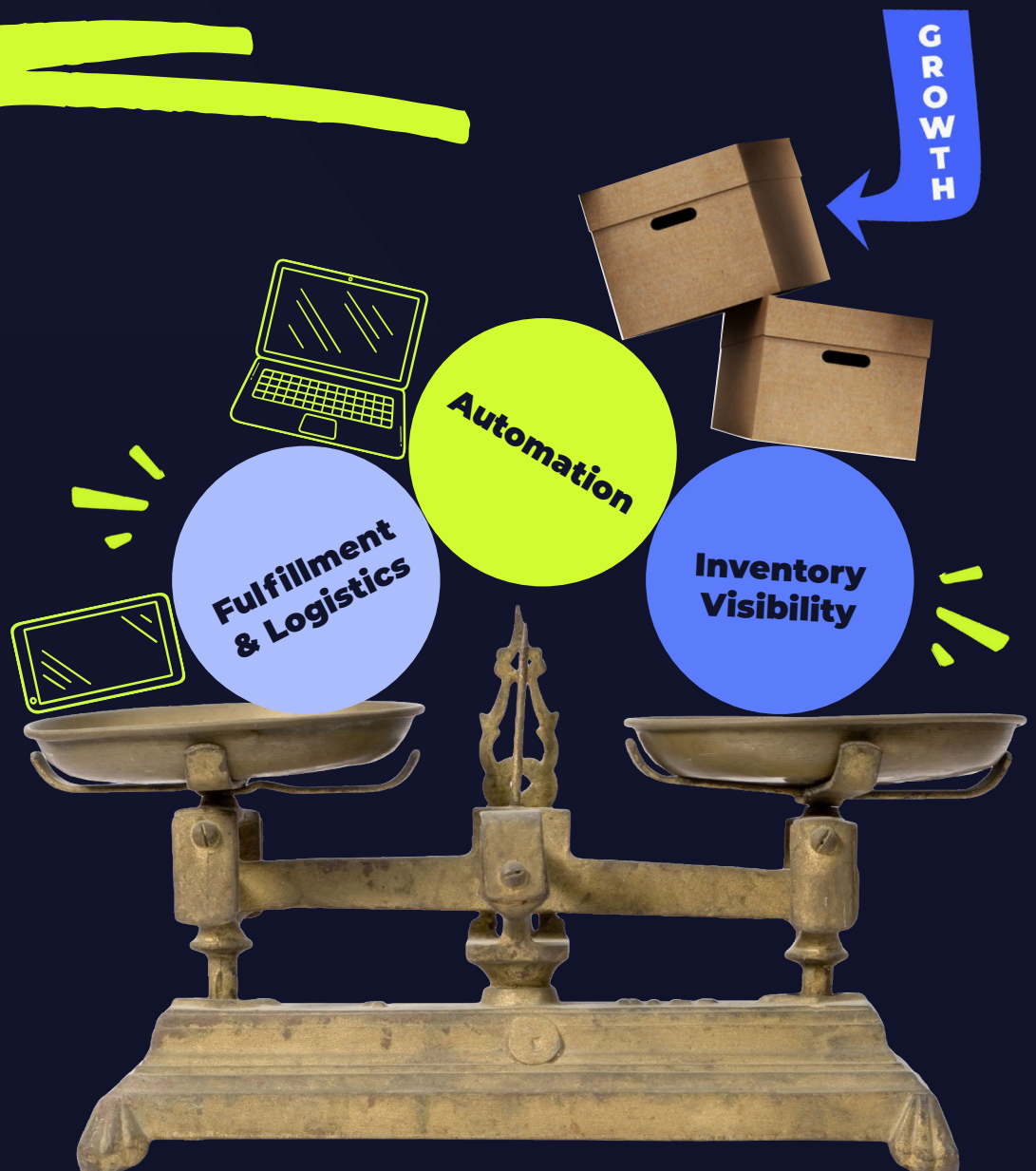


The **2026** state of commerce operations



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Executive summary

The 2026 state of commerce operations survey reveals a mid-market ecommerce sector (retailers with annual revenues between \$7.5 million to \$100 million), that continues to grow across both the UK and the US, but with growth increasingly shaped by operational capability rather than market opportunity alone.

The 2026 state of commerce operations report provides a clear, evidence-based view of how mid-market ecommerce retailers are performing and what is shaping their ability to scale in an increasingly complex operating environment.

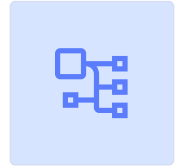
Growth is widespread: 89.6% (UK) and 88.8% (US) of retailers report moderate to significant year-over-year growth. But scaling it efficiently and profitably is the new dividing line.



Priorities for the year ahead

While most retailers reported significant year-over-year growth, the data reveals a clear divide: those investing in automation and integrated operations are pulling ahead, while others relying on manual or fragmented processes face mounting complexity and strain. Looking to the year ahead, priorities across both the UK and US center on technology investment, automation, and channel expansion.

However, ambitions are tempered by persistent challenges—including logistical complexity, limited inventory visibility, system integration issues, and fulfillment cost control. Despite progress in automation and AI adoption, many organizations remain constrained by legacy systems not built for today's operational scale, highlighting a growing gap between intent and true readiness.

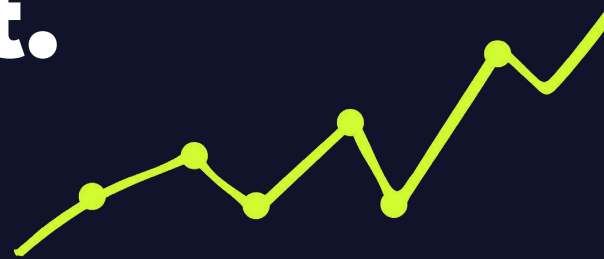


Artificial Intelligence (AI)

AI adoption represents one of the most material shifts since 2025. AI is now mainstream, particularly in customer support, inventory management and demand forecasting. A majority of retailers in both the UK and US report active AI usage, with US adoption slightly more advanced in scale and scope. Where AI is embedded into operational workflows, retailers report tangible benefits, including faster fulfillment, improved order accuracy, reduced manual workload and greater confidence in scalability. AI is no longer being tested for viability; it is being deployed where it can measurably reduce operational friction.



The top seven key takeaways from the 2026 report.



1

Growth is no longer the problem - execution is

Mid-market ecommerce continues to grow across both the UK and the US, but what now separates winners from slower moving businesses is not access to demand, pricing power or marketing reach. It is operational maturity. Retailers are discovering that customer acquisition is relatively easy compared to the challenge of fulfilling, coordinating and scaling complex multichannel operations without degrading performance.



2

High growth is correlated with automation and multichannel maturity

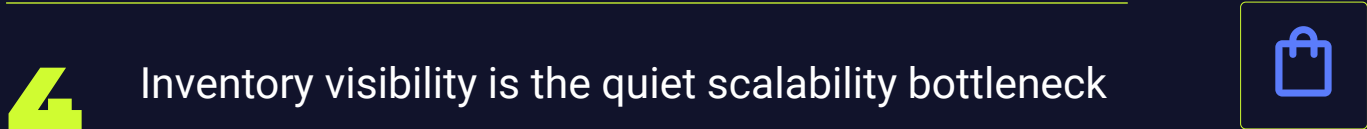
Across both markets, the fastest-growing retailers share three defining traits: higher levels of automation, broader multichannel footprints and greater confidence in scalability. Automation is no longer a competitive advantage - it is a prerequisite. Retailers relying on manual workflows and fragmented systems are disproportionately represented among those experiencing flat or declining performance, even when demand remains strong.





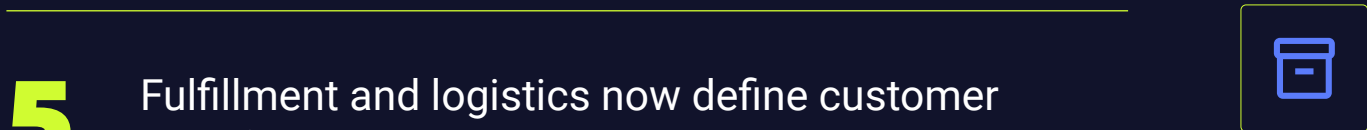
3 Multichannel expansion drives growth and operational risk

Selling across multiple marketplaces and regions remains one of the strongest growth levers in ecommerce, but it is also one of the fastest ways to introduce operational fragility. With the average retailer now active on four or more channels, success depends less on channel count and more on orchestration. Without centralized inventory and order management, multichannel amplifies inefficiency, driving stock discrepancies, fulfillment delays and rising operational costs.



