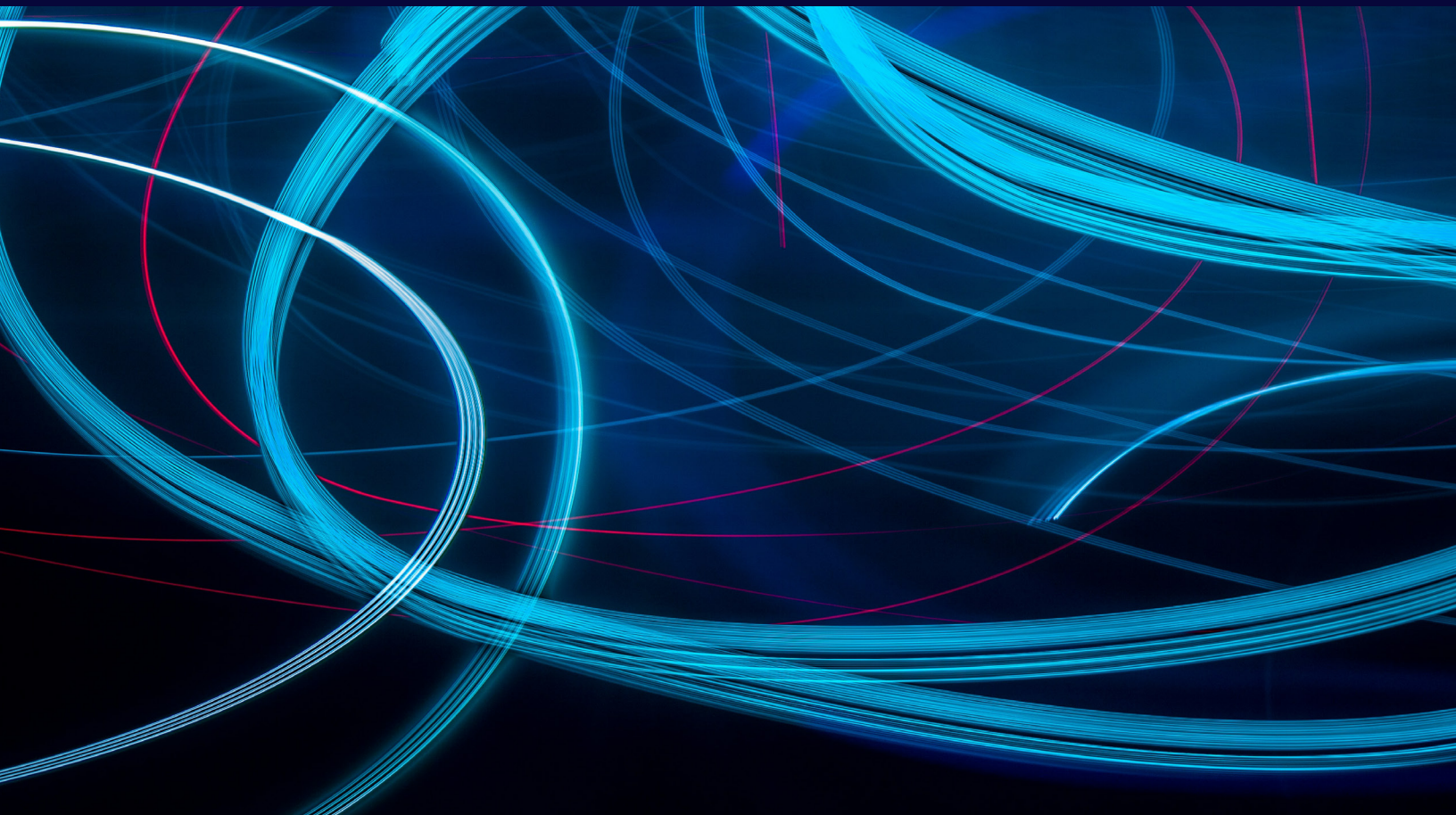




WHY B2B FULFILLMENT MATTERS FOR MODERN BRANDS



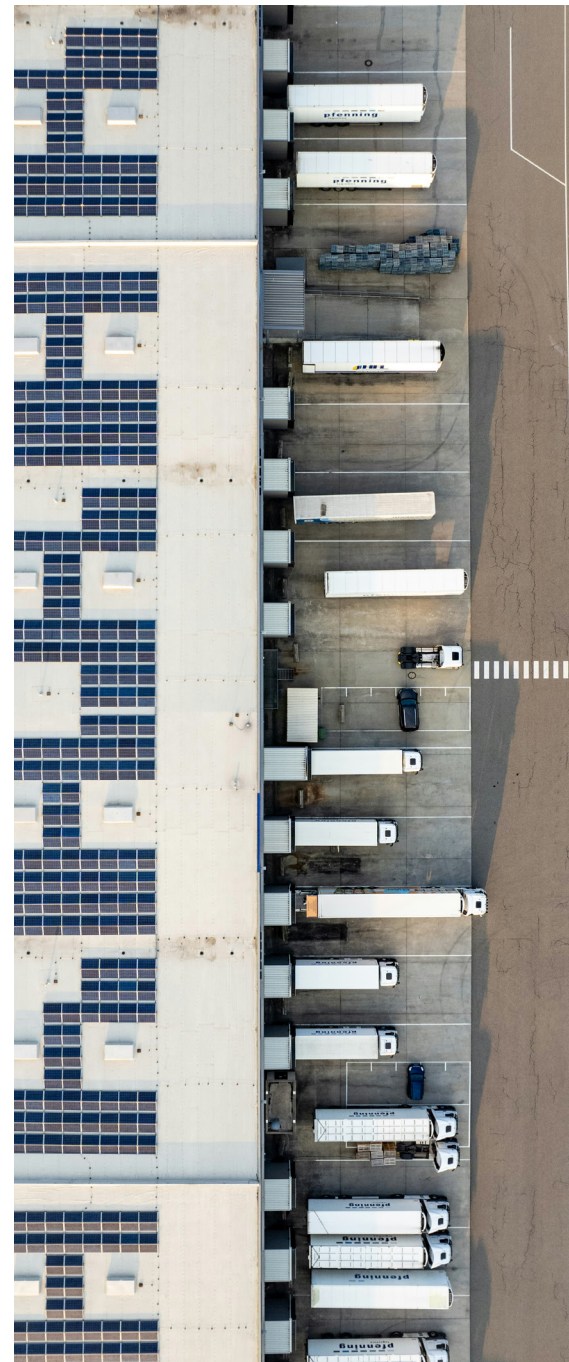
WHY B2B FULFILLMENT MATTERS FOR MODERN BRANDS

Per EMARKETER, modern retailers will only survive and thrive in conjunction with their strategic diversification and partnerships.¹ That means accelerating strategic channel expansion now rather than later—all while managing day-to-day operations. For many brands, that means exploring beyond the direct-to-consumer channels that form their foundations and advancing into retail distribution. Omnichannel retail sales are projected to compound to **\$753 billion** by 2030, creating real opportunities for modern brands seeking to expand beyond their roots and capture new customers.²

What We Mean When We Talk About B2B and Omnichannel Strategies

When we talk about “business-to-business” (B2B), we refer to the operational capabilities required for a brand to sell beyond direct-to-consumer (DTC) and via other retailers. This is often referred to as “retail distribution” as well. This can occur through many different channels in the modern commerce landscape.

When we talk about “omnichannel strategies” in this report, we are describing the combination of strategies leveraged by brands to sell products across different channels, from retailer-owned and third-party brick-and-mortar stores to online marketplaces and wholesale distributors, as well as DTC channels. Modern omnichannel strategies must take into account the many methods shoppers use to access their products across different channels, including websites, mobile apps, social media platforms, and AI agents.



MAJORITY OF RETAILERS ALREADY EXPANDING RETAIL DISTRIBUTION CAPABILITIES, ADDING CHANNELS INTO STRATEGY

Retailers are already striving to capture the opportunities found in expanding across new channels. **Sixty-seven percent** of brands are building their B2B capabilities to add new channels (retail, wholesale) to some degree. And **56%** of brands operate via a marketplace fulfilled channel (e.g., FBA) to some degree.

Most brands that have expanded omnichannel strategies have, or are developing, diverse channel partners. And once they expand their retail distribution capabilities, former DTC retailers rely on them to drive long-term revenue. Eighty percent of brands indicate that between **25%** and **75%** of their revenue comes from B2B channels.

What percentage of your overall revenue comes from B2B vs. DTC?



Source: Radial Retailer Survey Jul 2025

Radial Research: B2B Distribution Surveys

To dig deeper into the key trends surrounding B2B strategies and multichannel retail, Radial leveraged insights from multiple brand and consumer surveys generated in both 2025 and 2026. We discovered key insights into both the challenges and opportunities retailers face when they expand into B2B sales, and how their logistics define long-term success.

