

The state of LSPs in 2026:

Evolving from partner to
strategic enabler



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Blue Yonder partnered with B2B International, a dentsu company, to survey 250 enterprise retail executives to hear exactly what wins contracts and what loses them for LSPs. What we found aligns with larger supply chain trends. Companies need more connected, growth-focused partnerships, powered by innovative technology and consistent communication.

Put simply, retailers want more productive collaborations with LSPs where better outcomes can be driven from expert strategies on both sides. Technology on both sides is evolving and, as such, the partnership between both companies should follow. Retailers need LSPs to maintain core competencies. However, to meet the increasing demands across the supply chain, retailers are looking for additional flexibility, visibility, and innovation, driven by AI, from LSPs.

The research also shows that winning long-term contracts with retailers involves removing as much guesswork as possible. Accuracy, precision, and transparency were all repeated themes throughout the study, indicating a new performance standard for LSPs.

On-time, in-full is table stakes in today's world. Success comes from going the extra mile in communication, in problem solving, and analysis. Demonstrating capabilities such as end-to-end visibility with real-time updates across the entire supply chain can give LSPs an advantage over competitors that may have won because of location or convenience in previous years. What's more, automation tools reveal efficiencies, and robotics can supplement the workforce to align directly with retailers' goals, driving the outcomes necessary for both partners to succeed.

Overall, the key message LSP executives should take away from this research is the importance of strategic collaboration and innovation. Retailers are upgrading everything from their technology to their warehouse spaces and expect their logistics partners to have the same mindset.

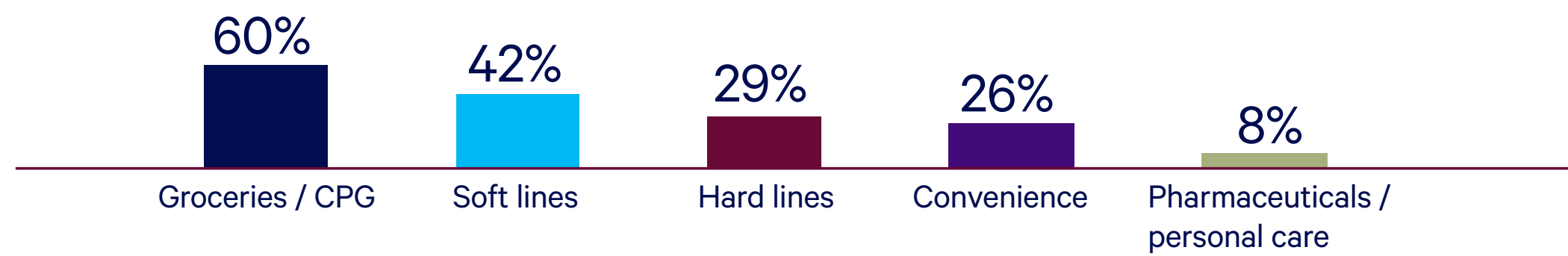
 DOING MORE, FASTER, ALL WHILE REDUCING COSTS IS A TALL ORDER, BUT IT'S ONE THAT IS ESSENTIAL FOR SUCCESS.

Research Methods

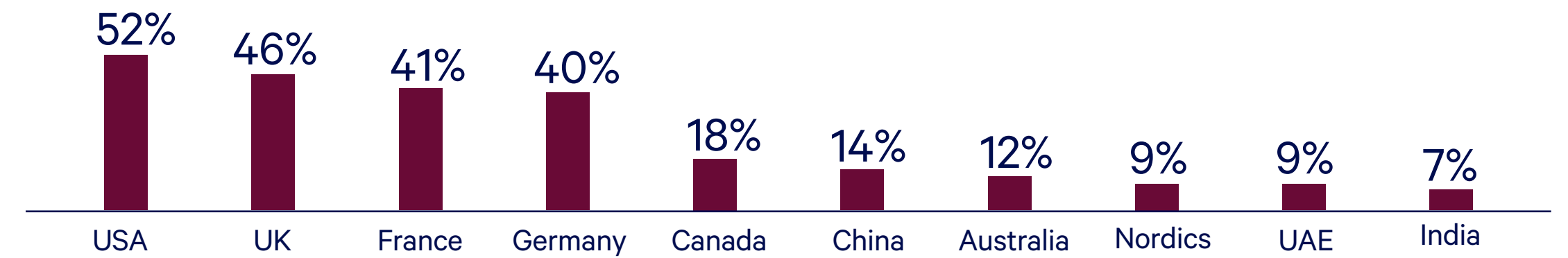
In the winter of 2025, Blue Yonder partnered with B2B International, a Dentsu company, to survey 250 retail executives. Respondents were required to work at companies with more than \$500 million in annual revenue, with 62% of respondents representing companies with more than \$1 billion in annual revenue.

32% of respondents were in the United States, with the United Kingdom (20%), Germany (20%), and France (28%) representing the rest of the respondents. Groceries/CPG represented 60% of industries, with soft lines (42%), hard lines (29%), and convenience (26%) following. Pharmaceuticals / personal care (8%) following.

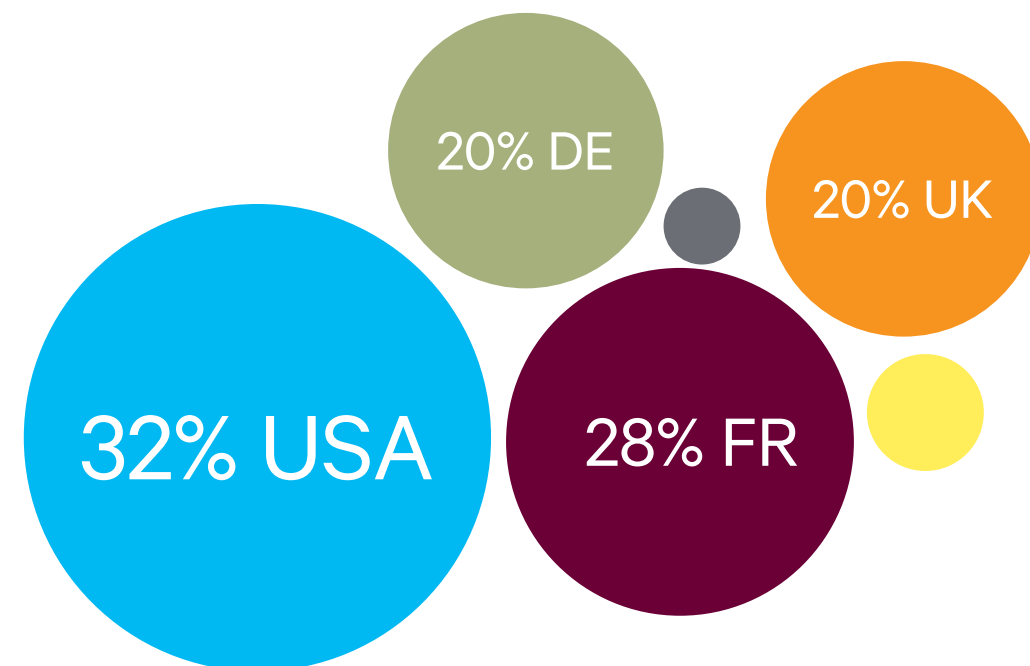
Retail subsectors (S2):