4 Inventory visibility is the quiet scalability bottleneck

Only around one-third of retailers in both the UK and US report excellent inventory visibility across channels and warehouses. The majority operate with known gaps that are often described as “minor” - but at scale, these gaps compound into systemic risk. Inventory confidence has become one of the clearest indicators of operational maturity, with poor visibility directly limiting a retailer’s ability to expand channels, improve fulfillment performance or adopt more advanced automation and AI.



5 Fulfillment and logistics now define customer experience

Logistics has moved from a back-office function to a strategic growth capability. Shipping cost inflation, delivery time management, and carrier coordination are now among the most significant operational constraints. High-performing retailers are diversifying carriers, partnering with 3PLs and using orchestration technology to balance cost, speed and reliability. In 2026, resilience - not raw speed - is what differentiates strong fulfillment operations.

6 AI has shifted from experimentation to execution



AI is no longer being tested for viability; it is being deployed where it can measurably reduce operational friction. Most retailers now use AI in customer support, with growing adoption in forecasting, inventory management, and decision support. The key divide is no longer who uses AI, but who integrates it deeply enough to trust it with real operational decisions. Where AI is embedded into workflows, retailers report faster fulfillment, improved accuracy, and reduced manual workload.

7 Growth ambition outpaces operational readiness



Retailers remain highly ambitious about growth, but confidence in preparedness is more cautious. Most describe themselves as only “somewhat prepared” to scale, revealing a widening gap between strategic intent and operational reality. The retailers most likely to succeed are not the most aggressive expanders, but those building integrated, automated, and AI-enabled foundations that allow growth without fragility.



Ecommerce growth and business performance: **Why some retailers pull ahead**

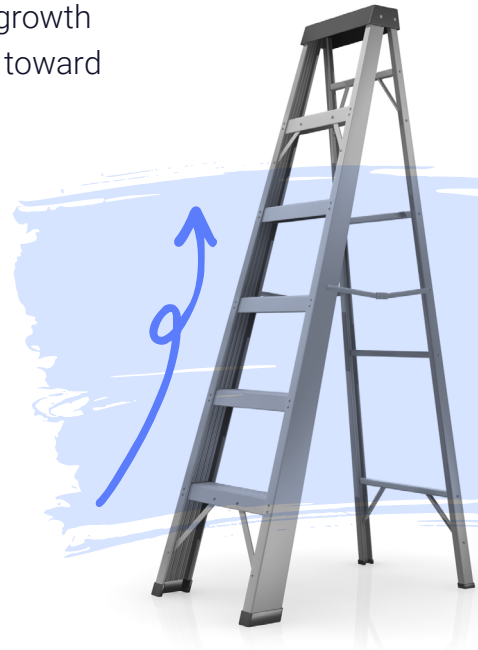


Growth context

Survey results show that while most mid-market retailers across both the UK and the US are growing, the quality of that growth varies significantly. The differentiator is no longer market opportunity. It is operational capability.

Retailers that are growing fastest are not simply selling more. They are executing with greater consistency, accuracy, and control.

US growth is more “high-intensity”: **40.4%** (US) reported significant growth vs **32.4%** (UK). Headline growth is similar, but US retailers skew more toward outsized expansion.



Revenue and order volume trends

When asked whether their business had grown or shrunk over the past year, responses across both markets were overwhelmingly positive, but with important differences in intensity.



UK: 90% of surveyed retailers report moderate to significant year-over-year growth, with 32% reporting significant growth in revenue or order volume. Only a very small minority report flat or declining performance.



US: 88% report moderate to significant growth, with approximately 40% experiencing significant expansion. While headline growth mirrors the UK, US performance skews more toward volume-driven expansion, often linked to marketplace scale and broader geographic reach.

Across both geographies, high-growth retailers consistently share three traits:

- 1 Higher levels of automation across core operational workflows**
- 2 A broader multichannel footprint**
- 3 Greater confidence in their ability to scale further without operational degradation**

High-growth **vs** constrained businesses



The gap between high-growth retailers and those experiencing slower momentum continues to widen.



Across both the UK and US, retailers reporting significant growth are far more likely to:

- **Operate across a higher number of marketplaces and channels**
- **Report majority or high levels of automation across core workflows**
- **Express confidence in their ability to handle further volume increases**



Retailers reporting flat or declining performance, though still a minority, share consistent characteristics regardless of geography:

- **Continued reliance on manual processes**
- **Limited integration between systems**
- **Lower confidence in fulfillment scalability and operational resilience**

This pattern is particularly pronounced in the US, where aggressive channel expansion without corresponding operational maturity has introduced execution risk. In the UK, constraints are more often linked to legacy systems and slower automation adoption rather than overexpansion.



What actually drives - and limits - e-commerce growth in 2026

Growth in 2026 is being driven less by new customer acquisition and more by operational leverage. As businesses scale, performance is increasingly determined by how effectively they execute, rather than how quickly they attract demand.

Across both the UK and US, automation investment is the most consistent growth driver. Retailers that have invested in workflow automation report smoother order flows, fewer fulfillment errors, and a greater ability to absorb seasonal demand without adding headcount.

Marketplace and channel expansion continues to play a critical role, particularly in the US, where broader marketplace presence often offsets margin pressure through scale. UK retailers are following a similar path, typically with a more selective and operationally cautious approach.

Fulfillment execution emerges as the third defining factor. Retailers reporting strong growth consistently highlight improvements in fulfillment accuracy, carrier flexibility, and delivery reliability. Speed alone is not the differentiator - control is.

Across both markets, retailers cite three core barriers to faster scale:

- Manual workflows that do not expand with volume**
- Software and systems not designed for multichannel complexity**
- Limited visibility across inventory, orders, and fulfillment**



UK retailers are more likely to point to system limitations and internal process fragmentation as growth inhibitors. US retailers more frequently cite fulfillment costs, logistics coordination and operational overhead as limiting factors.

Notably, staffing shortages rank lower than in previous years, reflecting a growing recognition that scaling through headcount alone is neither efficient nor sustainable.

Growth, automation, and AI: a measurable relationship

One of the clearest findings in the 2026 survey data is the relationship between growth outcomes and operational maturity.

Across the US and UK:

- Businesses actively using AI in operational roles - such as customer support, forecasting or order management - show greater confidence in future scalability**
- Retailers with limited or no AI usage are disproportionately represented among those reporting constrained or fragile growth**
- Retailers with higher automation levels are significantly more likely to report strong growth**

While US retailers are marginally ahead in AI adoption at scale, the underlying pattern holds true in both geographies. Growth is increasingly determined by how effectively complexity is managed.



Action points for growth-focused retailers:

- ✓ **Reframe growth as an operational challenge, not a commercial one:** Shift leadership focus from acquisition metrics to execution metrics: order accuracy, fulfillment reliability, inventory confidence and system uptime.
- ✓ **Invest in automation where volume breaks first:** Prioritize automation in core workflows such as order routing, inventory synchronization and fulfillment coordination, before expanding further channels or markets.
- ✓ **Use AI to absorb complexity, not just improve efficiency:** Deploy AI in operational roles (forecasting, support, order management workflows) where it can reduce manual decision-making and increase scalability.
- ✓ **Strengthen system integration before accelerating channel expansion:** Ensure inventory, orders and fulfillment operate from a unified operational layer.
- ✓ **Design fulfillment for control, not just speed:** Focus on carrier flexibility, error reduction and delivery reliability - the retailers reporting strongest growth emphasize control over raw delivery speed.
- ✓ **Stop scaling through headcount alone:** Treat staffing as a support layer, not a growth engine. Invest in systems and automation that allow volume to grow without linear increases in operational cost.

In 2026, the retailers that will outperform are those building execution capability first, and expansion second.

Coming Up

For most retailers, growth is inseparable from how and where they expand. The next section looks at channel and market expansion as both an opportunity and a source of complexity.

Market expansion and channel strategy: The multichannel trade-off

Market expansion remains one of the most reliable growth levers in ecommerce - but in 2026 it is also one of the fastest ways to introduce operational risk.

Mid-market retailers across both the UK and the US are continuing to add marketplaces, sales channels and geographies. Retailers that treat expansion as a commercial initiative alone are encountering friction, while those that approach it as an operational challenge are scaling with greater consistency.