Unless otherwise cited, the data and charts in this report came from these surveys, sponsored by Radial. The report also references additional resources where cited. Learn more at: radial.com/insights.

CONSUMER OMNICHANNEL TRENDS IN 2026

SHOPPERS GRAVITATE TO THIRD-PARTY MARKETPLACES

When asked about their purchase patterns in 2026, shoppers broadly flocked to online marketplaces, with **38%** purchasing from marketplaces more often than other channels. Marketplaces like Amazon or Walmart also dominated first-time purchases, with **44%** of shoppers exploring new brands for the first time there. Radial’s research indicated that shoppers generally shifted away from brand websites and physical stores, while other channels like social commerce and retailer websites saw a slight boost in activity.

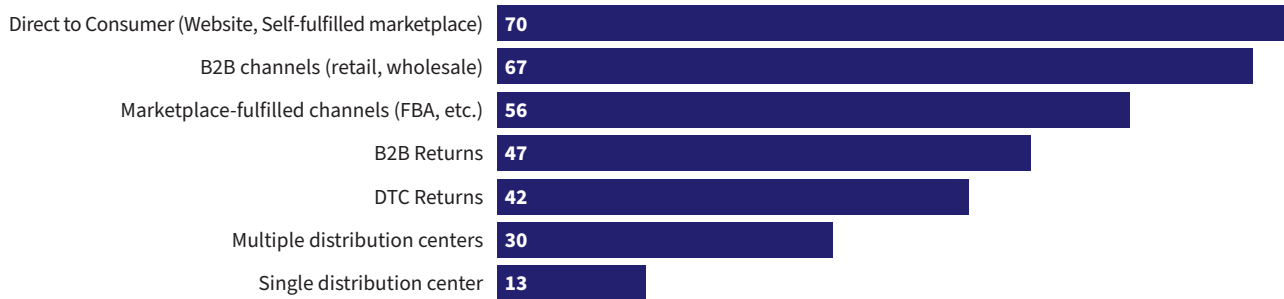
In the last 12 months, how has your purchasing from the following channels changed?

	SOCIAL COMMERCE (TIKTOK SHOP)	BRAND WEBSITES (NIKE.COM)	ONLINE MARKETPLACES (AMAZON)	RETAILER WEBSITES (TARGET.COM)	BRAND PHYSICAL STORES
More often	12.5%	11.2%	37.7%	19.2%	16.6%
The same	17.7%	46.1%	42.6%	50.8%	45.3%
Less often	10.4%	20.6%	12.3%	16.8%	24.2%
I don't shop from this channel	59.4%	22.1%	7.4%	13.2%	13.9%
More vs Less Often Breakdown	2.1%	-9.4%	25.4%	2.4%	-7.6%

Source: Radial Consumer Survey April 2026

Retailers took note of shoppers' shifting habits and are responding accordingly. **Fifty-three percent** of brands are seeking to build a marketplace presence, making it their number one priority. But they may have some catching up to do: Marketplace-fulfilled channels ranked third in retailers' current channel strategies.

Select all that apply to your current channel strategy.



Source: Radial Retailer Survey Jul 2025

Demographics Shift Purchase Patterns Across Channels

Shoppers choose channels differently depending on their demographic:

- » **27%** of Baby Boomers purchase from a brand for the first time in brick-and-mortar stores.
- » While they defaulted to online marketplaces, **28%** of Millennials still shopped on retailer websites more often in 2026 than other demographics.
- » **31%** of Gen Z shoppers are shopping at physical stores more often than other channels, far outpacing any other demographic, including Baby Boomers.
- » Millennials and Gen Z are most likely to shop via Social Commerce. **21%** of Gen Z and **16%** of Millennials shopped on social commerce more often in 2026, while **84%** of Baby Boomers ignore the channel completely.

OMNICHANNEL STRATEGIES BOOST BRAND PERCEPTION

Retailers benefit from developing B2B capabilities and selling across multiple channels. **Thirty-nine percent** of shoppers trust brands more when they are widely available through different channels, like marketplaces and retailer websites. This is especially true for younger shoppers, with **56%** of Gen Z and **40%** of Millennial shoppers perceiving a brand as more trustworthy when they leverage omnichannel strategies.

Brands signal that they are trustworthy when featured in multiple places, especially when they are linked to different kinds of customer reviews. Likewise, brands can co-opt the reputation of certain partners to varying degrees, indicating that they are worth purchasing when featured on key channels.

