A Strategic Guide for US Retail Supply Chains

Your Guide to Compliant, Reliable Supply Chains

Locus

WHITEPAPER

Executive Note

Across retail, one thing is clear: rules now expect proof in motion, not paperwork after the fact. This calls for clean data first, proof along the way, and less friction later. In North America, shoppers are actively resetting the bar. They now put low shipping cost, reliability, and flexibility ahead of raw speed, and they will abandon a basket when fees feel too high. During peaks, the pressure multiplies: projected record online holiday spend magnifies the cost of avoidable exceptions and failed first attempts.

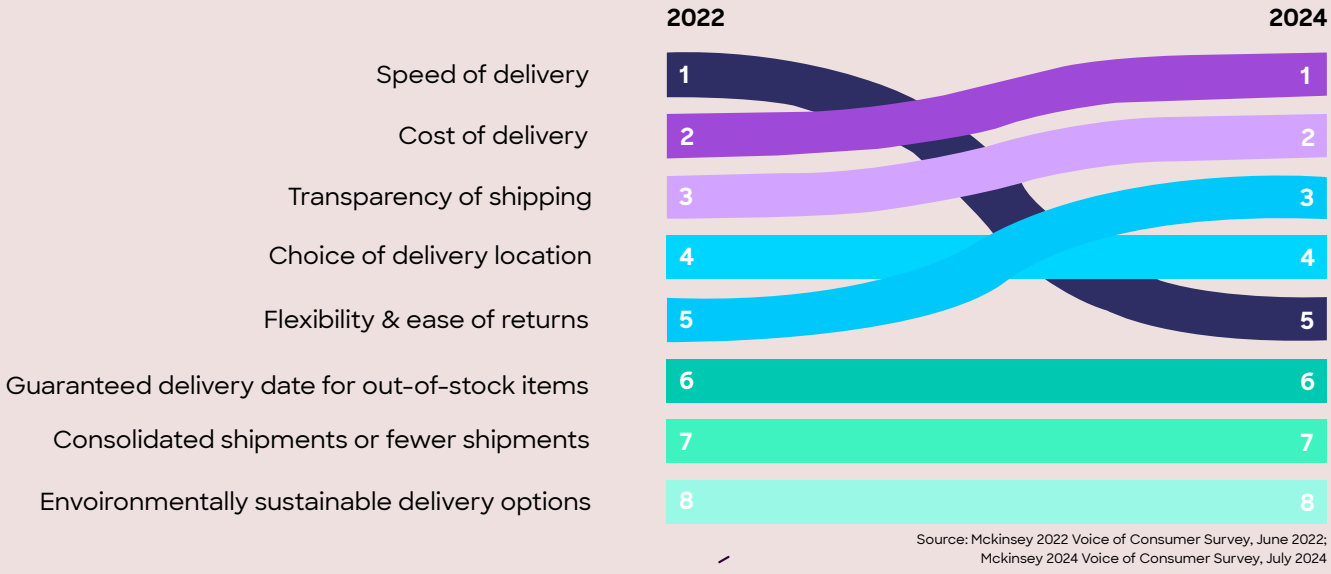
This paper explains what we mean by turning rules into reliable operations. It's the shift from "document later" to "enforce now," carried out through three practical ideas with the help of Locus: a single operational record everyone works from, in-plan validation so bad data doesn't reach the dock, and real-time execution so rules trigger real actions—not just alarms.

Sector Blueprint: North America Retail

Omnichannel without friction

U.S. consumers have become more price-sensitive about shipping. Reliability and flexible options matter more than sheer speed, especially if fast shipping carries a premium. In 2025, trackers such as NRF and Adobe signaled robust holiday spending and heavy online volumes, proof that execution quality is a lever on both NPS and margin [1][2][3].

Consumer preferences have shifted in recent years, placing less emphasis on delivery speed and more emphasis on flexibility



Source: Mckinsey 2022 Voice of Consumer Survey, June 2022; Mckinsey 2024 Voice of Consumer Survey, July 2024

Returns are a strategic problem

NRF's Retail Returns Landscape 2025 estimates that 19.3% of online sales will be returned, a figure that has remained stubbornly elevated since the e-commerce acceleration of 2020–2021. Total U.S. retail returns reached $890B in 2024 [4]. At this scale, reverse logistics becomes a margin variable that belongs in the strategic plan, with a return path designed to be guided, local, and margin-aware.

