2024 Third-Party Logistics Warehouse Benchmark Report

Table of Contents

Foreword

In August 2024, Extensiv conducted an online survey targeting logistics professionals who own or operate third-party logistics (3PL) warehouses. The aggregated responses from this survey form the basis of the following report. As the first and only report exclusively focused on the 3PL warehouse industry, Extensiv's Benchmark Report compiles data from over 200 third-party logistics warehouses and provides insights on more than 30 industry-specific topics. This report builds on data collected from 2020 to 2023, offering year-over-year changes and trends where applicable. The Benchmark Report explores best practices, trends, current issues, and opportunities facing 3PL warehouses.

Key Findings

1 ADAPTING TO CHALLENGES

The 3PL industry is navigating through tough times with slowing growth in order volumes and profitability, but businesses are showing resilience and adaptability. 3PL's operating at larger scales seem to be best suited for navigating today's market volatility.

2 AI EXPLORATION

Artificial intelligence (AI) is gaining traction with significant interest in its applications for optimizing various aspects of warehouse operations, though the industry is still exploring the best use cases.

3 FULFILLMENT STRATEGIES

There is a clear trend towards adding warehouses to obtain geographic disbursement—including a growing interest in fourth-party logistics (4PL) networks—as a means to drive efficiency, reduce risk, and strategically position inventory to better serve customers.

4 LABOR MANAGEMENT

While hiring remains cautious, there is a focus on optimizing labor productivity through management tools and efficiency measures rather than solely relying on automation or robotics.

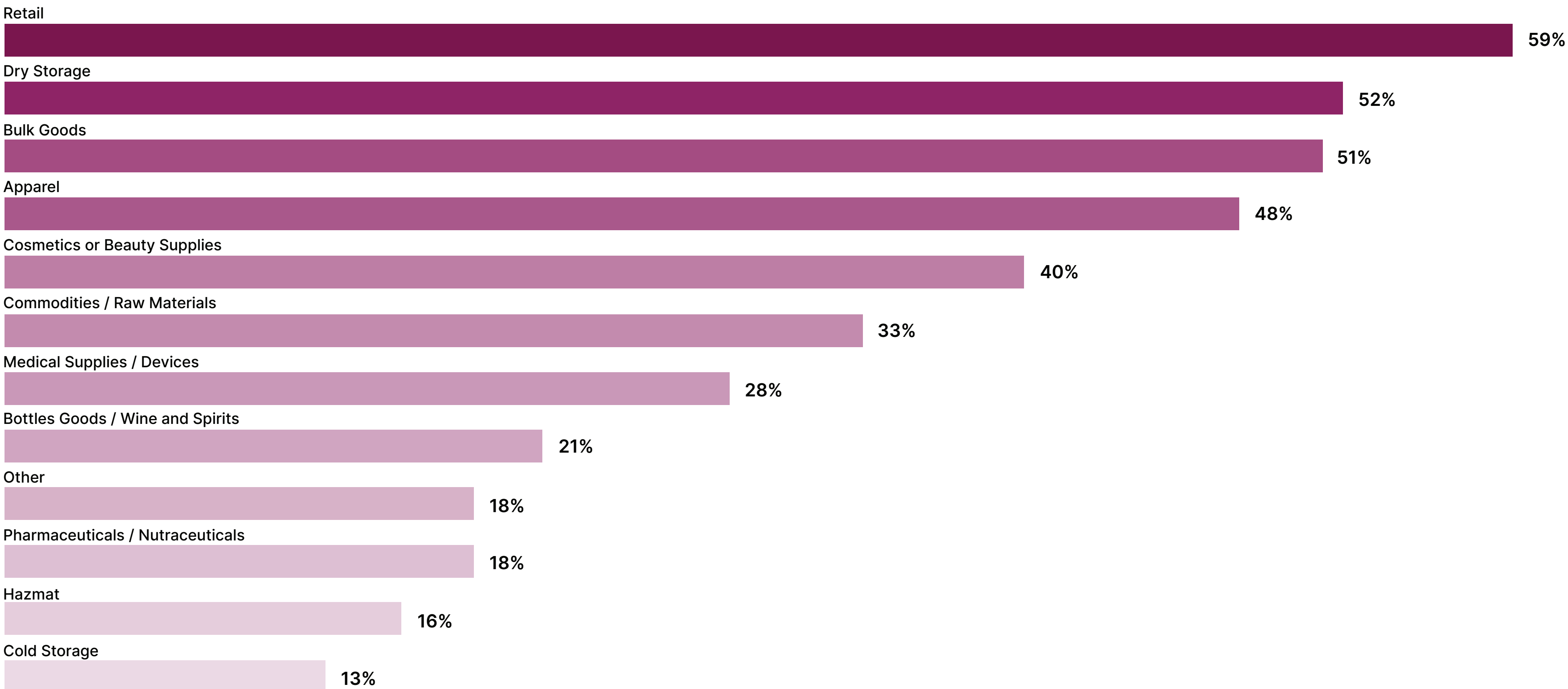
5 BILLING AUTOMATION

Automating billing processes is crucial for maintaining cash flow and financial stability. Efficient billing systems help reduce errors, speed up invoicing, and improve profitability.

The 3PL Landscape

Industries Served

Based on the 2024 data, 3PLs served 3.9 industries on average, with retail, bulk goods, and dry storage remaining the most common sectors. Overall, most categories showed an increase from 2023 to 2024, indicating recovery or growth in nearly all sectors. The only categories with a decrease were commodities/raw materials, hazardous materials, and "other." Consumer-driven categories such as cosmetics and bottled goods/ wine & spirits continued their upward trajectory, while apparel, one of the fastest-growing industries in 2023, remained relatively flat in 2024.