Multichannel is now baseline: Average marketplaces sold on: **4.15 (UK)** and **4.25 (US)**. Expansion is normalized - coordination is the real work.



The multichannel reality

Multichannel selling is now the default operating model.

Across both markets, the average retailer sells on four or more marketplaces or channels, with a significant share operating on five or more. Retailers with broader channel coverage are materially more likely to report moderate to significant growth.

-  **UK:** 90% of surveyed retailers report moderate to significant year-over-year growth, with 32% reporting significant growth in revenue or order volume. Only a very small minority report flat or declining performance.
-  **US:** 88% report moderate to significant growth, with approximately one-third experiencing significant expansion. While headline growth mirrors the UK, US performance skews more toward volume-driven expansion, often linked to marketplace scale and broader geographic reach.

Channel count alone does not guarantee success. Retailers operating across multiple platforms without centralized inventory and order management are far more likely to report stock discrepancies, delayed fulfillment and rising operational costs. Multichannel amplifies capability but also exposes weakness.



International expansion appetite

International expansion continues to gain momentum, particularly as domestic markets become more competitive.

- **UK:** international selling is already well established, with a clear majority active in at least one international market and many operating across multiple regions.
- **US:** international selling is less mature but accelerating, with a substantial proportion planning entry into one or more international markets within the next 12 months.

Across both markets, international expansion is increasingly viewed as a necessary step for sustaining growth once core domestic channels mature.

Barriers to global scale

Retailers in both the UK and US consistently identify the same barriers to international scale:



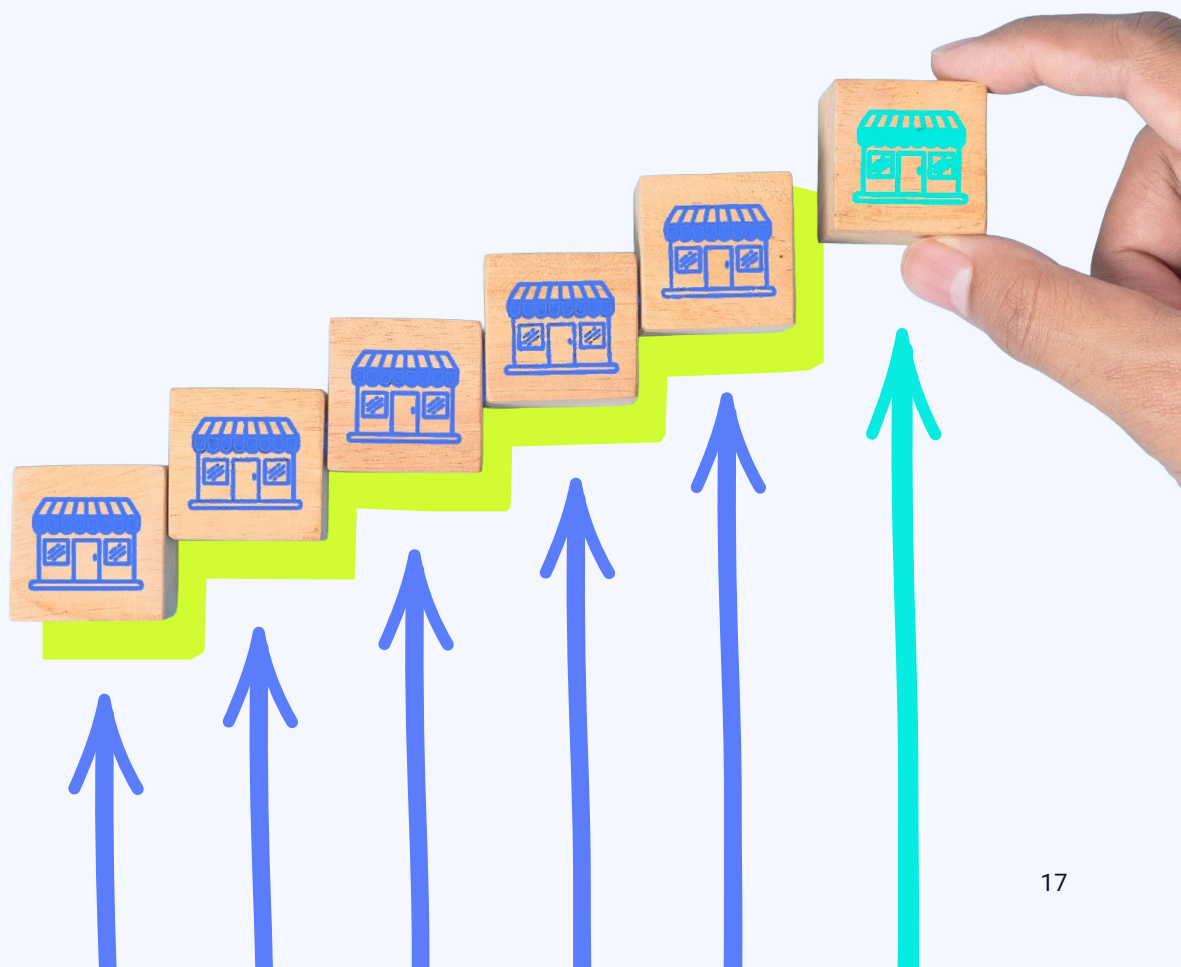
Logistics remains the most significant constraint. Even experienced international sellers report that fulfillment coordination and cost control become materially harder as geographic reach expands.

What's working for expanding retailers

High-performing retailers are more likely to:

- Use third-party logistics (3PL) partners to extend fulfillment reach and manage regional complexity
- Deploy cross-border technology solutions to automate tax, duty, and shipping calculations
- Rely on platform integrations to centralize inventory, orders, and operational reporting

Rather than building bespoke solutions for every new market or channel, these retailers reduce friction by standardizing workflows and leveraging partners designed for scale. The most effective expansion strategies in 2026 are deliberate rather than aggressive, sequencing growth in line with operational readiness.





Action points for expanding retailers:

- ✓ **Sequence expansion around operational readiness, not market opportunity:** Assess whether inventory visibility, order management and fulfillment coordination can support additional channels before adding them.
- ✓ **Establish a single operational layer across all channels:** Centralize inventory, orders and reporting to create a single source of truth and avoid channel-level firefighting.
- ✓ **Standardize workflows before customizing for new markets:** Resist building bespoke processes for every channel or country. Design repeatable workflows that can scale across regions.
- ✓ **Use partners to absorb geographic complexity:** Leverage 3PLs and cross-border technology providers to manage fulfillment, tax and compliance instead of internalizing that complexity.
- ✓ **Treat international expansion as a logistics strategy first:** Validate shipping costs, returns processes, and carrier coordination before committing to new markets.
- ✓ **Measure expansion success by operational stability, not channel count:** Track error rates, stock accuracy, fulfillment performance and cost-to-serve as primary expansion KPIs.

In 2026, expansion without orchestration is a liability. The retailers that will scale successfully are those that build coordination first, and reach second - using systems and partners to turn multichannel complexity into controlled growth.

Coming Up

As expansion accelerates, so do the operational pressures that come with it. The following section explores where those pressures show up most clearly in day-to-day operations.

Operational challenges and efficiency gaps: Where operations break



In many cases growth has not eliminated operational friction, but made it more visible.

The 2026 survey shows that mid-market retailers across both the UK and the US are still grappling with the same core operational challenges, but at greater scale and with higher stakes. Inventory accuracy, fulfillment execution and system reliability remain the most common points of failure as businesses grow across channels and markets. But these breaks now cost retailers more.

Inventory confidence isn't "excellent": Only **33.2% (UK)** and **37.2% (US)** report excellent inventory visibility across channels/warehouses. Most retailers operate with gaps - even if they're currently described as "minor."