Overall return rates remain steady; online return rates face increased pressure

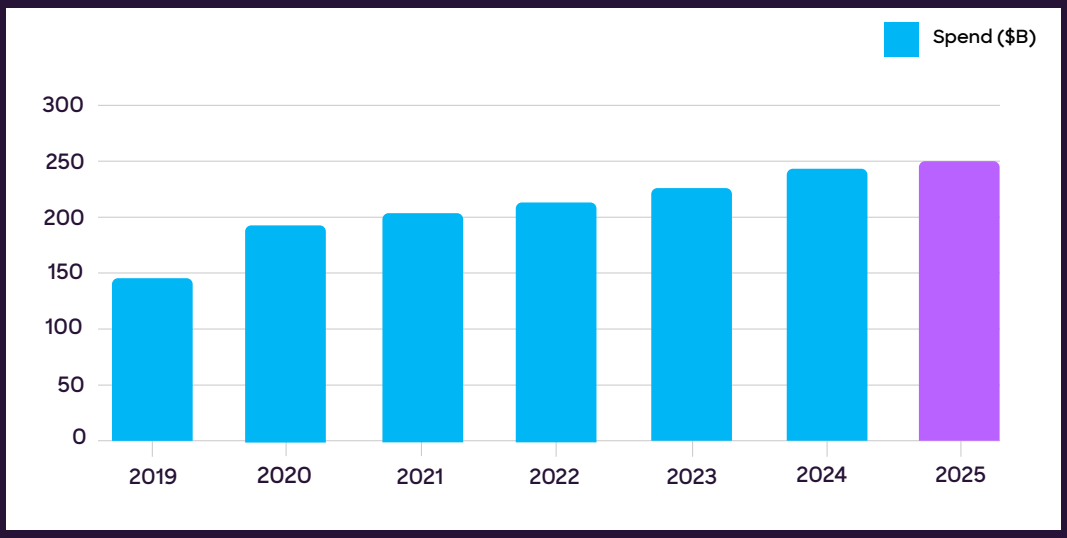
Historical return rate	Annual return rate	Total cost of retail returns
2019	8.1%	$309B
2020	10.6%	$428B
2021	16.6%	$760B
2022	16.5%	$816.8B
2023*	---	---
2024	16.9%	$890B
2025	15.8%	$849.9B

*Note: NRF's 2023 study on retail used a different methodology to calculate the return rate that is not directly comparable to other years data

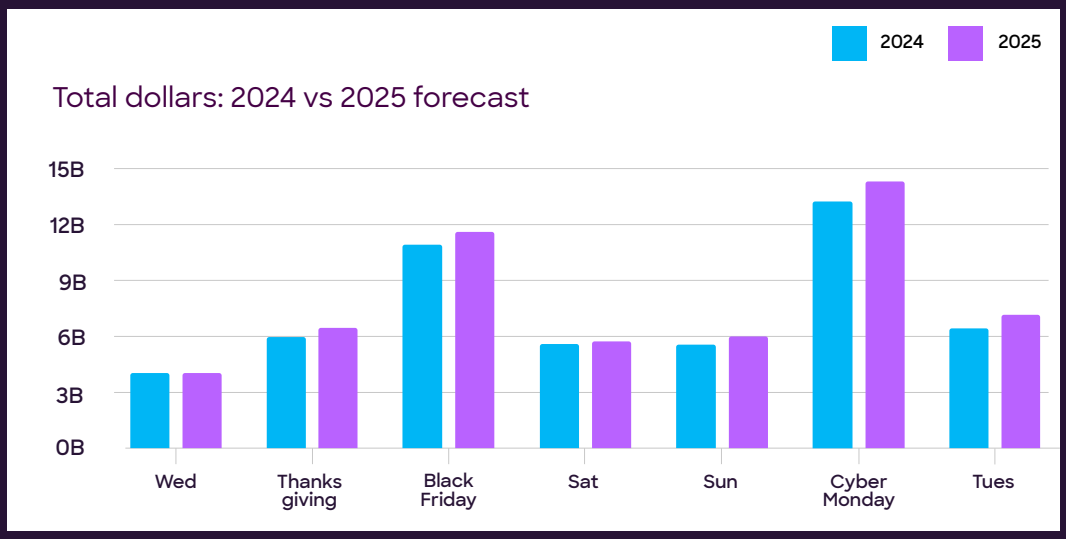
Why 2026 Is Different for US Retail

Margins are tight while expectations rise

Most consumers want low shipping costs, predictable delivery, and easy returns. They'll accept "next-day or two-day" if it's dependable, but they will not accept surprise fees or friction at the point of return. During 2025, industry trackers forecasted record online spend around the holidays, which only raises the cost of small operational misses at scale [1][2][3].



Consumer spend during the holiday season



Forecasted spend on key days

Record holiday volumes mean every avoidable exception, every failed first attempt, and every re-delivery costs more.