CONSUMERS GIVE BRANDS SECOND CHANCES BUT ULTIMATELY LEAVE AFTER BAD EXPERIENCES

Omnichannel strategies have their risks, and brands may struggle to meet both third-party and end-customer expectations consistently. The margin for error is thin. Shoppers generally give brands a second chance to fix a bad experience but ultimately leave if they experience issues again. And some issues are too significant to ignore even once:

- » **Over half** of shoppers will immediately stop shopping with a brand after being charged expedited shipping without getting an order any faster.
- » **37%** of shoppers will drop a brand if an order is accidentally canceled after placement.
- » **29%** will drop a brand after shipment tracking stops mid-delivery.

If you experienced the following issue after placing an online order with a brand, when would you stop purchasing from that brand?

	LATE DELIVERY	WRONG ITEM	CANCELED ORDER	DATE CHANGED POST-CHECKOUT	SHIPPED MUCH LATER THAN EXPECTED	TRACKING STOPPED	PAID EXPEDITED, NOT DELIVERED FASTER
After the first issue	17.9%	27.3%	36.5%	14.4%	19.9%	28.8%	53.2%
After the second issue	34.9%	48.7%	31.9%	34.2%	35.4%	32.6%	22.3%
After the third issue	23.1%	13.7%	19.5%	21.8%	20.1%	16.9%	12.4%
It would take four or more issues	8.8%	4.9%	5.8%	15.3%	10.6%	10.6%	6.1%
I would not be bothered by this	15.3%	5.4%	6.3%	14.3%	14.0%	11.1%	6.0%

Source: Radial Consumer Survey April 2026



DIFFERENT CHANNELS PROVIDE DIFFERENT CUSTOMER EXPERIENCES, AND RETAILERS SHOULD PAY ATTENTION

Different channels create different experiences for shoppers. They therefore offer different opportunities—and challenges—for retailers expanding their retail distribution capabilities. Brands will need to weigh their options carefully when assessing when and where to expand.

- » On balance, Amazon ranked highest for its customer experience, with the most significant customer challenge being “different prices listed for the same product” (**17%**).
- » Walmart struggled the most with frequent stockouts and inventory being shown as available but later canceled. Inconsistent inventory and frequent stockouts could leave shoppers frustrated with brands that have little control over final delivery.
- » **11%** of shoppers struggled with frequent stockouts and pricing discrepancies when shopping on retailer websites.
- » TikTok Shop struggled with reliable delivery and inconsistent shipping speeds. More importantly, **61%** of surveyed shoppers had not purchased from the platform in the first place, outpacing even AI platforms for low user adoption.
- » While TikTok Shop placed last for adoption, AI platforms emerged as a close second. Radial research indicates only **5%** of shoppers start their shopping journeys with AI tools, but retailers may have opportunities to introduce AI use cases in the near future.³

When purchasing a product from a brand through the following platforms instead of the brand’s own website, what service differences have you noticed?

	TIKTOK SHOP	WALMART MARKETPLACE	AMAZON	RETAILER WEBSITE (MACY’S, TARGET)	SEARCH TOOLS (GOOGLE SHOPPING)	AI PLATFORMS (CHAT GPT)
Slower/less reliable delivery	15.8%	6.9%	7.2%	6.9%	5.7%	4.6%
Products more frequently out of stock	5.9%	15.6%	7.8%	10.7%	7.0%	4.5%
Products show available but later canceled	6.0%	11.7%	9.1%	9.0%	6.3%	4.2%
Different prices for same product	6.4%	10.9%	17.2%	10.6%	8.8%	4.5%
Customer service slower/less helpful	6.7%	5.5%	4.9%	6.0%	6.6%	4.4%
Inconsistent shipping speeds	8.5%	6.8%	11.0%	8.3%	5.9%	6.0%
Service improved - more options	3.8%	8.2%	12.3%	9.1%	7.1%	5.4%
I have not noticed any differences	7.2%	25.6%	40.8%	38.2%	23.8%	15.7%
I have not purchased from this platform	60.9%	30.6%	9.2%	18.7%	41.5%	59.6%

Source: Radial Consumer Survey April 2026

Retailers Must Navigate New Channels Mindfully

Retailers need to be mindful of the potential impacts of new channels and how that reflects their brands. As they investigate a new channel, the findings from this survey should provide guidance for higher risked expansions based on shoppers’ tolerance for issues.