Markets where organizations are using LSPs (S5):



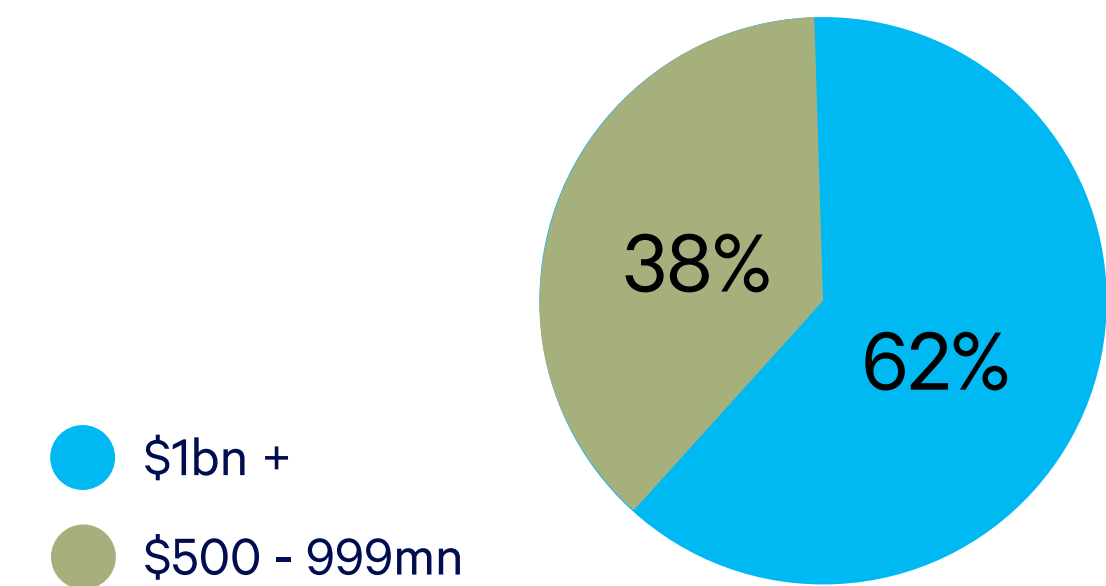
Respondent location (S1):

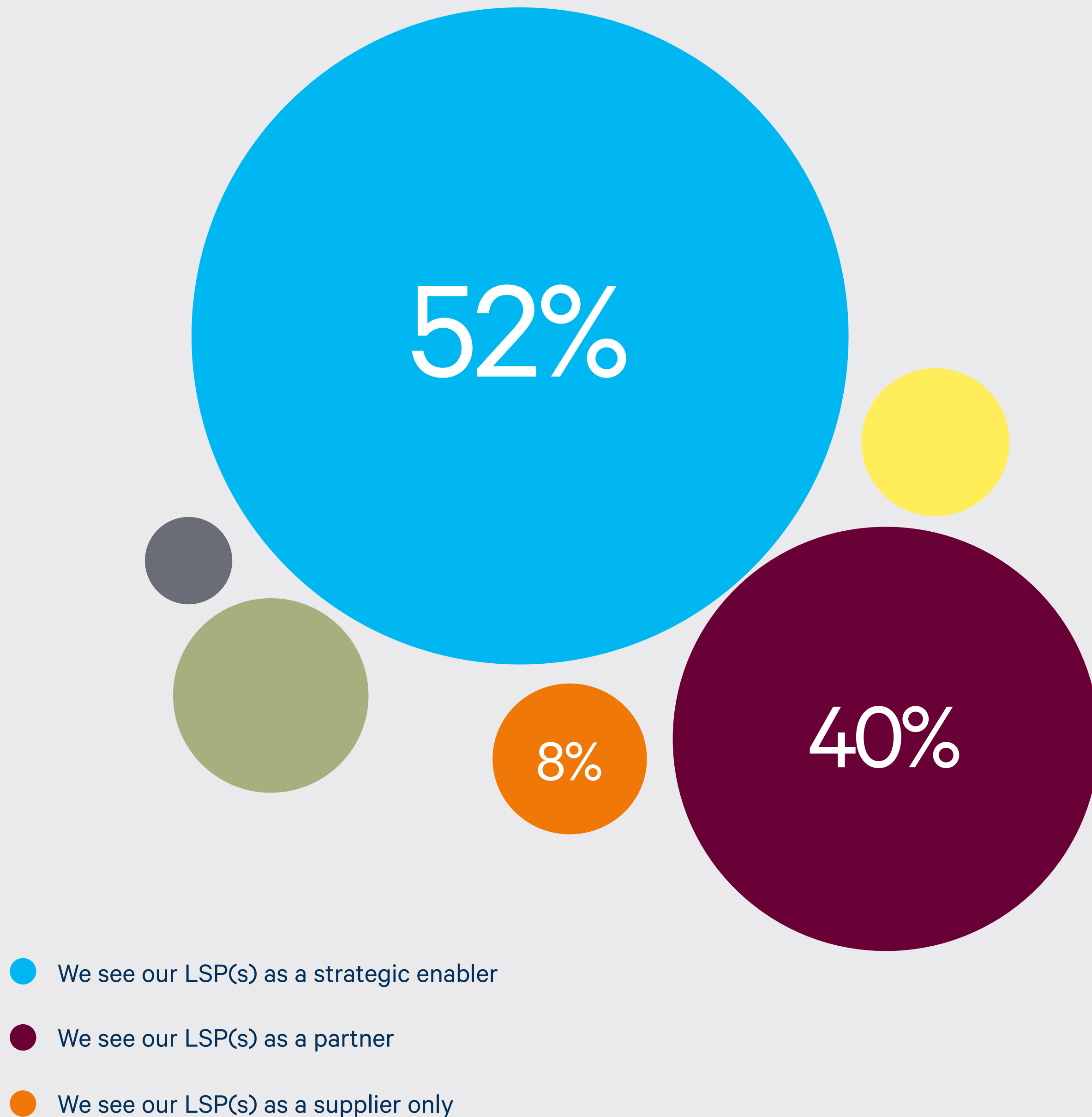


Avg. number of services outsourced to LSPs (Q3):



Annual revenue (S6):





Retailers want better partnerships with LSPs in 2026

The partnership between retailers and LSPs reflects the broader trends in the supply chain, wherein companies are currently operating in traditional roles, but are actively working to evolve. The research shows that over half of retailers see LSPs as strategic enablers, going beyond just another supplier to a critical piece of business success.

What's more, on average, retailers indicated that they outsource 6 different services to LSPs, most of which fall under "traditional" services such as warehousing and distribution, transportation management, inventory management, fulfillment, and returns.