Where operations break under pressure

Across both geographies, retailers consistently identify the same pressure points:

- **Inventory synchronization across multiple channels**
- **Warehouse and fulfillment coordination**
- **Balancing delivery speed against rising shipping costs**
- **UK: Inventory-related challenges are particularly pronounced, especially among retailers selling across four or more channels.**
- **US: Fulfillment and logistics pressure is more acute, reflecting larger geographic coverage, more carriers and higher customer expectations around fast delivery.**

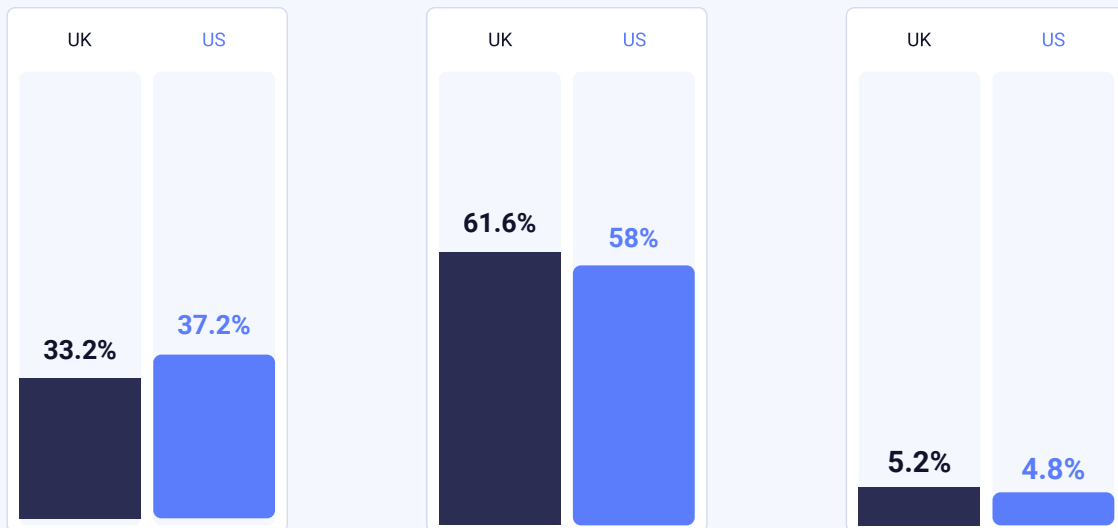
Despite these differences, the underlying cause is shared: disconnected systems and workflows not designed for current levels of complexity.



Inventory visibility: A confidence gap

Inventory visibility remains one of the clearest indicators of operational maturity - and internal alignment.

Across both the UK and the US, only a minority of retailers report “excellent” inventory visibility across channels and warehouses:



Report excellent visibility

The majority instead report good visibility with minor issues:

A smaller, but meaningful, subset report limited visibility:

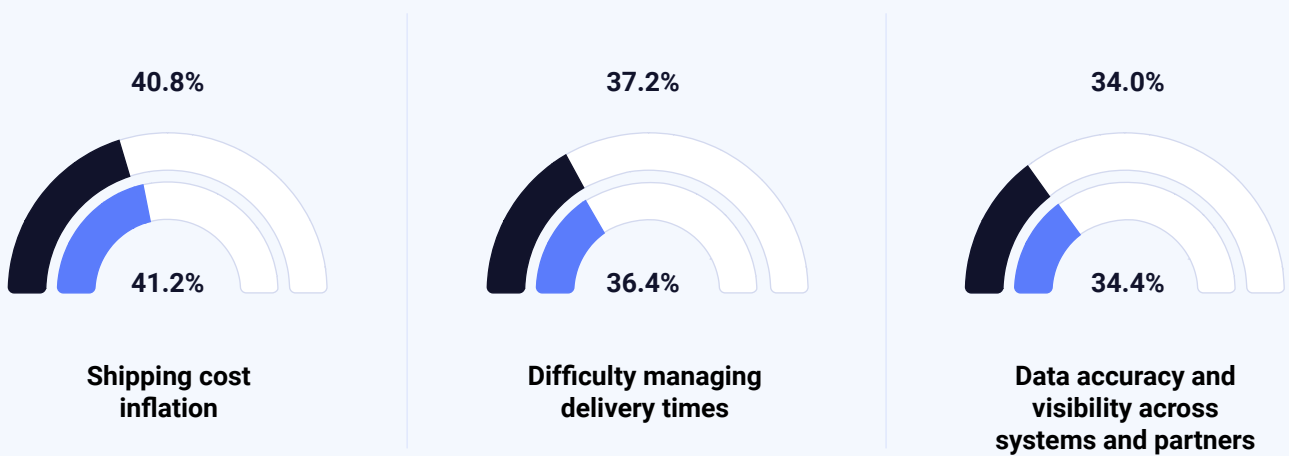
Taken together, this means roughly two-thirds of retailers in both markets acknowledge some level of inventory limitation, even if issues are not yet critical. As channel count and fulfillment complexity increase, these “minor” gaps represent compounding risk rather than isolated inefficiencies.

Fulfillment at scale: The breaking points

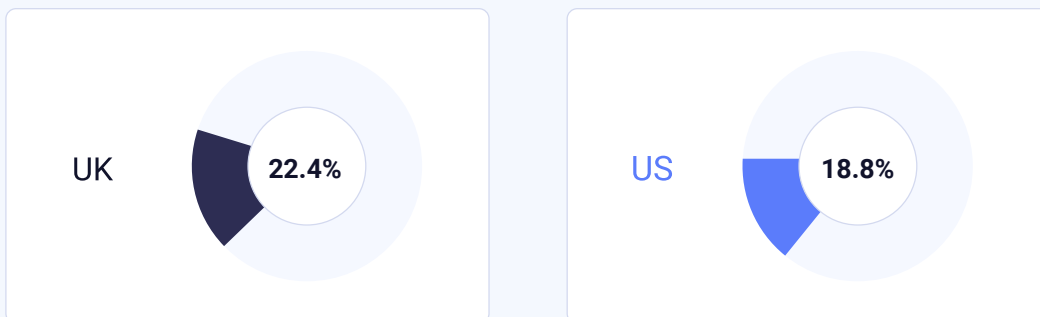
Fulfillment remains the most operationally complex and cost-sensitive area of ecommerce.

Across both markets, retailers most frequently cite:

UK US



Notably, staffing constraints are cited by fewer than one in four retailers in both markets:



This marks a clear shift from earlier years and reflects growing recognition that operational bottlenecks are now system-driven rather than people-driven.

What has and hasn't improved since 2025

Compared with 2025, automation adoption has increased and retailers report greater awareness of operational risk. Inventory visibility has improved at the margins among those investing in centralized platforms.

However, several challenges remain largely unchanged:



In both the UK and US, retailers report incremental improvement rather than structural change. Tools have improved. Architectures often have not.





Action points for operational leaders:

- ✓ **Treat inventory visibility as a strategic priority, not a reporting feature:** Establish real-time, centralized inventory as a foundation for growth. Without it, every new channel or warehouse multiplies risk.
- ✓ **Replace manual exception handling with automated resolution paths:** Identify where teams intervene most often (oversells, shipping errors, stock mismatches) and automate those scenarios first.
- ✓ **Design fulfillment for variability, not averages:** Build systems that can absorb peak demand, carrier disruption and cost volatility - not just perform under normal conditions.
- ✓ **Integrate systems before adding complexity:** Close the gaps between sales channels, warehouses and carriers so data flows in real time across the entire operation.

- ✓ **Measure operational health with leading indicators:** Track inventory accuracy, exception rates, fulfillment error rates and cost-to-serve — not just revenue and order volume.
- ✓ **Invest in architecture, not just tools:** Incremental improvements won't resolve structural weaknesses. Prioritize platforms and system design that assume scale as the default state.

In 2026, operational excellence is no longer about efficiency at today's volume. It is about resilience at tomorrow's scale. Retailers that redesign for complexity will turn growth into control. Those that don't will experience growth as an increasingly expensive and fragile achievement.

Coming Up

Many of these challenges have less to do with ambition and more to do with system design. The next section focuses on automation and technology maturity, and how they shape a retailer's ability to cope with scale.

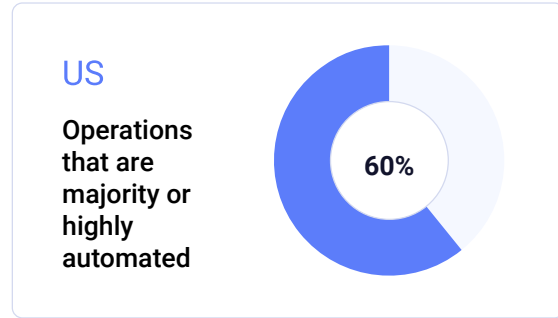
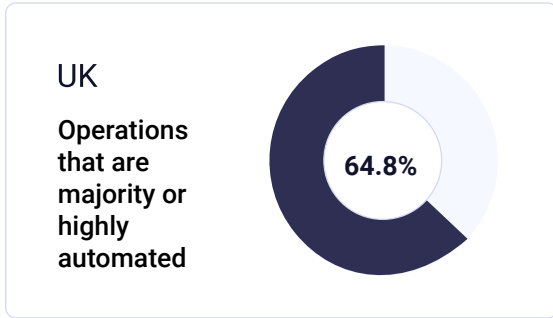
Technology, adoption and automation: The technology layer of growth



Automation is no longer a differentiator. In 2026, it is the operating baseline.

