

PEAK SEASON READY: DP WORLD'S Q4 FULFILLMENT CHECKLIST FOR BRANDS



A practical playbook to help brands navigate resilient but more operationally complex holiday demand, rising returns, tariff/de minimis volatility, and parcel-network pressure - while protecting margins and capturing peak-season growth.

EXECUTIVE SUMMARY

As brands prepare for the critical Q4 holiday season, the stakes have never been higher. The 2025 holiday season outperformed cautious expectations: NRF Retail Monitor data shows U.S. holiday sales from Nov. 1-Dec. 31, 2025 grew 4.1%, while Adobe reported record U.S. online holiday spend of \$257.8 billion, up 6.8% year over year. Holiday shopping volumes remain high, competition is intensifying, and supply chain volatility - from tariffs to carrier surcharges - threatens margins. For 2026, early forecasts point to moderate growth rather than a major acceleration: EMARKETER expects approximately 2.6% growth for overall U.S. holiday retail and 6.6% for holiday ecommerce, while NRF forecasts annual 2026 retail sales growth of 4.4% to \$5.6 trillion.^{[1][2][3][4]}

At the same time, consumer expectations around speed, transparency, and returns remain unforgiving. Mobile is now the majority channel for online holiday transactions, AI-assisted shopping is beginning to influence discovery, and consumers are still making value-driven trade-offs even when total spend remains resilient.^{[2][9][10]}

This white paper provides a practical fulfillment readiness checklist that brands can use to prepare for peak holiday season. It distills the lessons of 2025 and highlights the operational levers that matter most in 2026: flexible space, distributed inventory, resilient carrier strategies, efficient returns management, and landed-cost visibility.



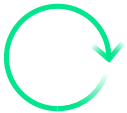
Key Takeaways



- 2025 demand was resilient, but 2026 planning should assume moderate, selective growth. U.S. holiday sales grew 4.1% in 2025, and early 2026 holiday projections point to about 2.6% overall retail growth and 6.6% ecommerce growth.^{[1][3]}



- Ecommerce remains the operational pressure point. Online holiday spend reached \$257.8 billion in 2025, with Cyber Week at \$44.2 billion, Cyber Monday at \$14.25 billion, and 25 days above \$4 billion in online spend.^[2]



- Returns remain a margin battleground. NRF and Happy Returns project \$849.9 billion in 2025 retail returns, with 19.3% of online sales and 17% of holiday sales expected to be returned.^[5]



- Carrier performance improved in peak 2025, but flexibility still matters. ShipMatrix reported December 2025 OTP of UPS 97.2%, FedEx 95.3%, and USPS 94.1%, while peak parcel volume reached about 2.3 billion packages, up 5% from peak 2024.^[6]

HOW DP WORLD HELPS



01 Multi-customer warehousing that scales up or down, giving brands flexible space and pricing.



02 Strategically located facilities coast-to-coast with locations in Pennsylvania, Mississippi, and California to shorten transit times and mitigate carrier risk.



03 Integrated ports-to-warehouse-to-last-mile services that reduce lead time and variability.



04 Robust returns-management capabilities to help brands reclaim margin from a projected \$849.9 billion U.S. retail returns environment in 2025 - including dedicated processing cells, grading, refurbishment, and rapid resale workflows.^[5]

By combining actionable steps with industry insight, this white paper equips brands to approach Q4 with agility and confidence. Peak season will always test supply chains, and consumer expectations add another layer of complexity.

For cross-border ecommerce, the cost-transparency challenge has become more urgent. Many U.S. shoppers assume the price they see online is final, yet imported goods can involve tariffs, duties, fees, and import taxes. Effective Aug. 29, 2025, CBP guidance states that ineligible goods of all countries may not receive de minimis clearance duty and tax free regardless of value, country of origin, transportation mode, or entry method.^[7]

Brands should replace old de minimis assumptions with proactive landed-cost modeling by SKU, origin, entry type, and fulfillment path. The right preparation - paired with the right logistics partner - can turn these compliance and cost challenges into opportunities to improve customer experience and protect profitability.