For example, channels that have less reliable delivery options could expose you to a missed delivery window, or in other cases channels that have a higher propensity for showing product as available then canceling orders could deeply frustrate and alienate your customers. Channels that offer expedited shipping but don’t deliver are perhaps riskiest of all, as over half of customers won’t give a brand a second chance for breaking their promise.

OMNICHANNEL RETAIL OPPORTUNITIES AND CHALLENGES

Now that we have examined shoppers' expectations and issues with omnichannel commerce, let's dive into what opportunities and challenges face retailers.

CHANNEL EXPANSION MEANS CAPTURING OPPORTUNITIES, NAVIGATING CHALLENGES

While there are a wide variety of omnichannel opportunities, retailers prioritized existing partners, marketplaces, and expanding into more retailers in 2026.

Build Marketplace Presence

Brands recognize there are significant opportunities to grow market share and build relationships with new customers via third-party marketplaces. **53%** of retailers indicated that building marketplace presence was their top priority over the next two years.

Increase Sell-Through with Existing Partners

While there are many potential channel strategies available to modern brands, the majority are seeking to maximize the value of existing channel partners. **52%** of brands consider this a top priority in 2026 and beyond.

Expand Retailer Relationships

Brands also prioritize building new retailer partnerships and opportunities, though at lower rates than the other opportunities.

RETAILERS FACE SIGNIFICANT B2B FULFILLMENT CHALLENGES

While there are many opportunities for retailers as they expand across channels, they must be aware of the significant challenges omnichannel commerce can create.

Brick and Mortar Challenges	Only 12% of retailers are considering building or expanding a brick-and-mortar presence in 2026, indicating a continued move away from physical owned locations.
Inventory Visibility, Allocation, and Synchronization Across Channels	<p>35% of retailers struggle with inventory visibility, allocation, and synchronization across channels when they expand into omnichannel commerce. Half of brands between \$50M - \$100M in revenue indicate this is their top challenge.</p> <p>Given the specific compliance requirements for retail partners, as well as the complexity of managing inventories across channels, it's unsurprising that retailers struggle to maintain accurate data. But misaligned inventories mean mistakes, lost sales, confused customers, and even retail chargebacks.</p>
Meeting Retailer Compliance or Routing Guide Requirements	<p>Closely following inventory challenges, 34% of brands struggle with retailer compliance or routing guide requirements.</p> <p>This is a critical challenge to overcome, as retail chargebacks can dramatically reduce revenues while also corroding partner relationships over time.</p>
Managing Return Obstacles	<p>28% of retailers indicate managing returns and reverse logistics as a top challenge when navigating B2B distribution.</p> <p>Returns are already a complex issue and are only compounded by managing multiple channels at once. Brands will need to develop disposition strategies designed to maximize inventory value, meet channel partner requirements, and reduce the need to destroy or recycle products.⁴</p>



THE RIGHT PARTNERSHIPS CAN DRIVE GREAT B2B FULFILLMENT

Expanding B2B capabilities to take advantage of omnichannel opportunities is no easy feat. It can require:

- » Navigating multiple inventory pools across locations while designing dynamic routing guide automation.
- » Managing routing guide compliance for different channels at the SKU level while meeting retailer OTIF requirements consistently.
- » Configuring EDI and additional technology integrations to meet retailer requirements.
- » Developing returns management strategies for different use cases and customer requirements.
- » Preparing for differing peak sales periods and surges with different channels.
- » Working with fragmented partners or providers managing different channel mixes and requirements.

And the list goes on.

But brands don't have to navigate omnichannel expansion on their own. The right logistics partnerships can help modern brands rapidly scale, integrate, and capitalize on new channels while overcoming the intrinsic challenges an omnichannel strategy creates. Here's what to look for in a logistics partner when preparing to launch or optimize new channels.

MEASURE THE RIGHT KPIS TO GAUGE B2B EFFECTIVENESS

First, brands should define what to measure when driving B2B operational effectiveness—and selecting partners.

Forty-two percent of brands position on-time, in-full delivery rate as the priority KPI. This makes sense. New retailer channels typically require strict OTIF compliance, and failure to comply creates costly chargebacks. Likewise, **28%** of brands selected chargeback percentage and dollar amount as the second most important KPI to track. Notably, this is the primary KPI selected by health and wellness brands at **43%**, highlighting a pain point faced by merchants in that retail line when expanding across channels.

Second only to compliance is inventory accuracy, with **25%** of brands highlighting this as the key performance indicator to watch. This KPI grows more important as brands generate higher revenues, with **30%** of brands between \$750M-\$1B indicating its importance.