Source: Mckinsey 2022 Voice of Consumer Survey, June 2022; Mckinsey 2024 Voice of Consumer Survey, July 2024

The technology is ready, adoption is the gap

Modern planning engines, digital documents, and routing tools are already here. What often fails is the handoff between insight and action: a rule violation shows up on a dashboard, but it doesn't change the route, asset, or slot in time. In 2026, leaders stand out by ensuring trusted data automatically changes how work is executed and that each change leaves proof behind.

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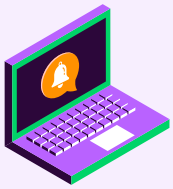
What "Good" Looks Like in Action

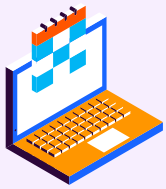
A retail network that operates with proof demonstrates four habits consistently. Together, they are the operational expression of the model.

Traceability with proof: Every unit or delivery has a searchable trail of identity, custody, and condition, and each handoff is visible to the partner that needs to see it. In retail, that includes parcel and label data that travels cleanly across systems and borders. The audit trail is produced by the run itself, not reconstructed from emails.

Exception prevention at the edge: When a home delivery looks risky, the system can prefer out-of-home (OOH) lockers or PUDO to protect cost/parcel and first-attempt success.



One plan that updates with reality: Contact centers, planners, stores/depots, and field teams share the same live state. A decision made in planning is visible to the store. A proof captured by a driver is visible to the call center. Disputes and duplicate effort shrink.



Right-first-time documents and labels: Declarations, labels, and required fields are generated from governed truth (e.g., SKU attributes) and validated before release. If anything is missing or out of spec, the job does not go to the dock. This prevents terminal holds and late-stage rework.

Three Moves That Make Compliance Practical

(Retail operating model)

Move 1: Unify data to decide action

Start with a single operational record that connects orders, product truth (SKU attributes), and required fields, plus partners, assets, and lanes. Make planning the actuator: if required data is incomplete, the plan doesn't release; if a label fails validation, no tender goes out. Decisions execute inside the run, and the system keeps the proof.

Move 2: Prevent exceptions at the edge

Place verification where work happens. Before movement, run checks that catch missing/invalid fields early. During movement, apply policy actions that actually change the route or asset. For retail delivery risk, let policy choose the delivery mode automatically, including OOH lockers/PUDO where it protects cost/parcel and first-attempt success. For cross-border flows, performance depends on data correctness early. That means getting HS codes and product origin right at label time, not at the border. Doing so reduces clearance variance, lowers the odds of random inspection, and stabilizes cost-to-serve.

Move 3: Design adoption so it sticks

Change that adds dashboards but doesn't remove work will stall. Roll out in narrow waves with clear definitions of done. Give managers and field teams the same live view and a small, stable KPI set (e.g., first-attempt success, cost/parcel, auto-resolved exceptions, returns recovery). Train against the top failure modes until responses are reflexive.

How Locus Turns Policy into Proof in Motion

Locus connects orders, product truth, compliance fields, partners, assets, and lanes into one live record, validates labels/tax/serialization before release, and enforces rules while work is moving. DiSCO (Digital Supply Chain Officer) is the agentic AI that powers this run—sensing issues, deciding the next best move, and acting in the tool, with an audit trail by default.

The platform's agents bring structure and adaptability across the run: procurement (bids and lane awards), planning (balancing cost/time/capacity/constraints), execution (tracking live, predicting failures, nudging ops before SLAs slip), payment (auditing invoices), and insights (showing where value leaks and how to fix it).