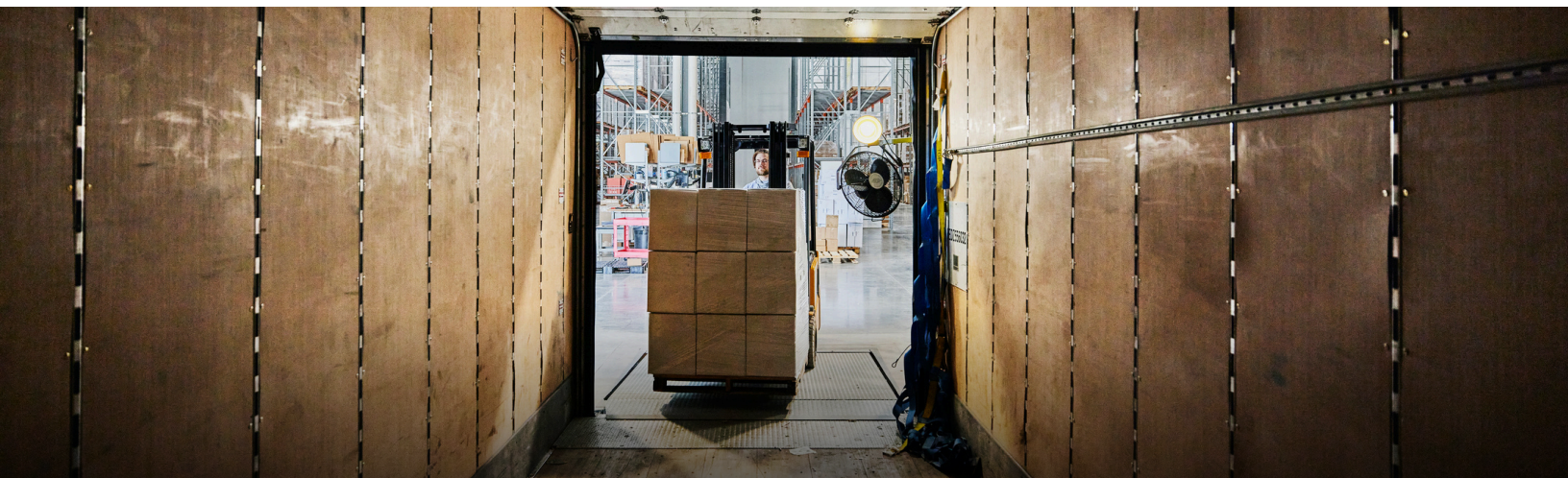
INTRODUCTION

Peak Season Pressure is Rising

The final quarter of the year remains the make-or-break moment for most consumer brands. Holiday demand consistently pushes sales to record levels, but the landscape is more complex than ever – shaped by shifting consumer behavior, supply chain constraints, evolving trade policy, and digital discovery that is increasingly mobile, social, and AI-assisted.

The 2026 challenge is less about whether demand will show up and more about whether brands can capture demand profitably. McKinsey's 2025 State of the Consumer research reinforces this dynamic: 79% of surveyed consumers globally were trading down, more than one-third had traded down in one category while planning to splurge in another, and consumers continue to expect speed, low cost, reliability, and easy returns.^[10]

These shifts underscore why fulfillment networks must be both cost-efficient and seamless. To win selective spending, brands need inventory closer to demand, warehouse capacity that can flex, parcel plans that can pivot by lane and carrier, and returns operations that recover value quickly.



Moderate Growth, Higher Competition

Looking ahead, forecasts suggest 2026 will be a year of growth tempered by caution. NRF projects total U.S. retail sales in 2026 will grow 4.4% over 2025 to \$5.6 trillion. EMARKETER's February forecast expects the 2026 holiday season to see growth rates similar to 2025: approximately 2.6% for overall U.S. retail and 6.6% for ecommerce. ^{[3][4]}

That signals continued opportunity, but not easy growth. Even as shoppers continue to spend, brands should brace for heightened competition, continued promotional intensity, and margin pressure from tariffs, parcel surcharges, labor, packaging, and returns.