	TOTAL	\$20M TO \$50M	\$50M TO \$100M	\$100M TO \$250M	\$250M TO \$500M	\$500M TO \$750M	\$750M TO \$1B
On-time, in-full delivery rate (OTD)	42%	57%	45%	27%	51%	29%	45%
Chargeback % and \$ for B2B shipments	28%	23%	34%	27%	16%	42%	15%
Inventory accuracy (%)	25%	27%	21%	16%	30%	26%	30%
Vendor scorecards including volume and revenue trends for B2B shipments	24%	20%	18%	35%	27%	21%	20%
Vendor compliance scores	24%	13%	34%	30%	24%	21%	10%
Fill rate (ability to meet requested quantities)	17%	17%	13%	14%	22%	13%	30%
Dispute resolution tracking	16%	13%	16%	19%	14%	18%	15%
Average days to fulfill B2B orders	15%	10%	11%	11%	14%	21%	25%
Cost per order / per shipment	8%	17%	3%	11%	3%	8%	5%
Returns processing time and resolution rate	4%	3%	5%	11%	0%	0%	5%

Source: Radial Retailer Survey Jul 2025



Over two thirds of brands want to expand their retail, wholesale, and marketplace capabilities, capture customer demand, and open up new paths for growth. These brands will need the right blend of technology and operational know-how to be present on the right channels for their customers while successfully protecting their bottom line. That's where a trusted partner can really accelerate the process.



Shauna Bowen
EVP, Radial

RETAILERS RANK TOP REQUIREMENTS FOR LOGISTICS PARTNERS

Radial surveyed retailers across retail lines and revenue sizes to determine what the top requirements for exceptional B2B logistics partners were.

- » **Enhanced Technology and Automation:** By far the most important category for brands seeking to expand B2B capabilities, brands focused on wide-spanning system and platform integrations, real-time inventory tracking, optimized analytics, and leading-edge tools backed by AI.
- » **Operational Efficiency and Speed:** Omnichannel strategies require consistent, reliable operational processes to succeed, especially with the high level of compliance requirements involved in expanding into retail channels. Brands focused on faster shipping, more accurate and scalable processes, enhanced returns, and reliable service during demand peaks.
- » **Customer Support and Account Management:** Brands requested improved communication with logistics partners, as well as specialized B2B support as they launched and optimized channel expansions.
- » **Pricing and Costs:** Brands seek transparent pricing to improve the competitiveness of their logistics operations.
- » **Unified 3PL Services:** Radial's industry-specific research indicates that many consumer-packaged goods (CPG) brands seeking to expand across channels look first for a 3PL partner offering unified services across DTC and B2B, as well as supporting key elements of the shipping process like kitting and value-added services.⁵



3PL Partners Drive Scalable, Reliable B2B Fulfillment Operations

When retailers outsource retail distribution, they need a partner that can reliably manage inventory and maintain compliance across channels and retail partners. This is critical to launch and maintain new channels with high OTIF and routing compliance requirements.

And brands need solutions backed by technology integrations that can provide real-time insights into inventories across channels. These partners must also be able to onboard new retailers quickly and manage complex compliance, kitting, and returns operations, all while maintaining high operational standards. This is extremely difficult to do without deep industry expertise and operational experience. The risk of not meeting vendor requirements can lead to high chargebacks, lost sales, penalty fees, and deactivation on new sales channels, effectively eliminating the key benefits of expanding in the first place.

Ultimately, retailers can maximize the odds of B2B success by working with an experienced 3PL operator, leveraging best-in-class technology and years of cross-channel logistics experience. This allows them to focus on core competencies, while reducing the risks associated with adding or expanding B2B channels. The result: faster growth as brands connect with and win new customers in new ways.



ABOUT RADIAL

Radial, becoming Paxon, is North America's largest 3PL fulfillment provider also offering integrated payment, fraud detection, and omnichannel solutions to modern and enterprise brands. The company is a division of Bnode, a digital expert in parcel size logistics, operating across Europe, North America, and the Asia-Pacific region. Leveraging over 40 years of industry expertise, Radial tailors its services and solutions to align strategically with each brand's unique needs. Our team supports brands in tackling common eCommerce challenges, from scalable, flexible fulfillment enabling delivery consistency to ensuring secure transactions. With a commitment to fulfilling promises from click to delivery, Radial empowers brands to navigate the dynamic digital landscape with the confidence and capability to deliver a seamless, secure, and superior eCommerce experience.

Learn about our solutions at radial.com.

Citations

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