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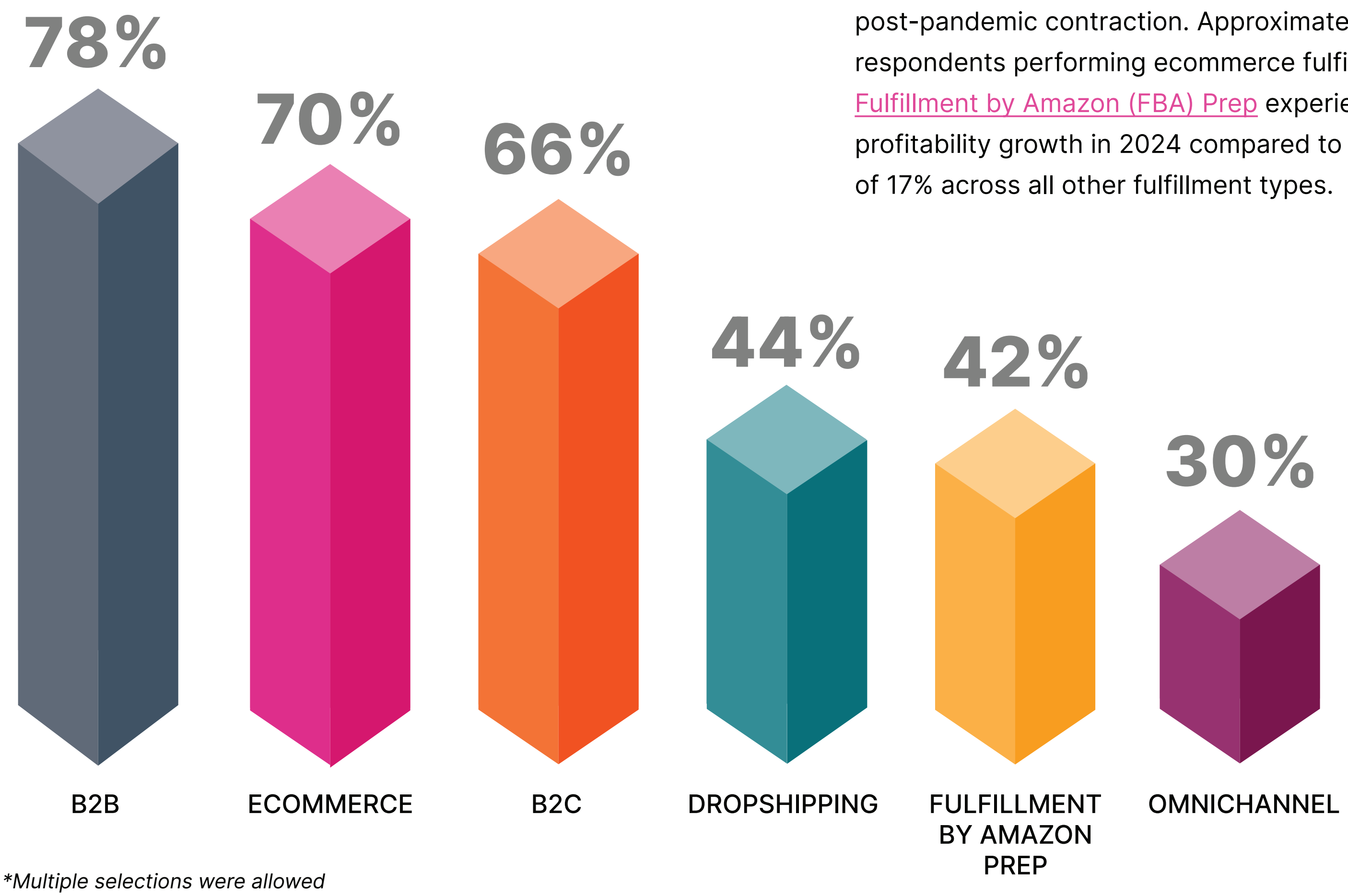
From a profitability perspective, 3PLs that serviced retail, dry storage, and "other" industries reported being some of the most profitable businesses with over 20% of all 3PLs in each of these verticals achieving high profitability growth (greater than 25%). At the top of this list, 23% of all businesses serving "other" verticals were highly profitable, with the top response being "electronics." Despite thin margins, nutraceuticals/ pharmaceuticals was the vertical most likely to be profitable, with 95% of these 3PLs reporting non-negative profitability change in 2024.

Furthermore, 3PLs continued to diversify their services with more organizations offering B2C and ecommerce fulfillment, the latter rebounding after a post-pandemic contraction. Approximately 22% of respondents performing ecommerce fulfillment and Fulfillment by Amazon (FBA) Prep experienced high profitability growth in 2024 compared to an average of 17% across all other fulfillment types.