Lessons from 2025

In 2025, demand proved more resilient than the earlier 1.2% holiday-growth forecast suggested. NRF Retail Monitor data shows U.S. holiday sales grew 4.1% from Nov. 1-Dec. 31. Online channels set new benchmarks: Adobe reported \$257.8 billion in U.S. online holiday spend, Cyber Week at \$44.2 billion, Cyber Monday at \$14.25 billion, and 25 days above \$4 billion in online spend. ^{[1][2]}

The season also showed how operationally spiky digital demand has become. Smartphones drove 56.4% of online holiday sales, Buy Now Pay Later reached \$20 billion in online spend, and traffic from generative AI tools to retail sites rose 693.4% year over year. ^[2]

The Risks Ahead

Returns are becoming an even larger operational challenge. While NRF estimated \$849.9 billion in U.S. merchandise returns in 2025 (15.8% of annual retail sales), EMARKETER forecasts total retail returns will approach \$1 trillion by 2029, with ecommerce accounting for nearly half of all returns. As return volumes continue to grow, reverse logistics will increasingly influence profitability, customer loyalty, and supply chain efficiency. ^[12]

Carrier networks performed better in 2025, but peak still required flexibility. ShipMatrix reported December 2025 OTP of UPS 97.2%, FedEx 95.3%, and USPS 94.1%, and the parcel industry delivered about 2.3 billion peak parcels, up 5% from 2024. ^[6]

Trade policy also moved from background risk to operating variable. Section 301 tariff modifications continue to phase in across strategic categories, and de minimis suspension means brands can no longer assume low-value cross-border parcels are duty free. ^{[7][8]}

THE BOTTOM LINE



Peak season rewards the prepared but penalizes the rigid. Brands that build agility into their supply chains - flexing space, diversifying nodes, planning for carrier risk, modeling tariffs/de minimis exposure, and reserving returns capacity - will be best positioned to capture demand and protect profitability.



INSIGHT

Resilient Demand Means Higher Stakes for Margin, Promotions, and Operations

2025 holiday demand was stronger than expected, but it was still promotion-driven, digitally led, and operationally spiky. NRF reported 4.1% holiday sales growth, while Adobe reported record ecommerce spend of \$257.8 billion. ^{[1][2]}

For 2026, brands should plan for moderate growth, not a demand boom. EMARKETER expects approximately 2.6% overall holiday retail growth and 6.6% holiday ecommerce growth. That makes fulfillment cost control as important as top-line capture. ^[3]

The implication: every avoidable mile, accessorial charge, split shipment, delayed return, or customs surprise eats into margin. Flexible warehousing and regionalized inventory placement become financial levers, not just operational choices.

THE Q4 REALITY CHECK: WHAT'S CHANGED SINCE LAST YEAR?

Demand will surge, but it's spiky.

Cyber Week generated \$44.2 billion online in 2025, Cyber Monday hit \$14.25 billion, and 25 days topped \$4 billion in online spend. Promotional calendars, device mix, and AI/social discovery create sharp daily peaks that strain inventory, labor, and parcel operations. ^[2]

Digital discovery is fragmenting.

Traffic from generative AI tools to retail sites increased 693.4% during holiday 2025. Consumers are still early in AI adoption, but AI-assisted research and comparison are becoming part of the pre-purchase journey, especially for considered purchases. ^{[2][9]}

Networks performed better, but one-carrier reliance is still risky.

All three national carriers improved OTP in December 2025, but carrier performance still differs by service, lane, day, and commit-time definition. Brands relying on one carrier may still face surcharges, caps, or missed injections if demand spikes. ^[6]

Returns are a profit lever.

With online returns expected to reach 19.3% of online sales and retailers expecting 17% of holiday sales to come back, return speed and disposition - restock, refurbish, resale, recycle, or dispose - directly affect gross margin. ^[5]

Trade/tariffs = planning risk.

Category-specific Section 301 changes and the 2025 de minimis suspension can swing landed cost and replenishment timing. Brands need buffer capacity, alternate flows, and SKU-level cost modeling before Q4. ^{[7][8]}

BUYER PAIN POINTS WE HEAR MOST

Over- or under-committing to warehouse space.

Many brands still operate with fixed, single-tenant leases, which leave them exposed if demand softens. Conversely, when demand surges, the inability to flex capacity can cause backlogs and missed sales. With 2026 holiday growth projected to be moderate but ecommerce growth still stronger than overall retail, brands need space that can flex up for digital peaks and flex down after the returns surge. ^[3]

Slow inventory positioning.

Keeping all stock on one coast often adds three to five days to delivery times. In holiday 2025, curbside pickup accounted for 17.1% of online orders where offered and peaked at 39.0% on Dec. 23, showing how much shoppers value speed and certainty when shipping cutoffs tighten. ^[2]

Carrier rollover risk.

