storage and Flex Capacity are Now Executive-Level Risks

Industrial real estate showed volatility in late 2025

7.1% U.S. warehouse vacancy rate (highest in 11 years)

Inventory repositioning is increasing as transportation variability rises

Implication: Flexible warehousing is no longer optional – it's the only way to protect network stability while avoiding long-term real estate exposure.



Case Study Parallel How KSSC Solves These Challenges

In 2025, brands facing severe holiday congestion saw results like:

- Faster dock turns through drop-trailer programs
- Inventory accuracy restored through disciplined cycle counts
- 40–60% reduction in dwell time
- Improved customer delivery performance due to network realignment

These outcomes are now more relevant to executives than ever because volatility is becoming structural, not seasonal.

Q1 2026 Executive Priorities

#1 Priority

Improve Warehouse Throughput

Executives are shifting focus from square footage to flow efficiency.

Key levers:

- High-speed receiving
- Thoughtful automation implementation
- Labor optimization & coverage continuity
- Intelligent slotting for high-volume SKUs

Why it matters: Meeting two-day delivery expectations requires speed and efficiency inside the building, not just fast carriers.

#2 Priority

Protect Network Resilience Through Inventory Positioning

The post-pandemic pendulum has settled: Just-in-time is out. Strategic staging is in.

Executives are prioritizing:

- Regional forward deployment
- Multi-node fulfillment strategies
- Safety stock protection
- Weather and capacity-aware placement

With transportation volatility expected through 2026, the geographic location of your inventory matters as much as how fast it moves.

#3 Priority

Manage Cost Pressures Without Sacrificing Service

Q1 is showing steady cost inflation in:

- Labor
- Small-parcel shipping
- Warehouse tech & automation
- Value-added services (bundling, kitting, custom packaging)

Smart outsourcing delivers:

- Lower capital exposure
- Variable cost structures
- Better access to automation without internal investment

#4 Priority

Modernize Tech & Visibility

2026 leaders are investing heavily in improved inventory accuracy and visibility. Unified order + inventory dashboards.

- API/EDI integration with their ERP
- Forecastable labor planning
- Real-time SKU-level accuracy

Visibility is now a C-suite requirement, not a back-office feature.

Across these pressures, warehouse performance is now the decisive lever.

Contact our team today to learn more.

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