Mid-market retailers across both the UK and the US have largely accepted automation as essential. However, adoption depth varies significantly - and those differences are increasingly reflected in growth outcomes, operational resilience and leadership confidence. The question is no longer whether retailers automate, but how completely, and how competently, they do so.

High/majority automation is the norm: 64.8% (UK) and 60.0% (US) report operations that are majority or highly automated. Automation is no longer a differentiator - it's the operating baseline.

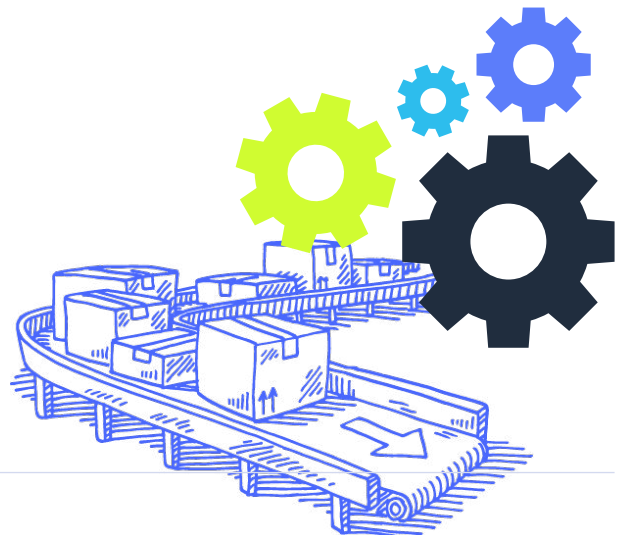


What's actually automated today

Automation adoption concentrates where volume and risk intersect:

- Order processing and routing**
- Inventory synchronization across channels**
- Shipping label creation and carrier selection**
- Customer communications related to order and delivery status**

The difference between markets is less about what is automated and more about how integrated those automations are. US retailers more often describe cross-system automation; UK retailers more often describe automation within individual tools.



What's still manual - and why it matters

Reporting, returns management and exception handling remain the least automated areas. Around one-third of retailers in both markets still rely heavily on manual intervention here, especially in cross-channel or cross-warehouse scenarios.

Manual exception handling creates a hidden scalability ceiling: it absorbs time and attention as volume grows, driving reactive resolution rather than prevention.

Barriers to further automation

Across both markets, the most cited barriers include:

Retailers want to automate, but many struggle to move beyond incremental gains without disrupting live operations.





Action points for technology and operations leaders:

- ✓ **Shift from task automation to system automation:** Move beyond automating individual steps and focus on end-to-end workflows that span orders, inventory, fulfillment and customer communication.
- ✓ **Target the “manual middle” first:** Prioritize automation in reporting, returns and exception handling - the areas most likely to quietly cap scalability and absorb disproportionate effort.
- ✓ **Design automation for integration, not isolation:** Ensure automations operate across systems, not within single tools, to prevent data fragmentation and workflow breakdowns.
- ✓ **Build change management into automation programs:** Invest in training, process ownership and governance so automation adoption improves execution rather than creating parallel manual workarounds.
- ✓ **Measure automation maturity, not automation count:** Track metrics such as manual touchpoints per order, exception rates and processing time - not just the number of automated features deployed.
- ✓ **Plan automation as infrastructure, not projects:** Treat automation as a long-term operating capability that evolves with scale, rather than a series of one-off implementations.

In 2026, automation is not about efficiency gains. It is about structural resilience. Retailers that embed automation deeply into their operating model will scale with control. Those that don't will continue to hit invisible ceilings created by manual complexity.

Coming Up

Automation is now the baseline. The next question is how far retailers can push intelligent systems beyond efficiency and into real operational decision-making.

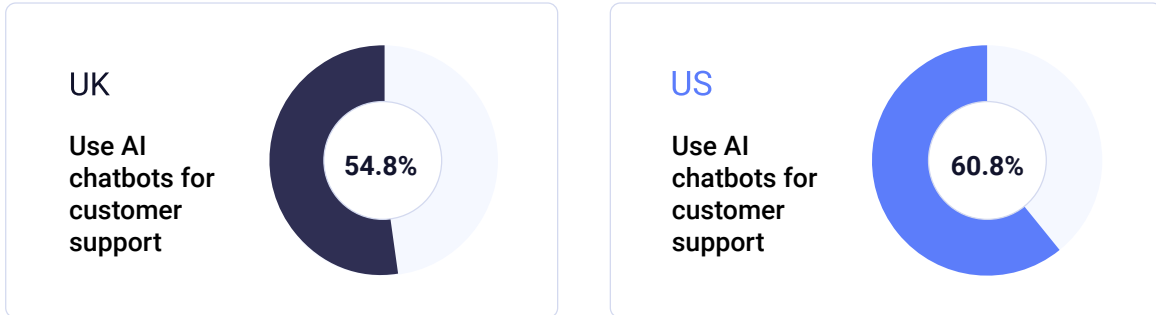
AI adoption, ROI, and future focus: From hype to impact



AI has crossed an important threshold in 2026: it is no longer being evaluated on potential. It is being judged on performance.

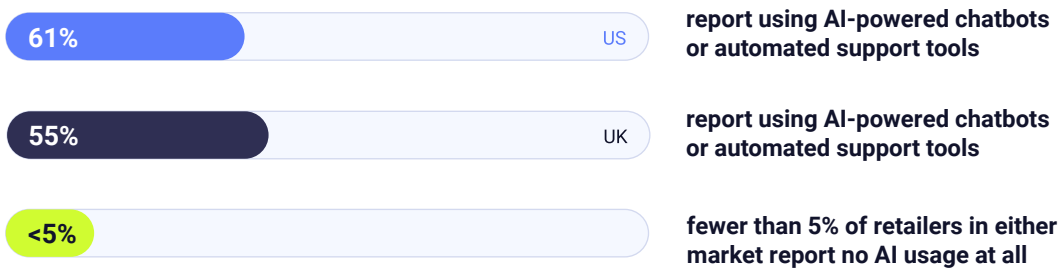
AI adoption is widespread across both markets. What differs is where retailers deploy it, how confidently they can measure return, and how deeply AI is embedded into operational workflows. AI has moved from experimentation to execution.

AI is mainstream in customer support: 60.8% (US) and 54.8% (UK) use AI chatbots for customer support. AI has moved into frontline operations, not just experimentation.



How retailers are using AI today

Customer support remains the most established AI use case:



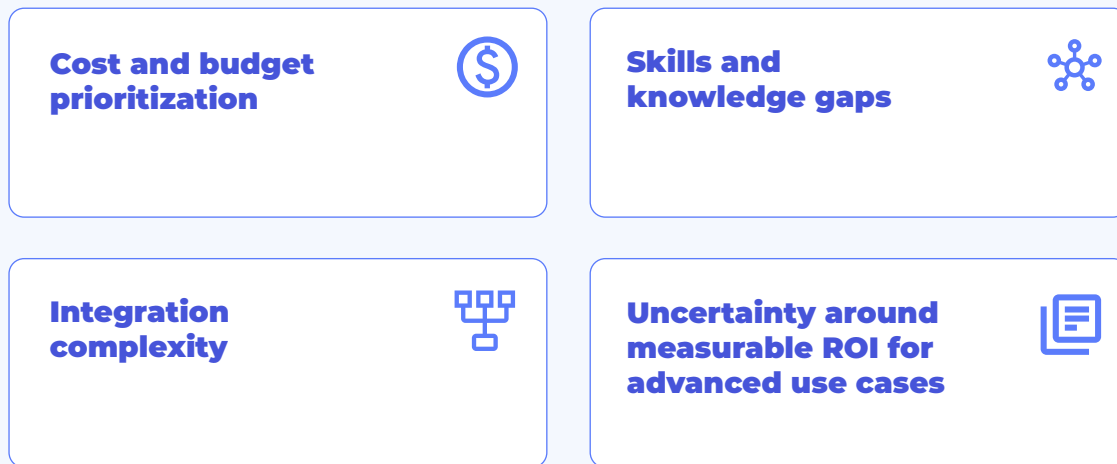
Beyond support, AI is expanding into operationally critical areas:

- Demand forecasting
- Inventory and order management
- Marketing optimization
- Fraud prevention (more selectively)

US retailers are slightly more advanced in forecasting and decision support; UK retailers tend to deploy AI in more bounded use cases.