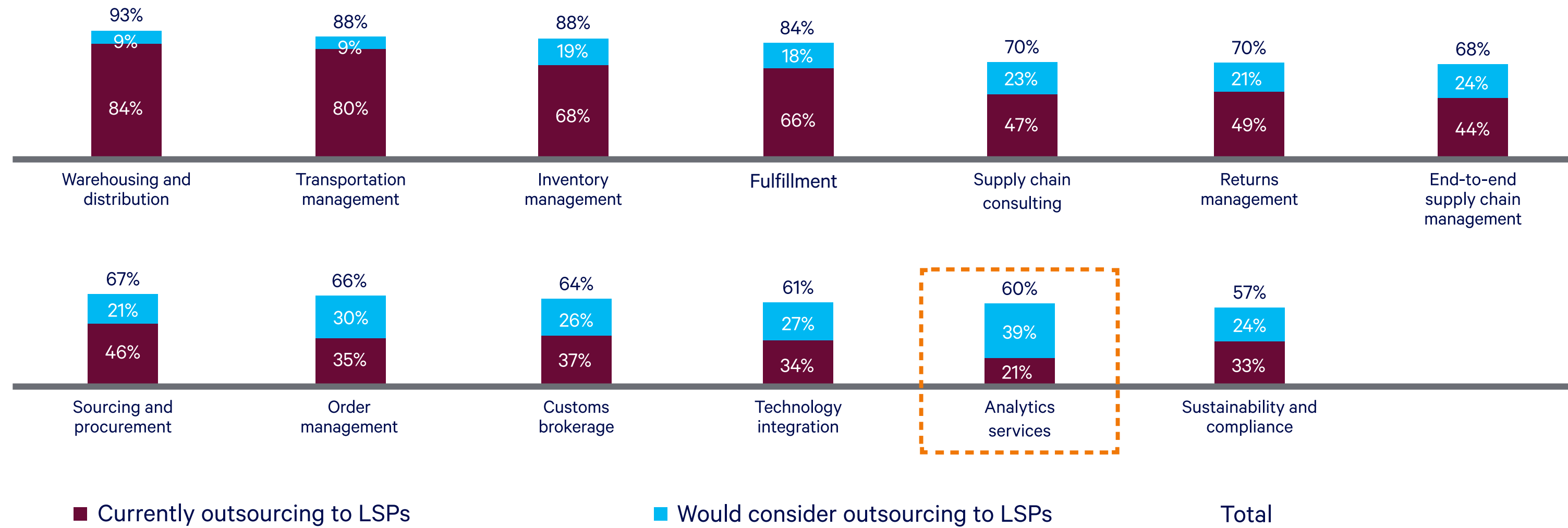
When asked about services they are likely to outsource in the next 3-5 years, however, the retailers' view changes to be more of a collaboration. The shift starts to reveal itself in the current list of services "moderately likely" to be outsourced.

Strategic undertakings such as consulting, end-to-end supply chain management, show a more wholistic view of how LSPs and retailers want to work together.

Over the next 3-5 years, specifically, the research shows analytics services and order management (services that are "significantly less likely" to be outsourced currently) jump to something retailers would consider, given the right opportunity.

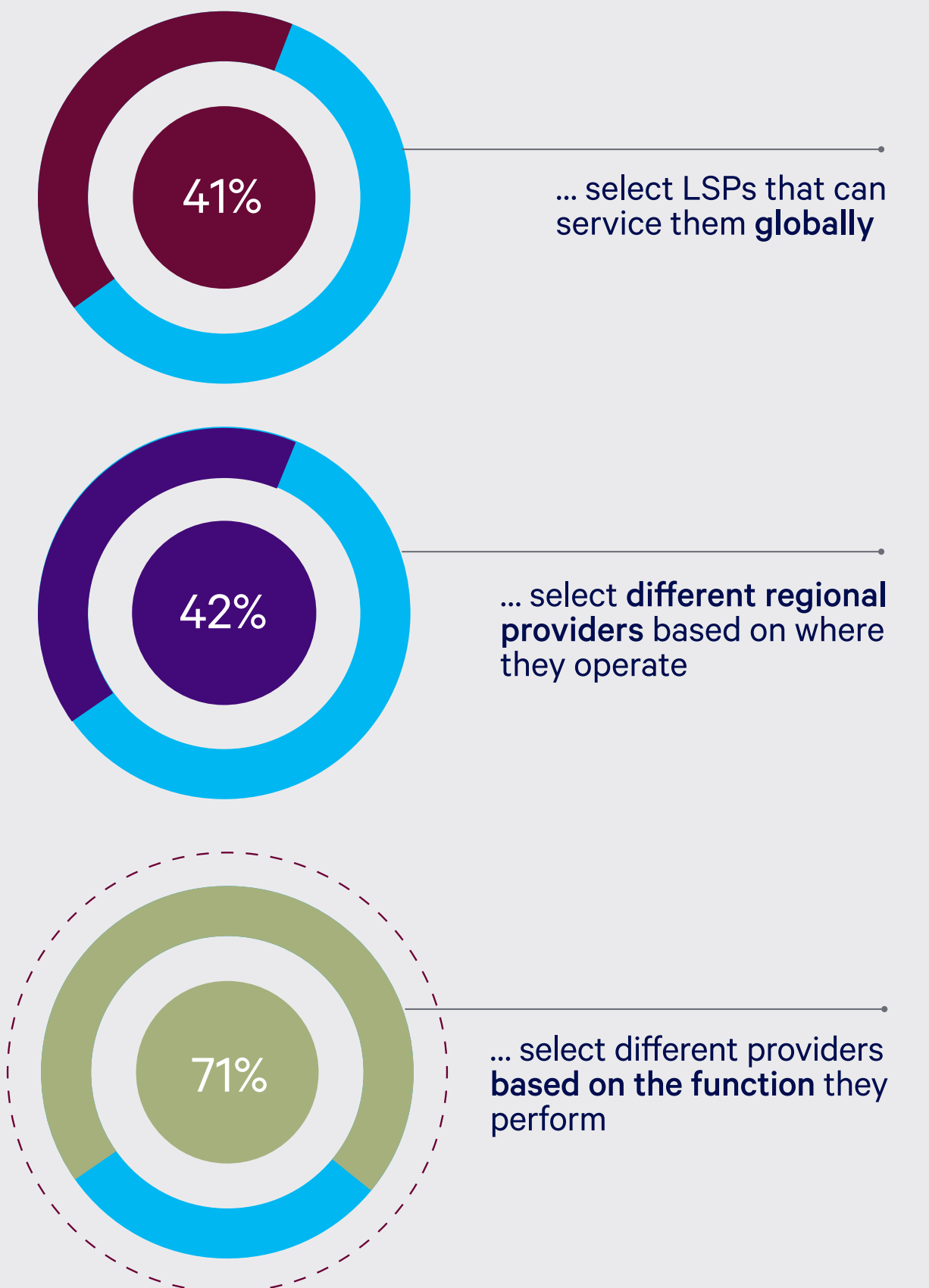


These trends aren't surprising when considering the way retailers choose the LSPs they work with. 71% respondents said they choose their LSPs based on the function they specialize in. Geographical considerations were important, as well, but overwhelmingly, retailers choose LSPs that can ensure precision, expertise, and proactive communication. Other factors, like location, fall in priority when the LSP has a proven track record of accuracy and performance.