Peak 2025 OTP improved, but the risk did not disappear. ShipMatrix reported December 2025 OTP of UPS 97.2%, FedEx 95.3%, and USPS 94.1%. Those results were stronger than 2024, but lane-level variance, commit-time changes, accessorials, and capacity constraints can still translate to late deliveries if a brand lacks multi-carrier routing. ^[6]

Return bottlenecks.

Returns are projected at \$849.9 billion in 2025, with 19.3% of online sales expected to be returned. ^[5]



INSIGHT

Returns are a Margin Battleground

Reverse logistics is no longer a back-office issue - it is a core profitability battleground. NRF and Happy Returns project \$849.9 billion in U.S. retail returns in 2025, equal to 15.8% of annual sales, with online returns expected to reach 19.3% of online sales. ^[5]

Returns are also a conversion and loyalty lever. 82% of consumers say free returns are an important consideration when shopping online, and about 71% say they are less likely to shop with a retailer again after a poor returns experience. ^[5]

Fraud and abuse make speed plus control essential. NRF and Happy Returns estimate 9% of all returns are fraudulent, and retailers are increasingly using AI, item-level verification, and third-party logistics partners to manage holiday returns. ^[5]

For DP World, the ability to stand up seasonal returns cells within multi-customer facilities offers brands a flexible way to reclaim revenue without building fixed infrastructure.

Brands without streamlined Return Merchandise Authorization (RMA), grading, fraud controls, and disposition workflows face delayed resale, markdown erosion, and customer-experience risk. ^[5]

Tariff and cost uncertainty.

With Section 301 changes continuing into 2026 and de minimis clearance suspended for covered shipments, landed-cost uncertainty can hit gross margin at the worst time of year. Brands that fail to model alternate sourcing, entry type, and inventory hedges may be forced into margin-eroding decisions during peak. ^{[7][8]}



Carrier Congestion and Accessorials Will Define Peak Costs

During December 2025, national-carrier OTP improved materially versus 2024: UPS reached 97.2%, FedEx 95.3%, and USPS 94.1%, compared with 96.5%, 91.8%, and 90.4%, respectively, in peak 2024. Those numbers are encouraging, but they do not eliminate carrier strategy risk. ShipMatrix noted that differences in commit times and added transit days affected carrier comparisons, and the parcel industry still delivered about 2.3 billion parcels during peak 2025, up 5% from 2024. ^[6]

At the same time, accessorial charges - extra carrier fees such as fuel surcharges, residential delivery surcharges, delivery area fees, and peak-related fees - continue to account for a growing share of parcel spend. For brands, depending on a single carrier is a liability.

Multi-carrier strategies, backed by distributed inventory, allow shippers to pivot when OTP falls, when service commitments change, or when surcharges spike. McKinsey also notes that consumers increasingly expect speed, reliability, low cost, and easy returns, leaving brands little margin for error when carrier performance falters. ^[10]

DP World's network design helps brands mitigate this risk by positioning inventory where it can flow through the most cost-effective lanes.





Trade and De Minimis Volatility Create Planning Whiplash

The tariff environment is now a fulfillment-planning issue. Section 301 modifications continue to phase in across strategic categories, including semiconductors, lithium-ion non-EV batteries, medical gloves, natural graphite, and permanent magnets, with certain increases taking effect in 2025 and 2026. ^[8]

The de minimis environment also changed materially. CBP guidance for the Aug. 29, 2025 suspension states that ineligible goods cannot receive de minimis duty- and tax-free clearance regardless of value, country of origin, transportation mode, or entry method, and that filers must use appropriate formal or informal ACE entry processes with applicable duties, taxes, and fees. ^[7]

For consumer brands, this creates cost volatility that can hit margins without warning. Long-term leases or single-node fulfillment strategies compound the risk because shifting sourcing, redirecting inventory, or changing entry strategy becomes harder.

Flexible, multi-customer warehousing gives brands the breathing room to adjust sourcing and inventory flows as trade policy changes - turning uncertainty into an opportunity to outmaneuver less agile competitors.