Barriers to deeper AI adoption

The most common barriers include:



Resistance is no longer ideological; it is operational. Retailers are focused on trust, scale, and governance.

- **UK: 46%** identify AI and automation integration as a major operational challenge. Inventory synchronization (**29%**) and warehouse efficiency (**28%**) remain close behind, particularly for retailers operating across four or more sales channels (**58%**).
- **US: 44%** cite AI integration challenges as a major operational constraint. However, fulfillment execution and logistics coordination emerge as equally critical, with **34%** pointing to warehouse and logistics management, **29%** to inventory synchronization across channels, and **23%** to stock visibility and warehouse efficiency.

Where AI is delivering measurable value

Retailers using AI operationally report:

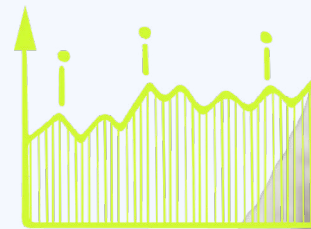
- **Faster fulfillment and response times**
- **Improved customer service efficiency**
- **Better forecasting accuracy**
- **Reduced manual workload**

US retailers more often report measurable gains at scale; UK retailers more often cite incremental efficiency improvements, reflecting differences in deployment depth.

AI priorities for the next 12 months

Top priorities include:

- **Customer support automation beyond basic chatbots**
- **Inventory visibility and planning**
- **Warehouse and logistics optimization**
- **Actionable analytics for real-time decision support**





Action points for AI-driven retailers:

- ✓ **Anchor AI initiatives to operational problems, not innovation agendas:** Start with high-friction areas such as forecasting accuracy, order workflow automation and support volume, where impact can be measured clearly.
- ✓ **Prioritize integration over experimentation:** Focus on embedding AI into live systems and workflows rather than running disconnected pilots that never reach scale.
- ✓ **Define ROI at the process level:** Measure AI success through operational outcomes - response times, forecast accuracy, order error rates, cost-to-serve - not abstract productivity claims.
- ✓ **Build trust through governance and data quality:** Invest in data readiness, ownership and validation so teams can rely on AI outputs for real decisions.
- ✓ **Upskill teams alongside deployment:** Close skills and knowledge gaps to ensure AI augments human judgment rather than being sidelined or overridden.
- ✓ **Expand beyond customer support into core operations:** Use support automation as a foundation, then push AI into planning, logistics, and decision support where long-term value is created.

In 2026, the strategic question is no longer whether AI works. It is whether retailers can integrate it deeply enough to shift from human-managed operations to AI-supported operating models that scale with confidence rather than complexity.

Coming Up

Growth, automation, and AI only deliver value if retailers can physically execute at scale. The next section looks at logistics and fulfillment - where operational strategy meets customer reality - and why carrier choice, orchestration, and delivery resilience have become defining factors in ecommerce performance.

Logistics, fulfillment, and carrier strategy: Why delivery now defines experience



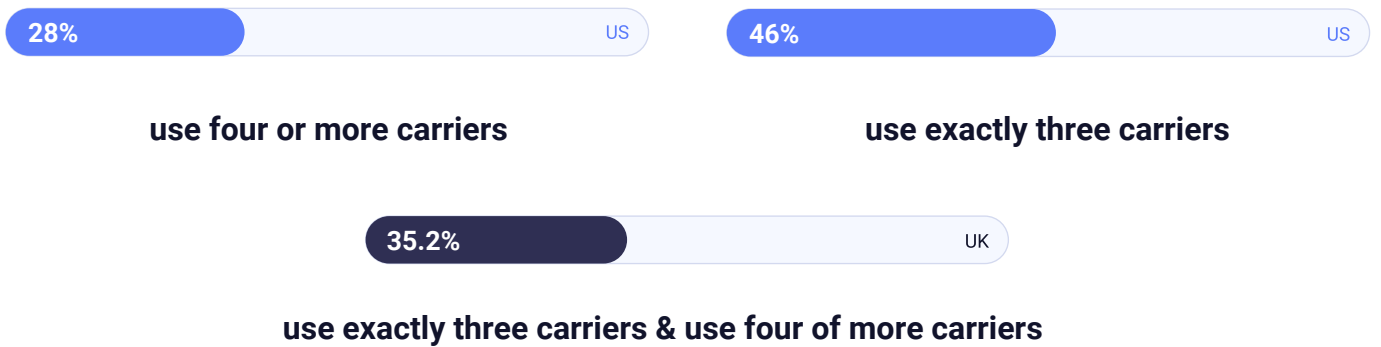
Logistics has moved from the background to the boardroom.

Mid-market retailers across both the UK and the US now view fulfillment and carrier strategy as strategic capabilities rather than cost centers. Delivery speed, reliability and cost control have become central to customer experience and growth performance. What distinguishes high-performing retailers is not who ships fastest, but who ships most reliably at scale.

Carrier diversification as risk management

Carrier diversification has become a defining characteristic of operational maturity - but the pattern differs slightly by market.

Across both markets, the average retailer works with three carriers, but UK retailers are more likely to operate with four or more carriers. US retailers, by contrast, are more heavily concentrated around three-carrier setups:



In both markets, retailers operating with multiple carriers report greater resilience during peak periods, fewer service disruptions and more flexibility in balancing cost against delivery speed. The underlying pattern is consistent: reliance on a single carrier increases risk as volume grows.



Logistics pressure points

Retailers consistently cite:

- Shipping cost inflation (around 40% of respondents)
- Managing delivery times (just under 40%)
- Data accuracy and visibility across carriers and partners (roughly one-third)

US retailers more often cite coordination across multiple carriers and fulfillment nodes; UK retailers more often cite limited flexibility and cost sensitivity during peak periods.

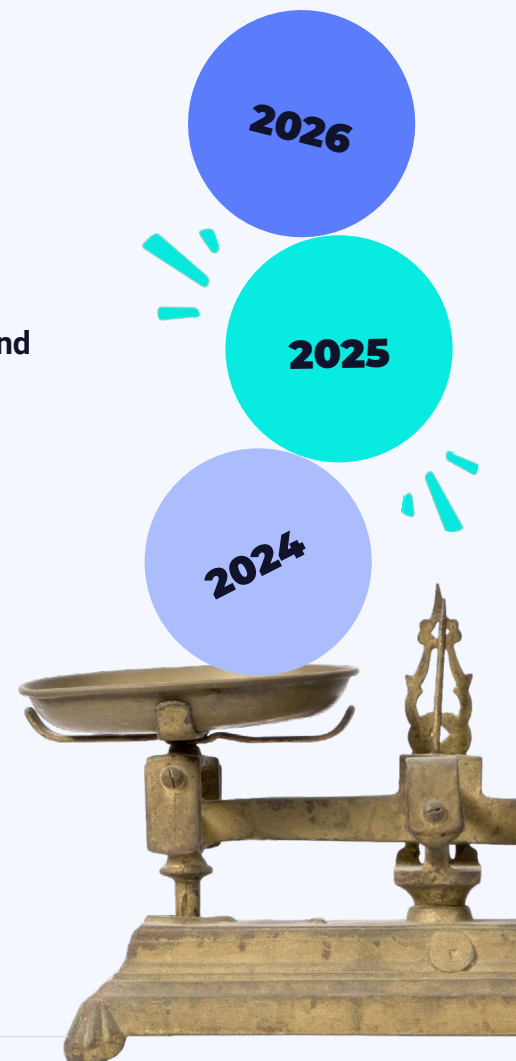
Resilience strategies that work

Retailers reporting fewer disruptions are more likely to:

- Use multi-carrier setups with dynamic routing rules
- Partner with 3PLs to extend capacity and reach
- Use orchestration technology to coordinate orders, inventory, and carriers in real time

Year-on-year shift

Compared with 2025, more retailers describe logistics as a strategic capability directly impacting growth, retention and brand trust. Cost control remains important, but reliability, flexibility, and resilience now carry equal weight.