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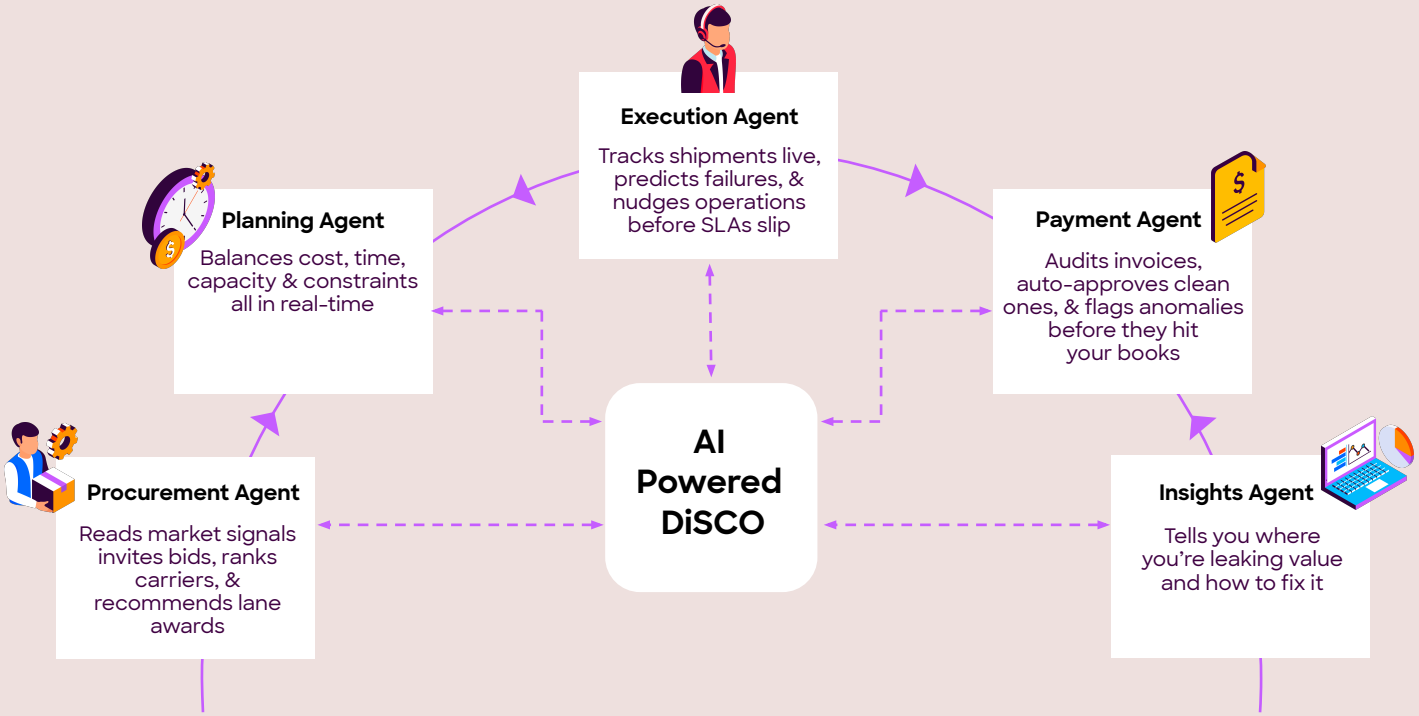

For retail operations specifically, Locus:

- **Orchestrates procure-to-pay on a modular TMS:** one place to plan, execute, and prove.
- **Validates documentation** pre-tender (labels, HS codes, and customs data) so bad data never ships.
- **Automates workflows & predicts risk** (SLA, capacity), then applies live policy enforcement, reroutes, asset swaps, or OOH/PUDO when needed.
- **Optimizes fleet mix** across captive/3PL/crowd and reallocates orders intelligently during spikes.
- **Handles customer reschedules** via natural-language prompts, keeping operations and communications in sync.

What locus delivers in practice

8–12% **reduction** in freight costs

40% **faster** planning cycles

10–15% **SLA** improvement

15% **lower** emissions

Automation builds structure; agentic AI adds judgment and adaptability.

A Future-Focused Operational Outlook

The operational arc is clear. Data quality expectations will keep moving earlier in the flow, which is at induction, not at the border, not after the fact. OOH networks will spread because they reduce failed attempts and emissions without hurting customer experience.

The imperative is equally clear. Winners won't be those with the most dashboards; they'll be those whose decisions reach the dock in time and leave a clean trace. That is the essence of turning rules into reliable operations. With a single operational record, in-plan validation, and edge-executed policies, policy becomes action, and action becomes proof.

References

[1] McKinsey & Company. "What do US consumers want from e-commerce deliveries?" Feb 13, 2025. (McKinsey & Company)

[2] Adobe Digital Insights. "2025 Holiday Shopping Report / Forecast $253.4B online." Oct 6, 2025. (Adobe for Business)

[3] National Retail Federation. "CNBC/NRF Retail Monitor shows momentum into holiday season." Nov 10, 2025. (National Retail Federation)

[4] National Retail Federation. "2025 Retail Returns Landscape." Oct 15, 2025. (National Retail Federation)

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Battle-tested in 350+ deployments across 30+ countries, Locus is an agentic TMS for all-mile, all-channel, trusted by enterprises like Unilever, Nestlé, CP Axtra and many more.

The platform unifies orders, capacity, and carriers into a living plan, with AI co-pilots guiding real-time decisions to protect SLAs and reduce waste.

In 2025, *Locus joined Ingka Group* (IKEA Retail), accelerating its mission to build faster, smarter, and greener supply chains.

Since 2015, Locus has powered billions of deliveries with measurable savings and sustainability impact. Headquartered in Bangalore with teams across the U.S., U.K., UAE, and SEA, its 170+ experts are redefining how the world moves goods across all channels and all miles.

1.5B+
Total deliveries optimized

17M+ KGs
Reduction in GHG emissions

$320M+
Savings in logistics costs

GROWTH, DELIVERED.

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