FULFILLMENT TYPE



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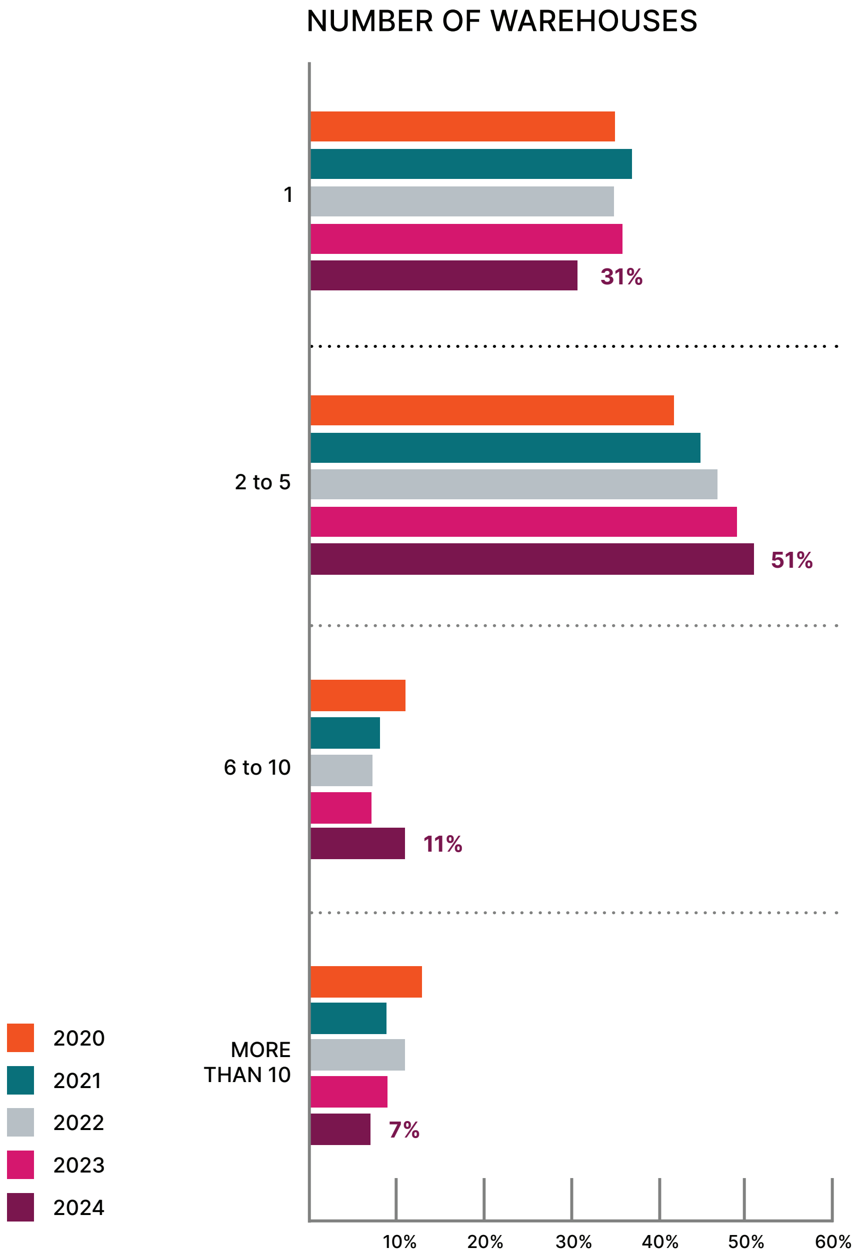
Warehouse Ownership

In addition to expanding service offerings, there is also a trend in expanding warehouse footprints and facility counts. From 2020 to 2023, the percentage of organizations operating only one warehouse hovered in the mid-thirties, but this decreased noticeably this year to 31%. Meanwhile, the percentage of organizations with 2 to 5 warehouses has continued its upward trajectory, increasing an average of 2% each year through 2024, now up to 51%.

This suggests that businesses are expanding their logistics networks to improve efficiency and reduce risks while many single warehouse operations are either closing their doors permanently or selling their businesses to larger entities expanding into corporate networks. Staying competitive as a 3PL is proving to require geographic diversification through warehouse expansion or growing a diversified network through strong partnerships.

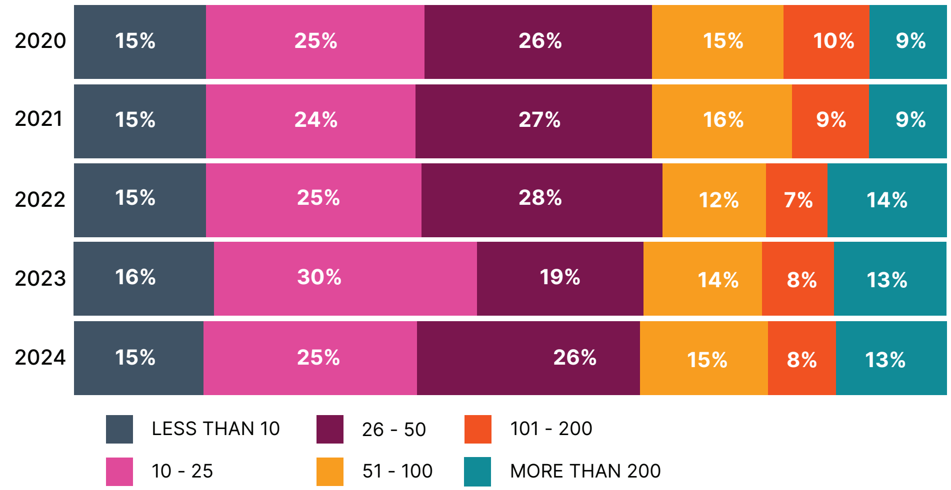


3PL Customers

High-performing warehouses continued to see a rebound effect on their total customer counts. During the early pandemic years, many 3PLs tried to maintain a sweet spot of 26-50 customers, consistently ranking as the most reported tier through 2022. The economic turmoil beginning in 2023 saw this segment drop 9% year-over-year to 19% with most 3PLs reporting lower customer counts across the board, signaling difficult times for brands and online sellers.