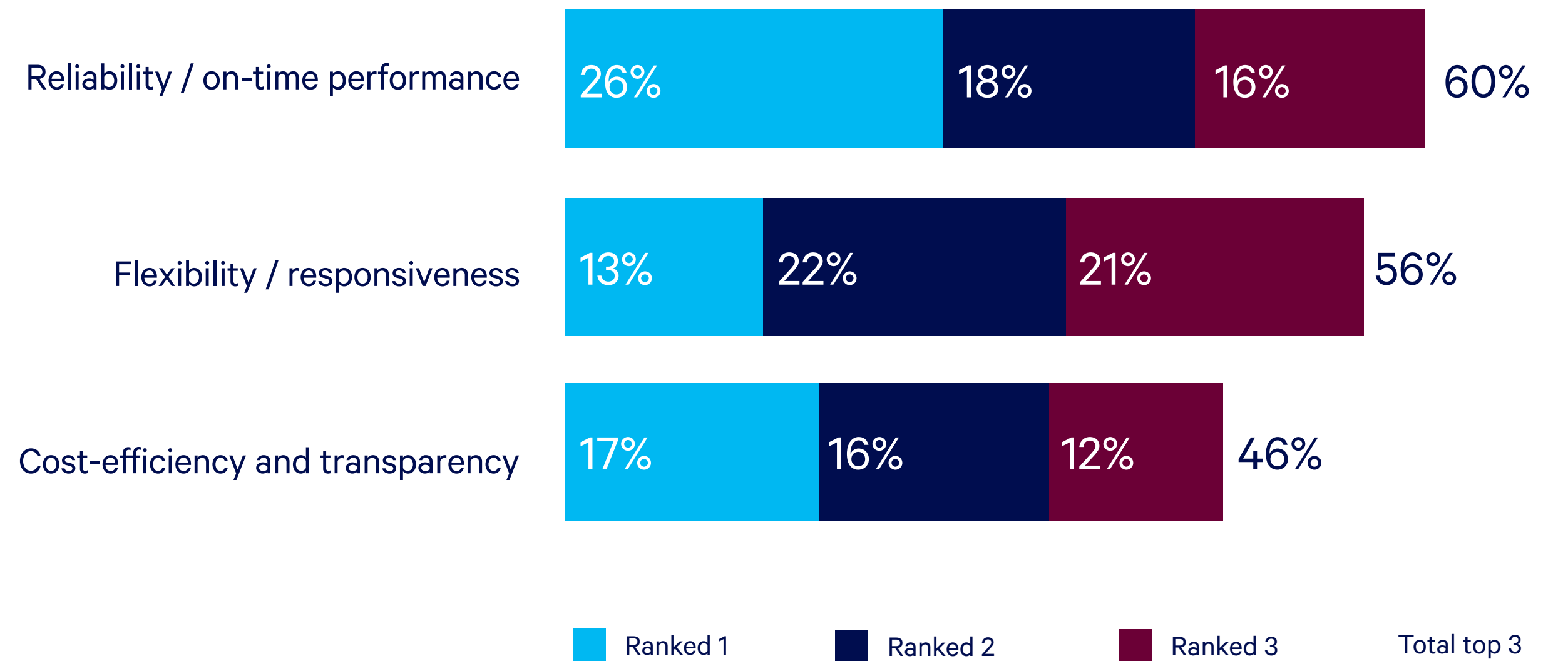
One important distinction to make, however, is that global coverage is more important for retailers looking to evolve their relationship to LSPs as retailers expand their reach across the globe. In the research, we saw that global coverage tends to be more important for companies looking for supply chain consulting, end-to-end supply chain management, and sourcing and procurement. This suggests retailers have different levels of partnership between retailers and LSPs and may be seeking a strategic advisor which is also reflected in the research. 52% of retailers said they see their LSPs as a strategic enabler, while 40% said they see LSPs as a partner. Only 8% said they see LSPs as a supplier only.

The differences between strategic enabler and partner are nuanced, but very important for LSPs to mature their relationship with the companies they work with. A strategic enabler is seen as flexible and responsive, cost-efficient and transparent, while a partner is seen to be reliable, trustworthy and collaborative. Successful LSPs will not just provide services for retailers, but they will also be proactive about finding new opportunities and efficiencies. In other words, they can act as a trusted advisor and help retailers scale without compromising reliability or customer experience.