Action points for logistics and operations leaders:

- ✓ **Design for resilience, not single-carrier efficiency:** Move away from dependency on one carrier. Build multi-carrier strategies that protect performance during peak periods and service disruptions.
- ✓ **Implement dynamic carrier routing:** Use rules-based or automated routing to balance cost, speed and service levels in real time rather than relying on static carrier allocations.
- ✓ **Treat 3PLs as strategic partners, not overflow capacity:** Use third-party logistics providers to extend reach, manage regional complexity and add elasticity to fulfillment operations.
- ✓ **Invest in logistics orchestration technology:** Coordinate orders, inventory and carriers through a unified system to improve visibility, reduce manual intervention, and enable real-time decision-making.
- ✓ **Measure logistics success through customer outcomes:** Track on-time delivery, fulfillment accuracy and service reliability alongside cost metrics.
- ✓ **Plan logistics for disruption, not stability:** Assume volatility in carrier performance, shipping costs and demand patterns and design fulfillment networks that perform under stress, not just in steady-state conditions.

In 2026, logistics excellence is no longer about shipping faster. It is about shipping smarter.

Coming Up

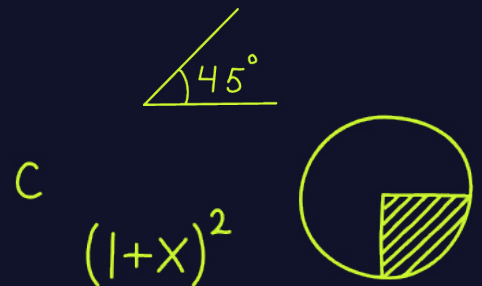
After examining how logistics and fulfillment now define customer experience, the final section steps back to address a broader question: are retailers actually ready for the growth they are pursuing?

We explore preparedness, strategic priorities, and emerging technologies to understand where ambition outpaces execution - and what separates retailers that can scale with confidence from those building growth on fragile foundations.

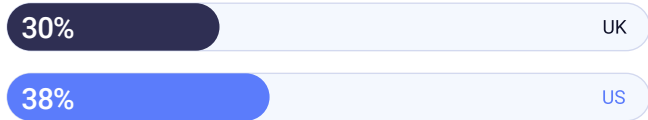
Preparedness, priorities, and emerging technology: Growth ambition **VS** operational reality

Growth ambition remains high in 2026.
Preparedness is less even.

Retailers are clear about what they want to achieve.
Where they differ is in readiness to execute.
Confidence is strongest around intent and weaker
around operational readiness. This gap is emerging
as a material risk factor for 2026.



Confidence is high, but cautious: 30.0% (UK) vs 38.0% (US) say they're very prepared to scale operations in the next 12 months. Most feel prepared - but "very prepared" is still a minority, especially in the UK.



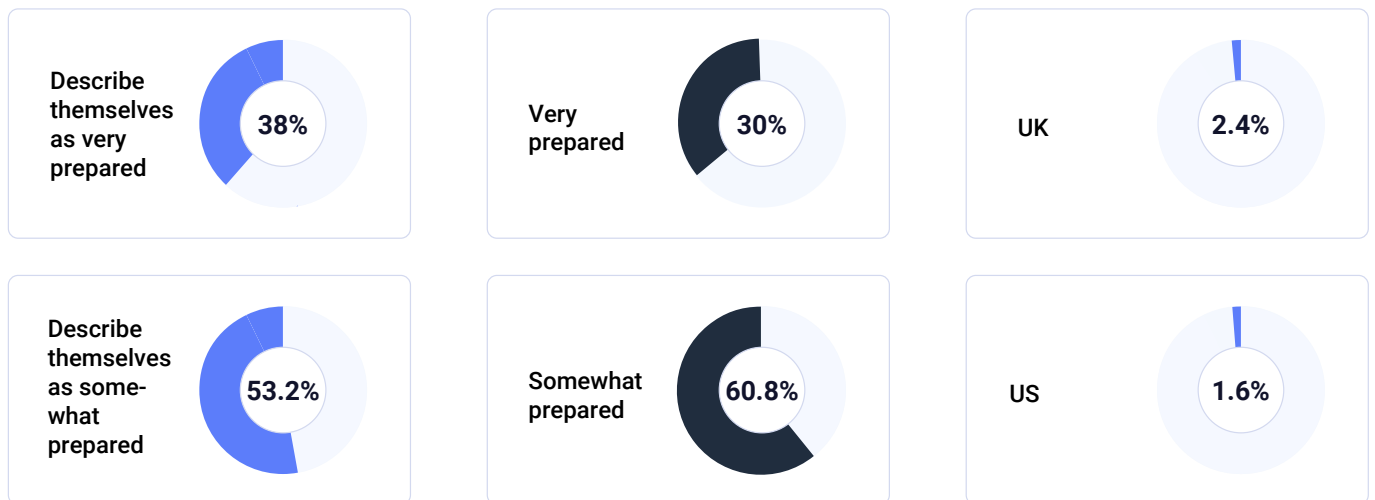
How ready retailers really are

When asked about preparedness to scale further, retailers across both markets express high intent but measured confidence.

In the US, confidence levels are stronger:

In the UK, confidence is more conservative:

A very small minority in either market describe themselves as unprepared:



However, the dominance of "somewhat prepared" responses, rather than "very prepared", points to a latent readiness gap. Retailers believe they can grow, but many remain cautious about their ability to absorb additional channels, fulfillment complexity, or peak demand without disruption.

Top business priorities for 2026

Priorities are consistent across both markets:

- Automation and operational efficiency (nearly half of respondents)
- Improving platform reliability and system integration
- Expanding into new sales channels or marketplaces
- Optimizing existing channels, including marketplaces and social commerce

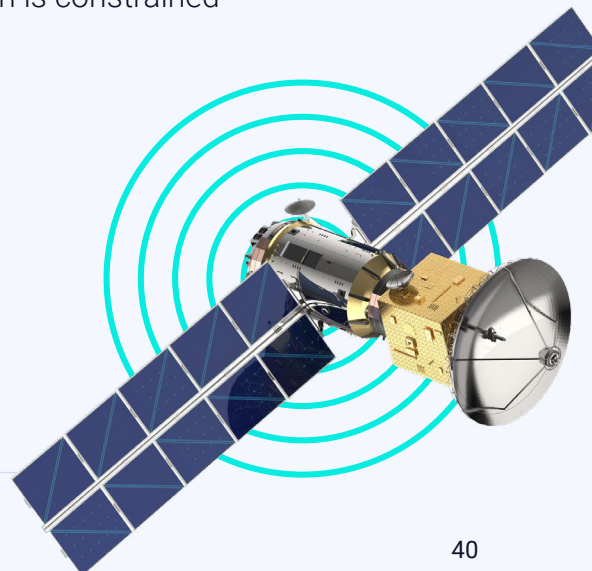
US retailers are slightly more likely to prioritize aggressive expansion; UK retailers place more emphasis on stabilizing and optimizing before expanding. Fulfillment and logistics investment ranks higher than in previous years.

Technologies on the radar

Most attention clusters around:

- AI-driven commerce tools (analytics, forecasting, customer support)
- Omnichannel order management systems
- Warehouse automation and robotics
- Advanced analytics and reporting

Retailers are increasingly selective: interest is high, but optimism is constrained by ROI clarity and integration pathways.





Action points for executive and operations leaders:

- ✓ **Translate growth ambition into execution capability:** Move beyond strategic targets and assess whether systems, workflows and teams can actually support planned scale.
- ✓ **Prioritize stabilization before acceleration:** Strengthen core operations – inventory visibility, order management, fulfillment reliability - before adding new channels or markets.
- ✓ **Invest in integration, not just new tools:** Focus on platform reliability and system connectivity to eliminate fragmentation across the operating stack.
- ✓ **Use AI and analytics to improve decision quality, not just efficiency:** Deploy intelligent systems where they support forecasting, planning, and real-time operational decisions.
- ✓ **Stress-test operations against peak scenarios:** Model how systems perform under maximum volume, channel load, and logistics disruption, not just average conditions.
- ✓ **Measure readiness as a performance metric:** Track preparedness indicators such as automation coverage, system uptime, inventory accuracy, and exception rates alongside growth KPIs.

In 2026, readiness is the real growth strategy. Retailers that invest in operational foundations – automation, integration and intelligent decision-making – will scale with confidence. Those that prioritize ambition without preparedness will experience growth as an increasingly fragile achievement.