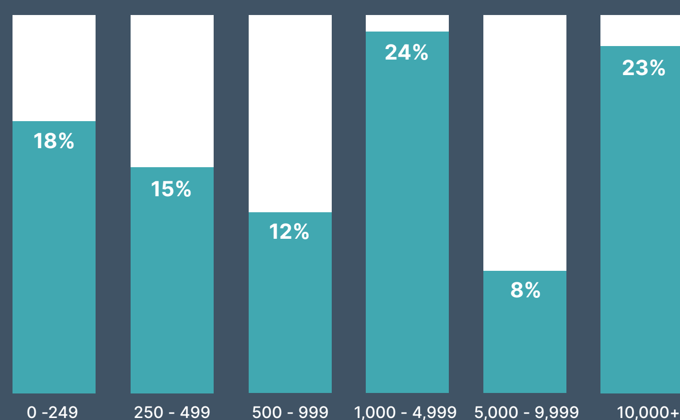
As of 2024, 26% of 3PLs reported servicing 26-50 customers, making this once again the largest cohort. It is worth noting that 3PLs who reported less than 26 customers were a staggering 2.1 times more likely to report low to no profitability growth. These numbers highlight the importance of a manageable but well-diversified customer base and the widening gap between high- and low-performing warehouses coupled with new customer acquisition strategies.

NUMBER OF CUSTOMERS



We asked a new question in this year's survey to understand the minimum order volume required for new business accounts within the warehouse, which serves as a surrogate for size and scale requirements for new clients to be considered. The data on minimum monthly order volume for 2024 shows a diverse range of order sizes among organizations. Interestingly, respondents experiencing high profitability growth were 1.8 times more likely to have minimum order volumes below 250, yet those that experienced flat or positive year-over-year order volume growth were 1.9 times more likely to have minimum order volumes between 1,000-4,999.