Top 3 qualities retailers find important in LSPs

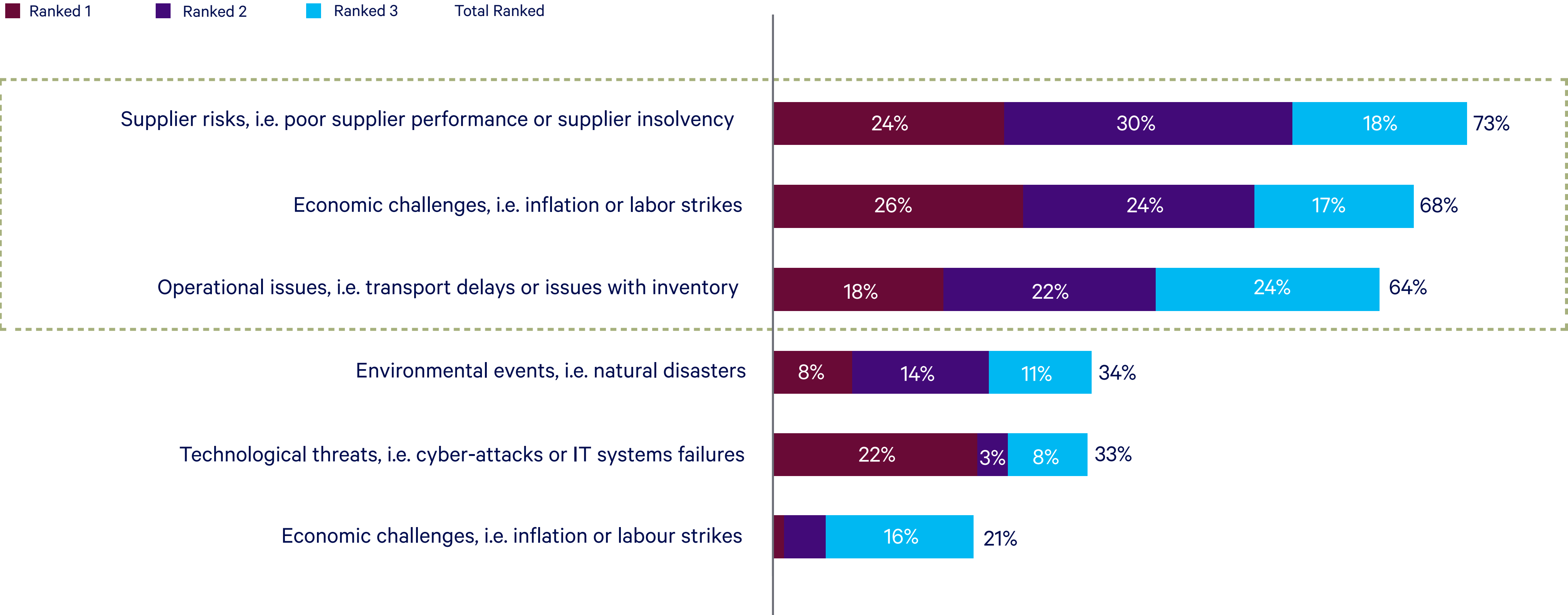


- “Their ability to scale capacity quickly across regions set them apart from other providers during our evaluation. During peak seasonal demand, our LSP was able to secure additional linehaul and last-mile capacity within days, whereas other providers required weeks of lead time.”

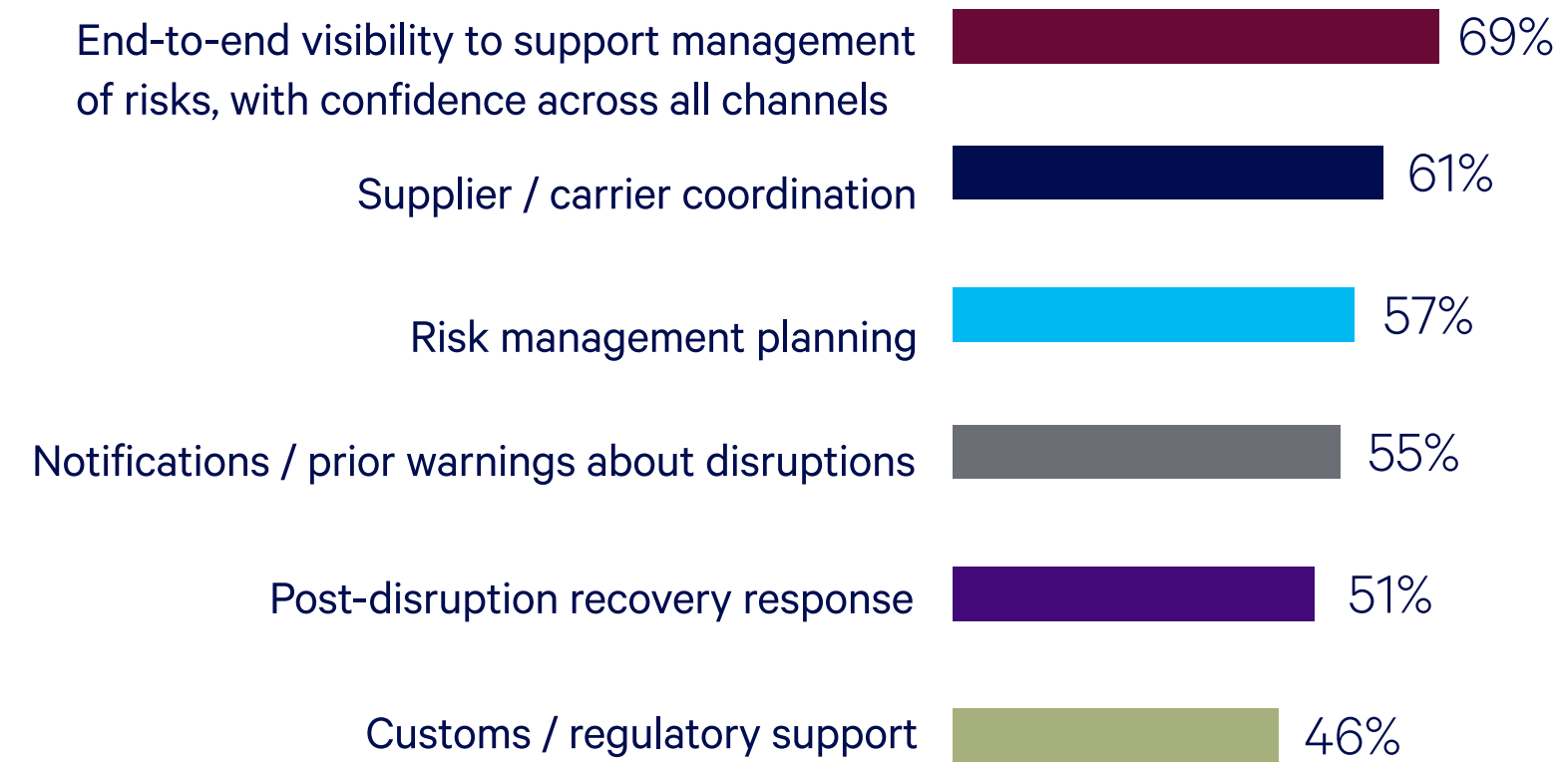
Successful LSPs remove any guesswork for retailers

When retailers ranked the most important traits for working with LSPs, reliability/on-time performance was the most important factor (60%), flexibility/responsiveness was number two (56%) and cost-efficiency/transparency was number three (46%).

With so many disruptions and unexpected trends in retail, partnering with an LSP that continues to maintain service levels, operates independently, makes appropriate pivots, and communicates all important information proactively can win customers.



Types of support required from LSPs



To that end, LSPs that adopt technology powered by AI, which can provide real-time updates, model possible solutions, and suggest the best possible actions, will not only meet the service requirements of today’s retailers, but also be able to support those that are looking forward to the demands of tomorrow’s supply chain. Efficiencies through automation and labor optimizations will improve business outcomes as well as improve the customer experience—all critical benchmarks for today’s retailers.

The research found that 69% of retailers said they require end-to-end network visibility to support management of risks with confidence across all channels. Concerns such as supplier risks, economic challenges, and operational issues are all risks retailers expect LSPs to support. These numbers point back to the trend we highlighted earlier, where LSP analytics services are a growing requirement among retailers. Providing accurate data and clear, actionable strategies based on that data is easier with a single, connected, AI-powered platform.