PRACTICAL Q4 READINESS CHECKLIST

Demand & Inventory



- Lock must-win Stock Keeping Unit (SKU) forecasts and safety stock targets using 2025 actual daily curves, Cyber Week order patterns, promotional overlays, mobile mix, AI/social referral signals, and 2026 growth assumptions. ^{[2][3][9]}
- Place buffer inventory across regions to cut time-in-transit and protect against parcel congestion.
- Track available-to-promise (ATP) with near-real-time visibility tools so stock can be rebalanced across nodes mid-promo.
- Run tariff, de minimis, and landed-cost sensitivity analyses: calculate cost per SKU under Section 301 schedules, origin scenarios, entry types, and alternative sourcing routes. ^{[7][8]}

Space & Labor



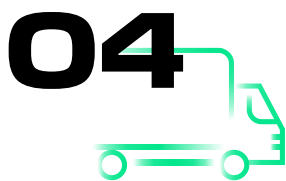
- Reserve flexible space in multi-customer facilities to scale up or down without long-term commitments.
- Pre-book temporary labor and cross-train staff on top order profiles - bundles, kitting, gift wrap, personalization, and returns triage.
- Line-balance pick/pack stations to match holiday SKU mix, mobile-driven order spikes, and post-Christmas reverse-flow volume. ^{[2][5]}

Fulfillment Design



- Build regional waves to support same-/next-day delivery in dense zones.
- Pre-stage packaging and dunnage for high-volume SKUs.
- Develop an exception playbook for common disruptions - late inbound, split orders, address corrections, customs holds, and return surges.
- Plan late-season pickup and cutoff flexibility. Adobe reported curbside pickup peaked at 39.0% of online orders on Dec. 23, 2025 for retailers offering the service, showing that shoppers use fulfillment options to de-risk last-minute gifting. ^[2]

Parcel & Transportation



- Model peak with multi-carrier strategies that include service tiers, accessorials, caps, true commit times, and backup injection points.
- Verify tendering and trailer availability at each node; rehearse Cyber Week load-ins.

PRACTICAL Q4 READINESS CHECKLIST

04

Parcel & Transportation (Continued)

- Monitor daily OTP; divert shipments dynamically when thresholds are breached. Use 2025 peak OTP benchmarks as a starting point, but stress-test lane-specific performance rather than relying on national averages. ^[6]

Customer Experience & Returns

05

- Publish realistic holiday cutoffs by region, carrier, service level, and fulfillment node.
- Make shipment tracking proactive, not reactive, by pushing alerts.
- Tighten returns to enable fast triage and rapid restock. Reserve reverse-logistics capacity for the Dec. 26-Jan. surge; Adobe reported that one out of every seven holiday 2025 returns happened from Dec. 26-Dec. 31. ^[2]
- Instrument return reasons and feed insights back to merchandising to curb preventable returns. Add item-level verification and fraud controls, given NRF/Happy Returns estimates that 9% of returns are fraudulent. ^[5]



WHERE DP WORLD FITS: FLEXIBILITY FIRST

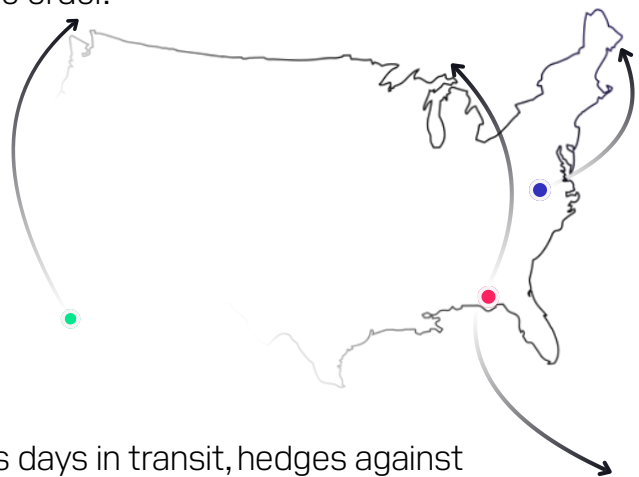
Precision Meets Productivity

DP World's multi-customer warehouse network is purpose-built for uncertain demand patterns. Brands can flex capacity by pallet, bay, or zone, paying only for the space and services used rather than locking into long-term fixed contracts. This flexibility ensures cost control while staying prepared for surges.

That flexibility is especially important for 2026 planning: holiday growth is expected to be moderate overall but stronger in ecommerce, while returns, tariff exposure, and parcel costs can quickly change the margin profile of the same order. ^{[3][5][7]}

STRATEGIC U.S. NODES:

- Middletown, Pennsylvania
(Northeast reach)
- Olive Branch, Mississippi
(Central/Southeast reach)
- Perris, California
(West Coast reach)



Positioning inventory across these facilities trims days in transit, hedges against carrier congestion, and lowers per-order cost - especially as parcel surcharges rise in Q4.