MONTHLY MINIMUM ORDER VOLUME



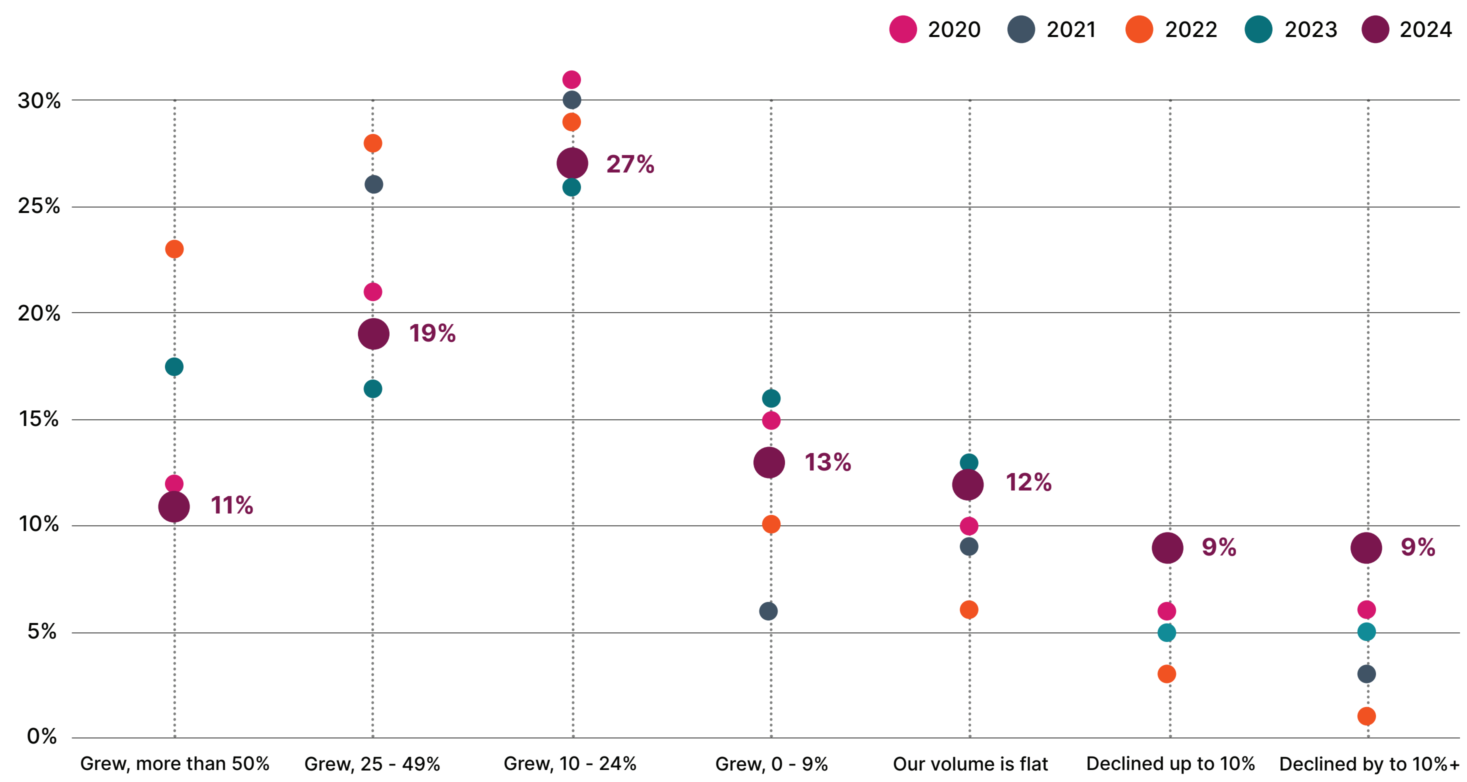
Warehouse Operations

Order Volumes

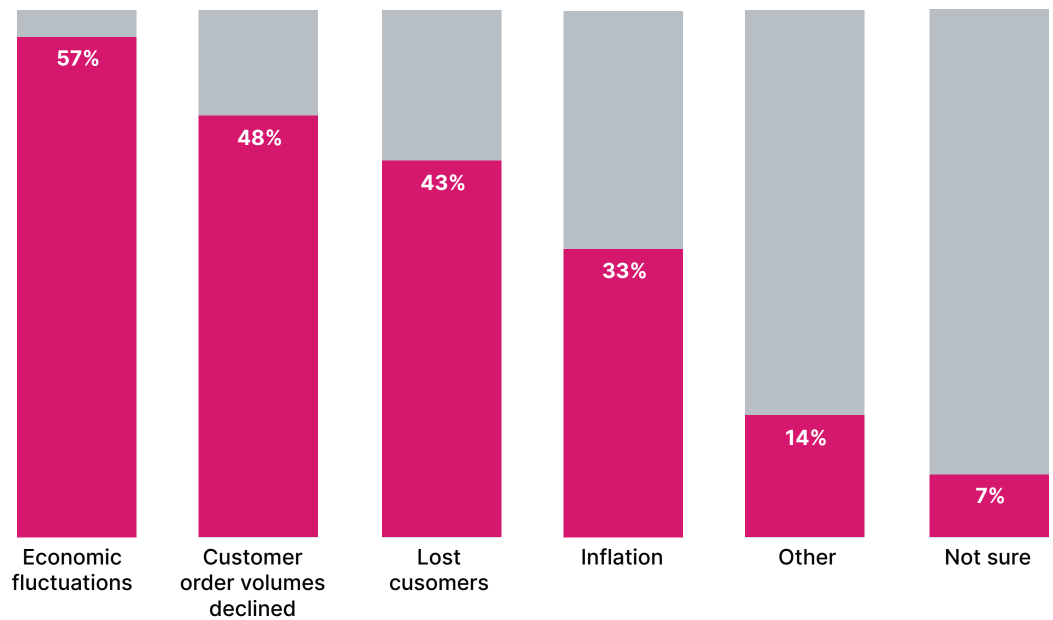
When reviewing respondent data regarding business performance, it becomes clear that the 3PL industry continues to experience difficult times with both order volume growth and profitability extending their downward trend in recent years.

This year represented the worst year for order volume growth since we started the benchmark survey. While 70% of respondents grew order volume year over year—with 57% growing it 10% or faster—these numbers are down considerably compared to 2023 (76% and 60%, respectively) and are far from the highs of 2022 where 90% of respondents grew volume and an impressive 80% grew volume by more than 10%. One of the most telling statistics regarding order volume is that over 1.6 times as many (18% vs. 11%) companies saw order volume decline from the previous year.

WAREHOUSE ORDER VOLUME CHANGE



REASON FOR ORDER VOLUME DECLINE



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For 3PLs reporting overall order volume declines, uncertain economic fluctuations were the leading cause (57%), followed closely by customer order volume declines (48%) and lost customers (43%). While the economy has been resilient in many sectors, loss of consumer wallet share to experiences, services, and other household necessities has taken a toll on retail order volumes, which is directly impacting the hardest hit 3PLs. Businesses that experienced negative profitability growth were 20% more likely to attribute their order volume decline to economic fluctuations than those with medium to no profitability growth.

Though many aspects of the ongoing economic conditions may be out of 3PLs' control, the loss of customers is an area that warehouses should be focused on most. Customer acquisition costs are increasing, and premium customers are a hot commodity in the industry—increasingly being courted away from traditional 3PLs by larger, more corporatized fulfillment networks for ease of onboarding and cost savings. 3PLs with existing customers should be working hard on retention and looking to provide more value-added services, brand-focused software within a unified fulfillment platform, and providing sophisticated fulfillment strategies such as 4PL networks to help place products closer to the point of consumption and reduce the cost to serve customers.

Profitability

The decreased performance in order volume has translated into poorer financial performance as well. Whereas 81% of respondents improved their profitability in 2022 and 73% did last year, only 69% reported progress on profitability in 2024.