Satisfaction with speed of LSPs’ response

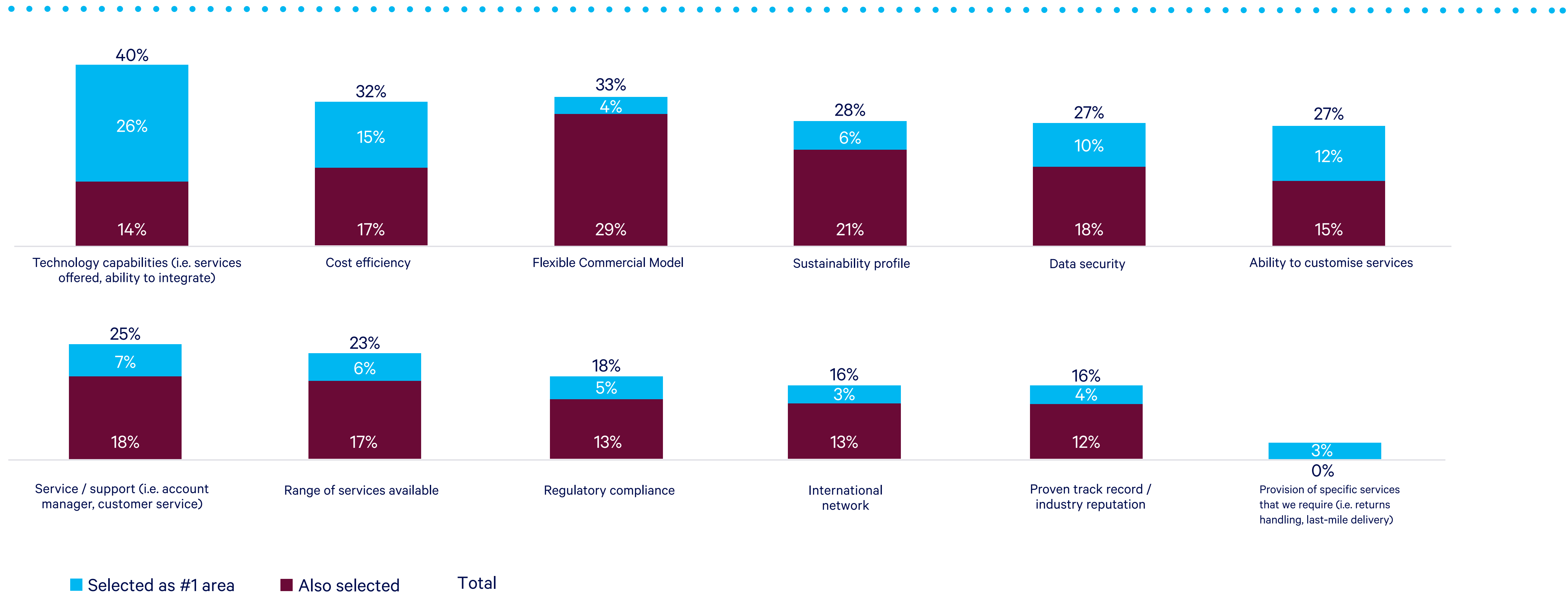
Average: 4.3 out of 5.0



Interestingly, 40% of respondents said that if they are working with an LSP that is under-performing, technology capabilities are usually the area that most needs improvement. Technology is usually invisible to customers until it stops working.

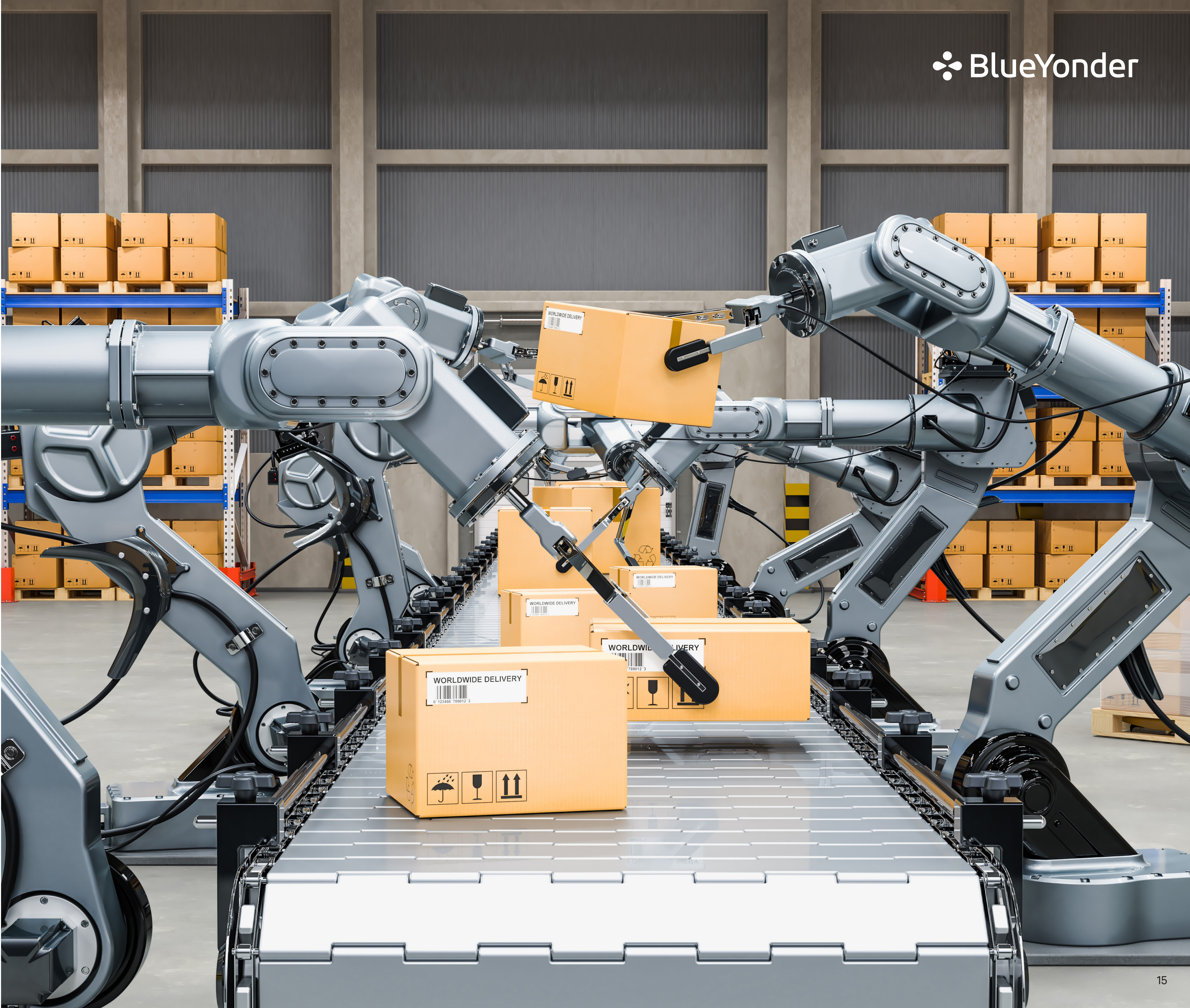
LSPs that want to keep contracts and expand their partnerships with retailers should invest in technology that supports reliability and cost-effective operations. But more than that, they should dedicate themselves to keeping all technology investments up-to-date.

Investing in new technologies and constantly innovating their operations creates a better customer experience and will make the difference in 2026 and over the next few years.