As an integrated ports-to-warehouse-to-last-mile partner, DP World also reduces lead time and variability. Our sites can stand up seasonal returns cells for grading, refurbishment, resale, recycling, and disposal - helping brands reclaim margin in a returns environment projected at \$849.9 billion. ^[2]

INSIGHT

Tariffs Create Planning Whiplash



Section 301 tariff adjustments and the 2025 de minimis suspension create cost volatility that can hit consumer brands during replenishment, promotion, and returns windows. ^{[7][8]}

The operational question is no longer just where inventory is stored. It is which SKU should move through which origin, entry type, port, warehouse, carrier, and customer-delivery path at the lowest total landed cost.

Long-term leases or single-node fulfillment strategies make those shifts harder. Flexible, multi-customer warehousing gives brands room to adjust sourcing and inventory flows as trade policy changes.

HOW TO ENGAGE DP WORLD BEFORE PEAK

30-day network and tariff stress test

Model top SKUs across Middletown, Pennsylvania; Olive Branch, Mississippi; and Perris, California under multiple demand, tariff, de minimis, carrier, and return-rate scenarios.

Rapid stand-up

Reserve scalable pallet positions, allocate kitting/returns cells, and configure Order Management System (OMS)/Warehouse Management System (WMS) integrations.

Carrier and injection playbook

Lock service tiers and backup lanes by node; set thresholds for diversions using 2025 carrier OTP benchmarks, true commit times, parcel caps, accessorial exposure, and peak-injection readiness. ^[6]

Returns margin plan

Set targets for restock cycle time, resale yield, fraud review, item-level verification, and post-Christmas staffing. Build the plan around 2025 returns realities: \$849.9 billion in projected annual returns, 19.3% online return rates, and 17% expected holiday returns. ^[5]



INSIGHT

The Long View — Agility as a Competitive Advantage

Beyond Q4, retailers face structural pressures: consumer expectations for faster and greener delivery, AI-driven demand sensing, higher returns expectations, tariff/de minimis volatility, and rising sustainability requirements.

AI-assisted shopping moved from experiment to operating reality in 2025. Adobe reported a 693.4% increase in traffic to retail sites from generative AI tools during the holiday season, and McKinsey found that 68% of U.S. consumers surveyed had used at least one AI tool in the past three months; among AI users, 19% used AI to discover or decide on brands, products, or services to purchase. ^{[2][9]}

Mobile is also central to the long view. Smartphones drove 56.4% of online holiday sales in 2025, and EMARKETER expects mobile commerce to approach 60% of U.S. holiday ecommerce sales in 2026. ^{[2][11]}

The common denominator is agility. Brands that bake flexibility into their networks now - through shared warehousing, diversified carrier strategies, smarter inventory placement, and stronger returns operations - will not only survive holiday volatility but thrive in a future where supply chain adaptability is the ultimate competitive advantage.

Looking further ahead, McKinsey projects Gen Z will add \$8.9 trillion to the global economy by 2035, reinforcing the importance of speed, convenience, digital discovery, and frictionless returns for the next decade of fulfillment expectations. ^[10]

CONCLUSION

Peak readiness isn't about predicting the future; it's about engineering flexibility into every link of the supply chain. The 2025 holiday season proved that demand can remain resilient even when consumers are selective - but it also showed how quickly digital peaks, mobile shopping, AI-assisted discovery, carrier constraints, returns, and landed-cost changes can pressure margins. ^{[1][2][5][6][7]}

As consumer expectations for speed, transparency, and convenience accelerate, and as pressures from tariffs, carrier surcharges, and returns intensify, brands need partners that can help them adapt in real time.

DP World's multi-customer capacity, strategically located nodes, and integrated ports-to-warehouse-to-last-mile network provide that agility. By combining operational efficiency with resilience, DP World enables brands to convert volatility into velocity - protecting margins, building customer loyalty, and seizing opportunity when it matters most.

For 2026, the winning fulfillment strategy is clear: use 2025 actuals as the baseline, plan for moderate but digitally led growth, place inventory closer to demand, diversify carriers, reserve reverse-logistics capacity, and model landed cost before peak decisions become urgent.

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