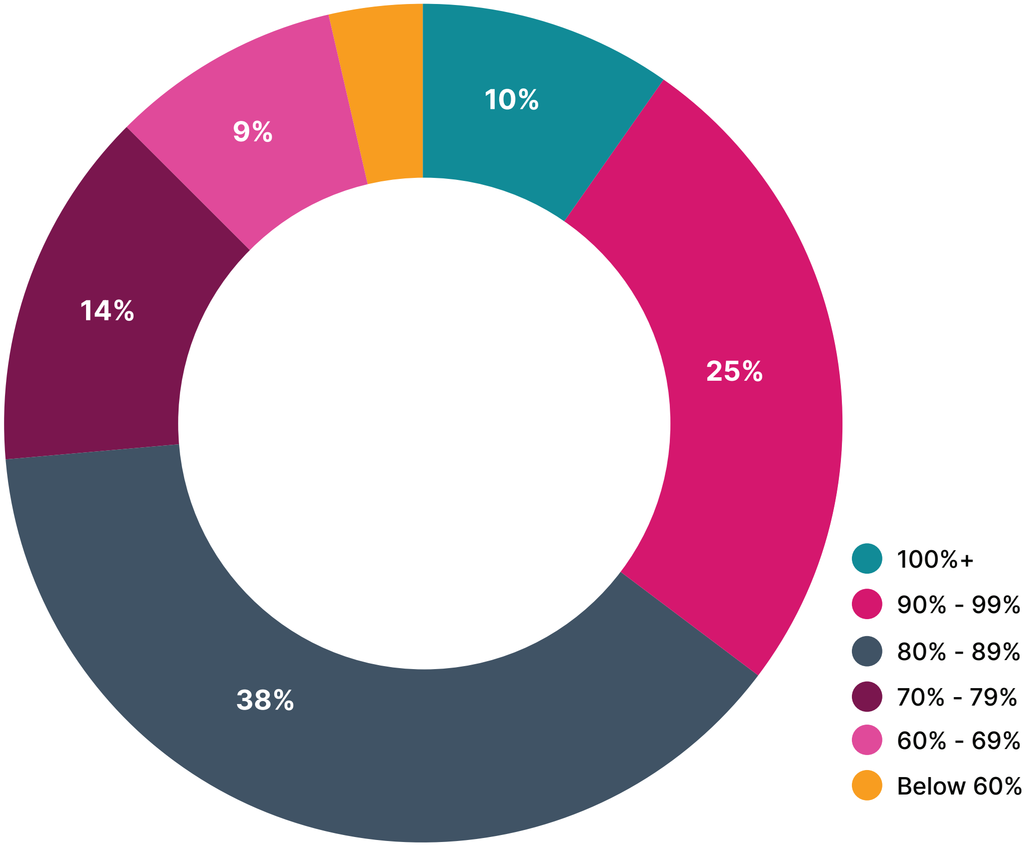
While those numbers are telling, when you look at the number of businesses that boosted profitability significantly, the decline in performance is even more evident. This year, only 47% of 3PLs improved profitability by more than 10%. While this is down only slightly from 49% last year, this represents a 22% decrease since the happier times in 2022.

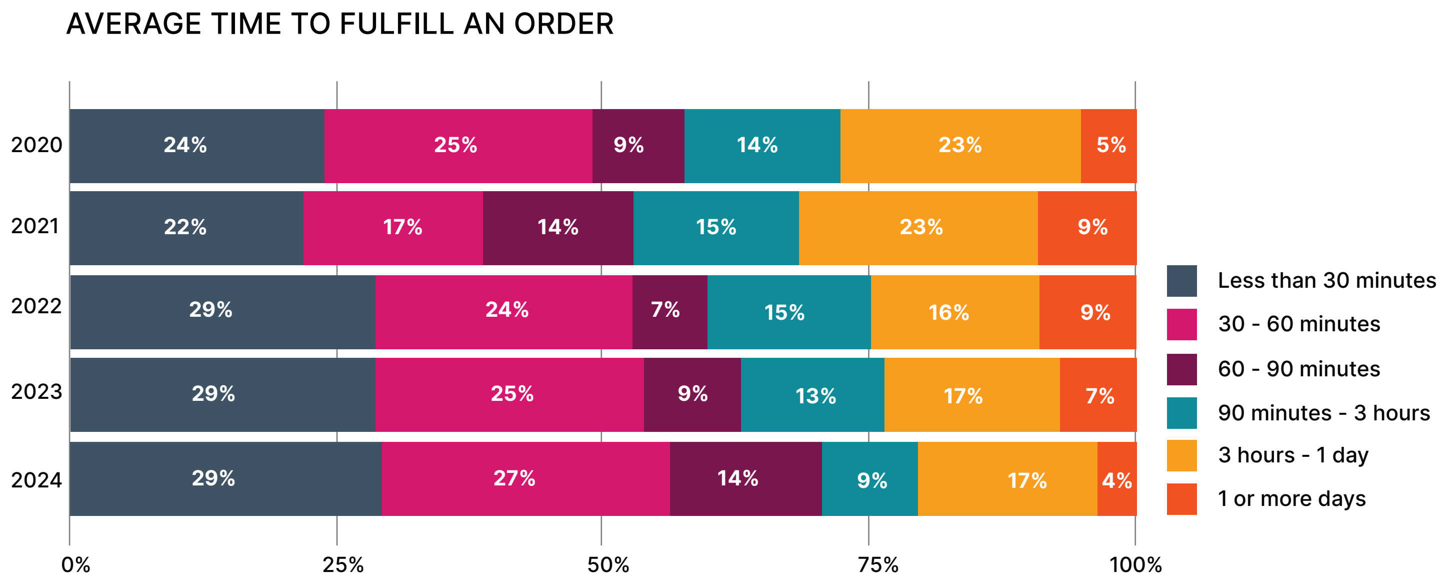
WAREHOUSE PROFITABILITY CHANGE

Warehouse Capacity

Not surprisingly, the data showed that warehouses running at extremely high capacity (north of 100%) are 2.8 times more likely to experience high profitability growth. While it is prudent to be cautious about taking on more warehouse space in this uncertain environment, astute 3PL operators realize that running a warehouse over capacity is not a sustainable strategy in the long run.