- When asked what makes an LSP stand out:
“The main reason is that due to the advanced technology platform, their system is capable of seamlessly integrating with our enterprise resource planning system. Custom data mapping and workflows are of great significance. Their platform enables us to customize the integration methods based on specific logic.”

LSPs will win 2026 by leading in innovation

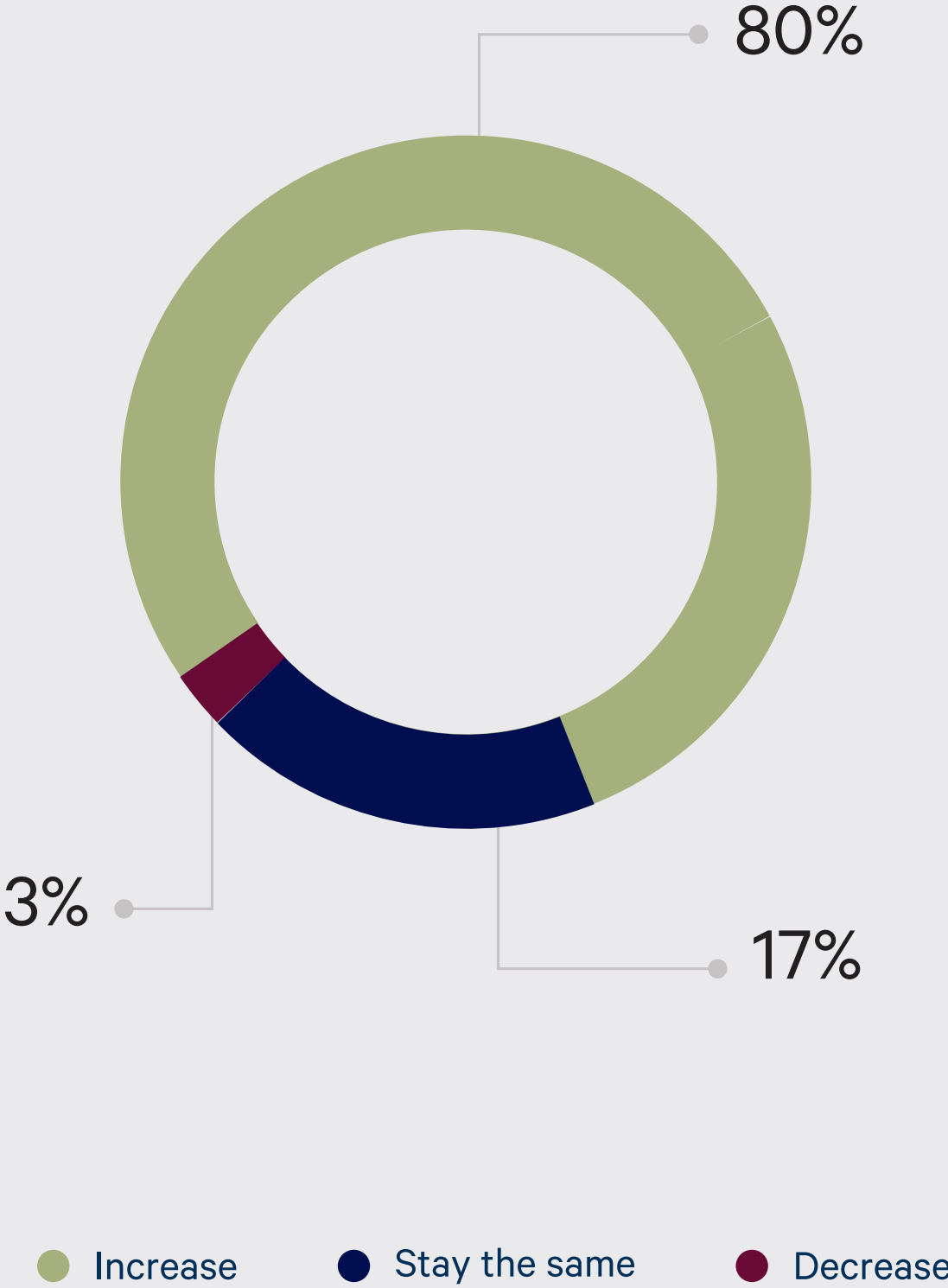


The vast majority of retailers (80%) expect their usage of LSPs to increase in the next 3-5 years. The key reasons for this growth are business growth, a need for specialized capabilities, and a shift to outsourcing. Particularly important for LSPs are specialized capabilities and a shift to outsourcing.

Retailers report that outsourcing is often cheaper than running the same service in-house. LSPs that want to expand to more value-added services, like refurbishing or restocking, will need to find a way to deal with these complexities while remaining responsive, transparent and cost-effective.

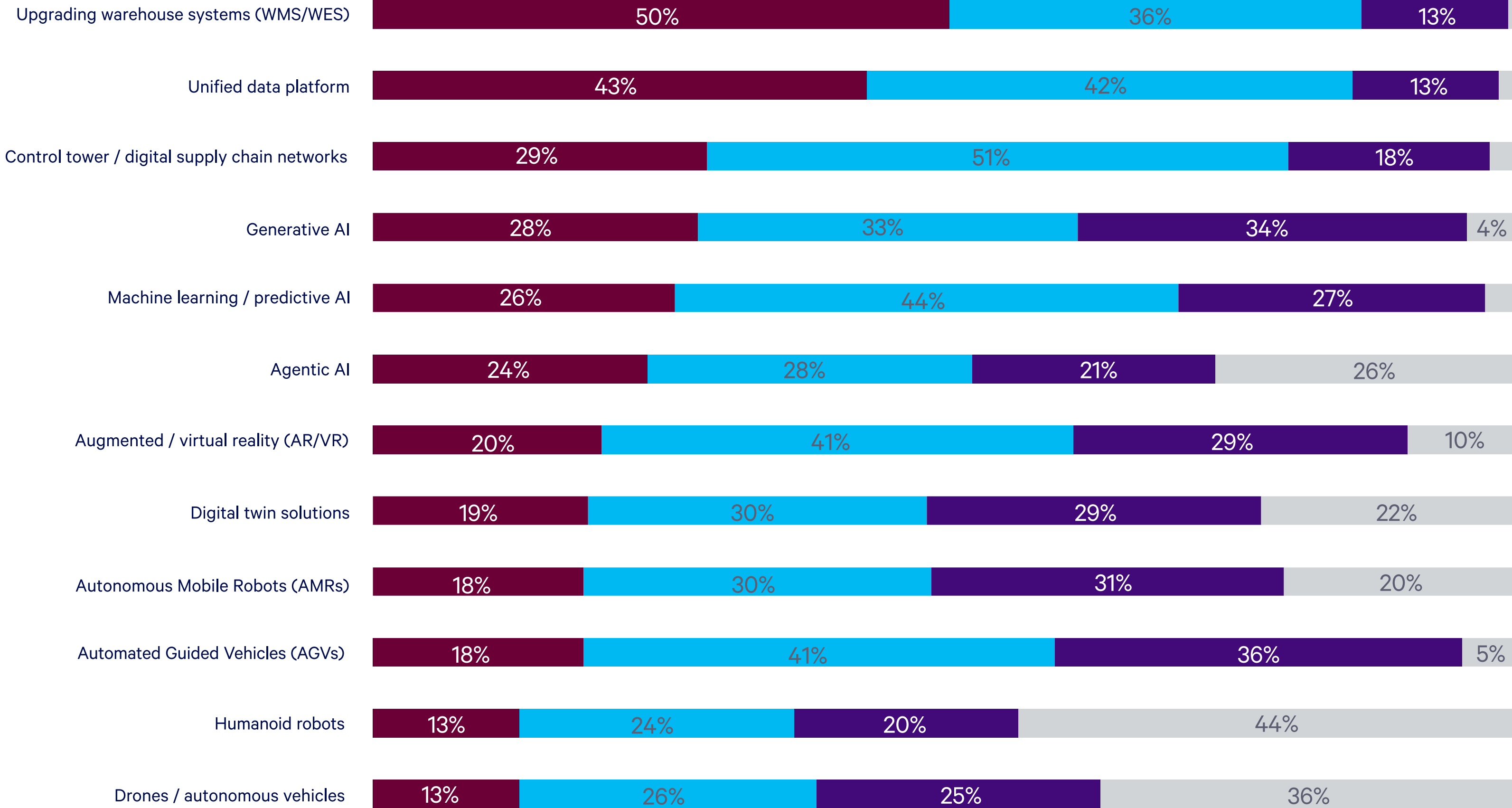
Of all the changes planned for the next few years, LSPs should pay most attention to the respondents who reported being in the middle of upgrading their warehouse systems (86%) and implementing a unified data system (85%). But they don't expect to make investments alone.