The future of ecommerce growth: What 2026 tells us about scaling



Ecommerce growth in 2026 remains real across both the UK and the US, but it is no longer automatic. Demand is still present, but it is no longer the primary constraint. The defining factor is execution: how effectively retailers can coordinate systems, processes, and partners as scale increases.

The retailers pulling ahead are not those with the most aggressive growth targets, but those with the strongest operational foundations. They are using automation to remove friction from core workflows, AI to improve decision-making and responsiveness, and integrated platforms to maintain visibility across inventory, orders, and fulfillment. These capabilities are no longer optional advantages; they are baseline requirements for operating at scale without introducing fragility.

The central insight of this report is simple: growth and operational maturity are now inseparable. Retailers that invest in organization, visibility and execution capability will convert demand into durable performance and sustained competitiveness. Those that do not may continue to grow in volume, but will do so with rising operational cost, increasing risk and diminishing returns on every additional unit of scale.

From growth to control: Where Linnworks fits in 2026



The story running through this report is simple: retailers don't lose because they lack demand. They lose because operations can't keep up with multichannel complexity, inventory fragmentation, fulfillment variability and rising customer expectations. That's the gap Linnworks is built to close.

Linnworks sits at the operational center of modern commerce. It helps retailers create a single, connected layer across channels, inventory locations, orders and fulfillment partners - so expansion doesn't automatically translate into chaos. In practice, that means retailers can scale marketplace and international growth while maintaining control with fewer manual interventions, better inventory confidence, more reliable fulfillment performance and clearer operational visibility.



How Linnworks supports the key challenges highlighted in the report:

1

Orchestration across channels: As multichannel becomes baseline, the differentiator is coordination. Linnworks enables retailers to manage orders, inventory, listings and workflows across multiple marketplaces and platforms through a centralized operational layer - reducing the inconsistencies that appear when each channel is managed in isolation.

2

Inventory visibility and control: With only a minority of retailers reporting “excellent” inventory visibility, improving inventory confidence becomes a foundational priority. Linnworks supports centralized inventory management across channels and locations, helping reduce oversells, stockouts and the downstream cost of “minor” visibility gaps that compound at scale.




Fulfillment resilience and logistics performance:

Delivery now defines experience and resilience increasingly comes from multi-carrier and multi-node fulfillment strategies. Linnworks supports a more coordinated fulfillment operation by connecting orders, inventory and fulfillment workflows - so retailers can maintain service levels as shipping costs rise and carrier complexity increases.



Automation that scales beyond the basics:

Many retailers have automated the obvious steps (labels, confirmations, routing), but still rely on manual work for exceptions, reporting, and edge cases. Linnworks supports workflow automation that reduces repetitive work and helps teams handle volume without adding headcount. Its Spotlight AI feature even pro-actively identifies the most critical automation priorities.

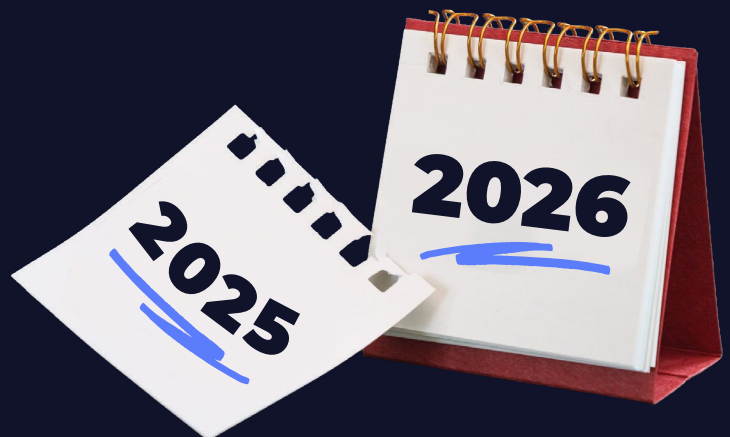


Building an AI-ready operation:

AI is moving from experimentation to execution, but integration is where most retailers struggle. Linnworks helps create the operational structure AI depends on: consistent data, standardized workflows, and a connected commerce environment. In other words, it makes it easier to deploy AI where it can actually drive measurable impact.

Why it matters in 2026

Retailers that win in 2026 won't be the ones adding the most channels or adopting the most tools. They'll be the ones who reduce operational friction while complexity rises - by improving connectivity, visibility, and execution reliability. Linnworks fits into that equation as the operational backbone that helps retailers scale with measured growth.



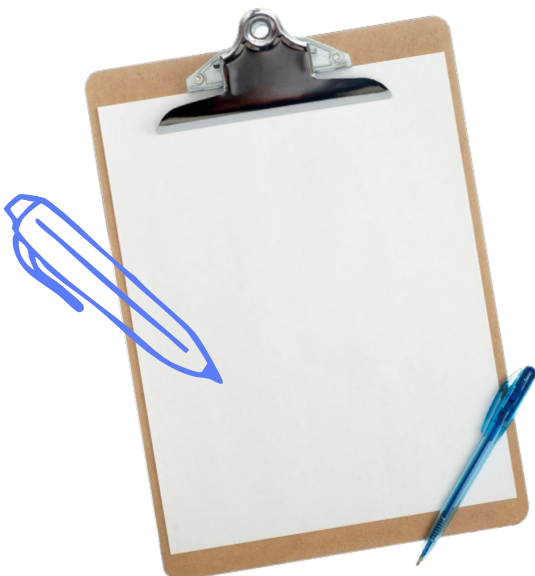
Survey methodology

The survey focused on ecommerce retailers with annual revenues ranging from \$7.5 million to \$100 million (mid-market) spanning a broad mix of industries including fashion and apparel, beauty and wellness, consumer electronics, home and lifestyle products, and packaged consumer goods. All respondents actively sell online and operate across one or more digital channels.



Methodology

In December 2025, Linnworks surveyed 500 mid-market ecommerce retailers, split evenly between the US (250 respondents) and the UK (250 respondents). The survey was designed to capture both current-state performance and forward-looking priorities, with a specific focus on:



Participants represent a cross-section of senior decision-makers across:

- Ecommerce and digital commerce leadership**
- Executive and general management roles**
- Operations and supply chain**
- Logistics and fulfillment**

Respondents were drawn evenly from the United States and the United Kingdom, ensuring balanced insight into two of the world’s most developed and competitive ecommerce markets.

To enable meaningful year-over-year analysis, the 2026 survey maintained continuity with previous editions of the State of Commerce Operations report around core themes such as logistics challenges, automation maturity, and operational constraints. At the same time, new questions were introduced to reflect the expanding role of AI, shifting technology expectations, and evolving definitions of operational readiness.

All 15 survey questions were structured to reflect real-world operational conditions rather than abstract strategy. This approach ensures the findings highlight not only what retailers plan to do, but what they are practically equipped to execute as they scale in 2026.



Connect your commerce ops with Linnworks.

As your business continues to scale, the need for streamlined operations and integrated solutions becomes more critical. Linnworks offers a comprehensive platform designed to address the full spectrum of ecommerce challenges by integrating inventory, order management, and marketplace connectivity into one centralized platform.



With all the tools (and more!) you need to manage your entire operation, you can grow your business with confidence, knowing you have all the support and functionality you need to adapt and thrive. Our fully synchronized ecommerce ecosystem provides:



Centralized control:

No more juggling between platforms. We let you oversee and manage everything from one intuitive dashboard, giving you complete control over your operations.



Real-time inventory management:

We help you avoid stockouts and overselling by automatically syncing inventory so you're always on top of your game.



Automated workflows:

From order creation to shipping, we streamline every step, reducing errors and ensuring customers get their orders quickly and accurately.



Seamless integration:

Our integrations connect you with all major platforms and hundreds of other global marketplaces, D2C platforms, shipping providers, and 3PLs.



Data-driven insights:

Our comprehensive reporting platform helps you track sales performance, identify ecommerce trends, and make smarter decisions to optimize your multichannel ecommerce strategies.



Scalability on demand:

Whether you're just starting out or running a growing enterprise, our software scales with you effortlessly, making us the perfect partner for your ecommerce journey.

Partnering with Linnworks allows you to reduce operational complexities, enhance customer experiences across every touchpoint, and focus on growth.

Discover how we can transform your ecommerce operations. Request your **free demo** today to learn more.



Find out how Linnworks can grow your business.
Request a demo at www.linnworks.com/demo