Businesses that had moderate order volume growth (between 10-24%) were 69% more likely to keep their warehouses between 80-89% capacity. This was also the most common capacity level sustained by 3PLs overall as well as broken down by fulfillment type; the percentage of warehouses operating between 80-89% capacity was essentially level across fulfillment types, ranging from 38-40% in each fulfillment category.





Fulfillment & Shipping

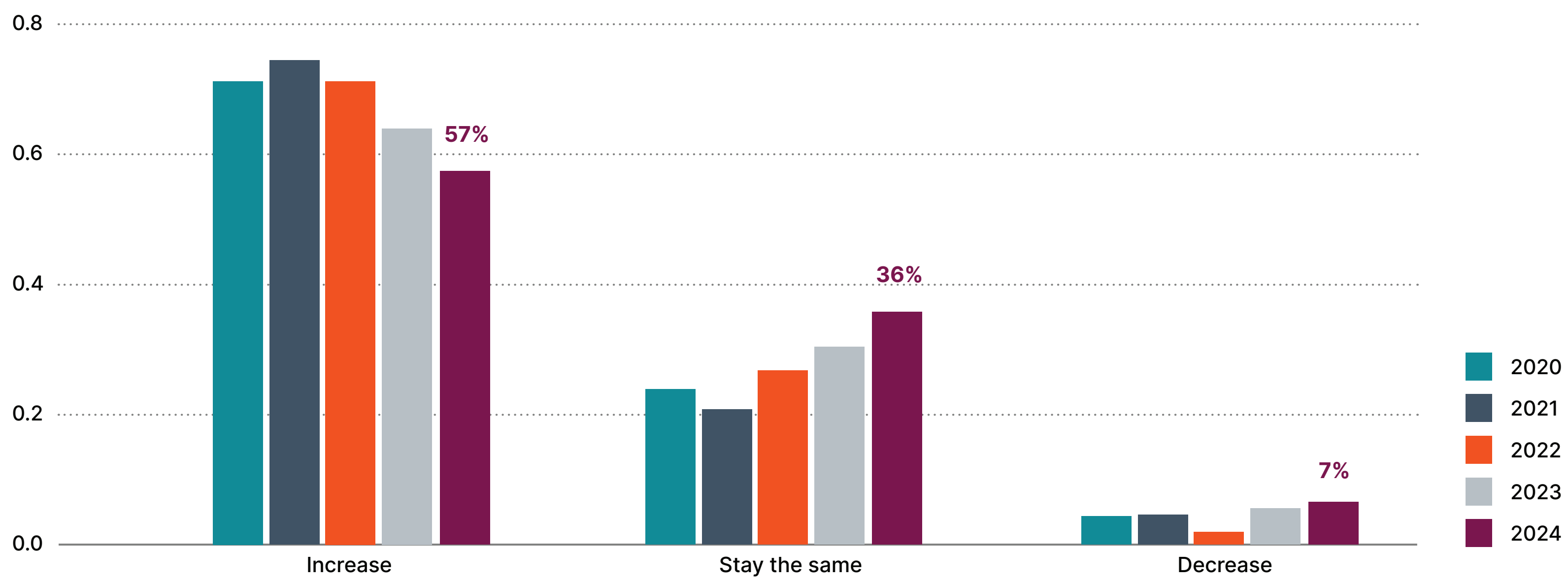
One of the most revealing trends in the data was the need for speed as it relates to fulfillment times. Continuing a trend that has been happening since we began the survey, this year marked the fastest shipping times of any survey. This year, only about 30% of warehouses reported taking more than 90 minutes to fulfill and ship orders. While this metric has improved every year—going from 48% in 2021 to 41% in 2022 to 37% in 2023—the 2024 data marks the largest year-over-year percentage improvement, showing that customers are demanding faster and faster turnaround times on orders.

This foretells an interesting dilemma for warehouse operators. While it will always be critical to ship orders quickly, considering fulfillment time is not usually less than 1 hour, optimizing warehouse efficiency will become increasingly less important and impactful for delivery times than warehouse location. This includes fulfilling and shipping orders from multiple geographically distributed warehouses.