We expect our usage of LSPs to...



Most retailers expect that LSPs will invest alongside them. The most common investments they expect are machine learning/predictive AI (49%) and control tower/digital supply chain networks (40%).

These align with what retailers currently rely on their LSPs for, and what they hope to achieve with their partnerships in the next 3-5 years. By providing services in these areas, it can be a competitive differentiator for the LSP to retain their customers and win more business.

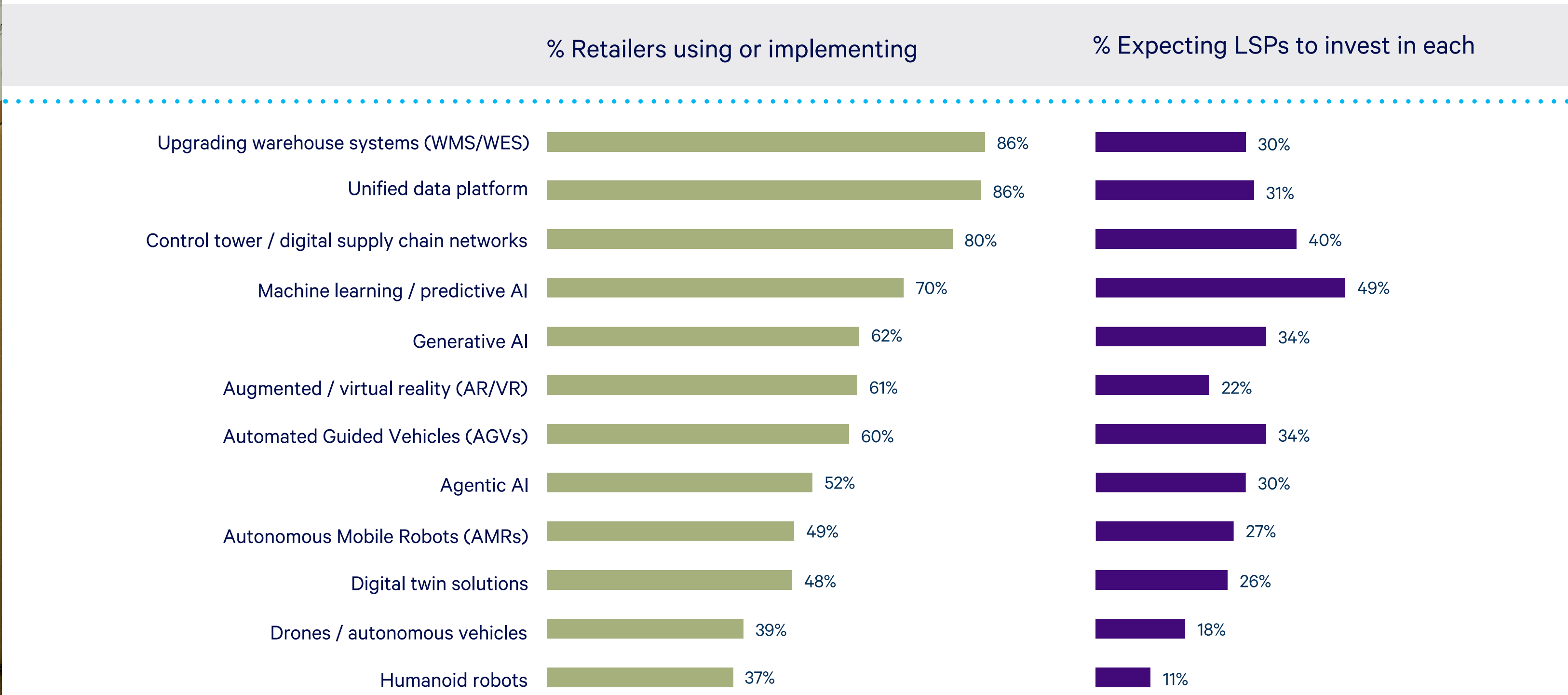


Legend for investment plans:
■ Already using
■ In process of implementing
■ Investigating
■ No plans to implement



As retailers focus on the foundations (such as warehouse management systems and unified data platforms), LSPs can supplement their growth by mastering machine learning/predictive AI tools. Providing AI-driven actionable insights will help LSPs move from partner to strategic enabler, and a more profitable and enduring relationship.

Additionally, 83% of respondents said they expect their LSP partnerships to evolve through digital network expansion, making it the most important investment. Across all retail subsectors, markets, and company sizes, the digital supply chain network expansion piece is the defining factor. Without it, retailers are likely to look elsewhere for services and long-term partnerships.



- “I hope to see that logistics service providers can offer predictive planning based on artificial intelligence.”
- “[I want to see advancements] in real-time positioning and real-time monitoring of the inflow and outflow of goods.”



The future of LSPs is in bold investments in technology

The research shows an exciting horizon for LSPs and their relationship with retailers. The foundational services remain essential, but retailers are looking for more from their LSP partners. Focusing on evolving from a partner to a strategic enabler through investments in technology, end-to-end transparency, and a digital network will ensure long-term growth. Technology that improves reliability and flexibility while managing complexity will bring retailers to the table and get them to sign long-term contracts. LSPs, like all companies, are at a critical moment where they can either start innovating or maintain the status quo. Only one is a feasible option for the future.

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