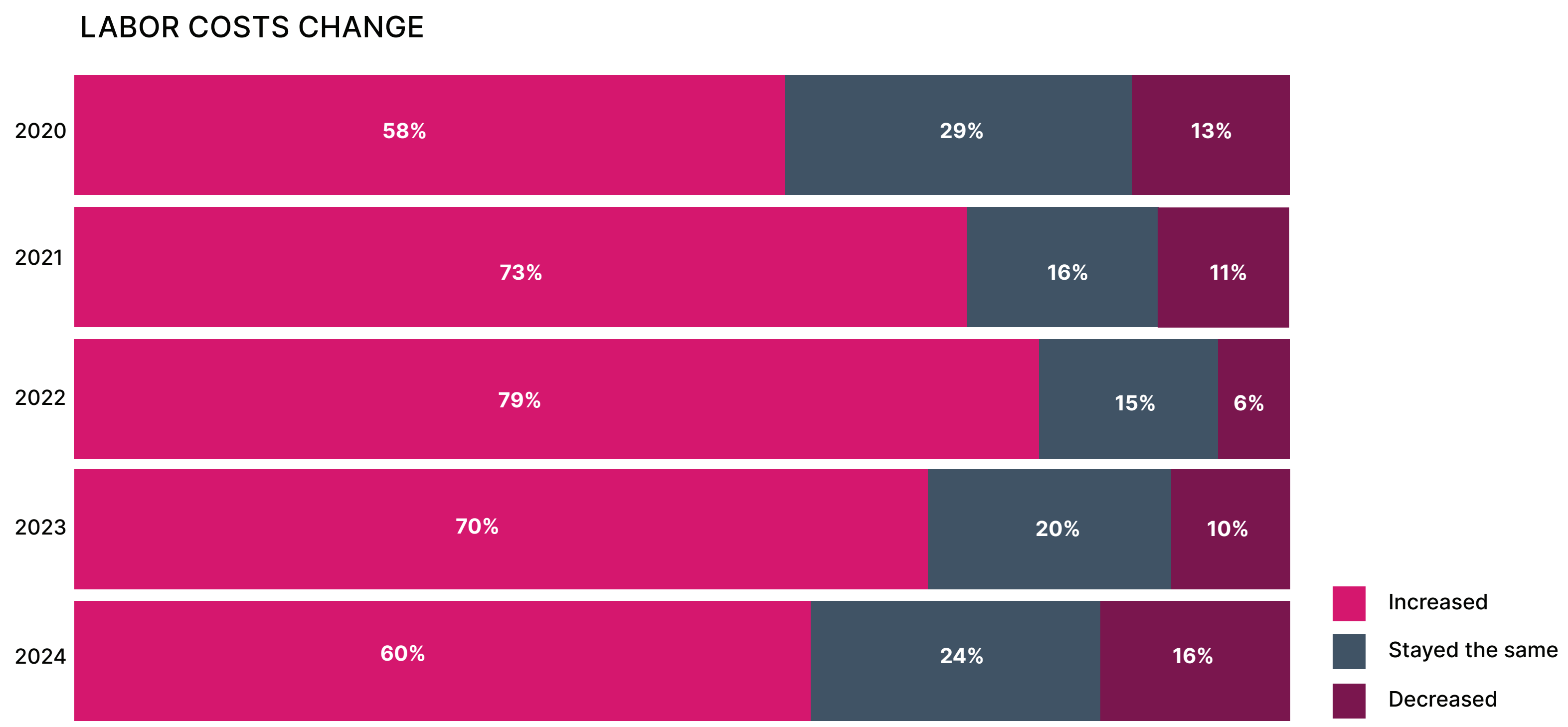
Labor Market

In a sign of cautious optimism, most businesses expect they will be adding workers over the next year. However, the percentage that expect to add workers is the lowest in the past four years, dropping to 57% in 2024. It is worth noting that while 64% of respondents expected to increase their workforce in the time since last year's survey, the Bureau of Labor Statistics reports that the overall number of people employed in the warehousing industry decreased from 1,798,000 in August 2023 to 1,782,800 in July 2024, indicating how difficult the warehousing industry has been recently.

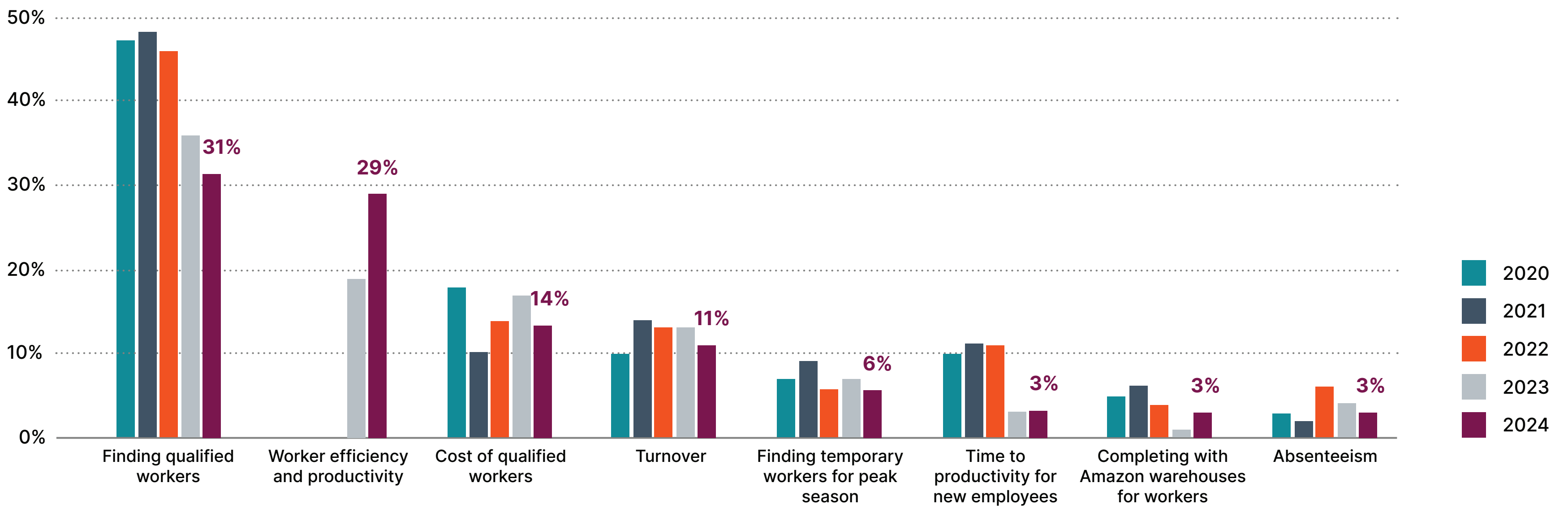
EXPECTED STAFFING CHANGE NEXT YEAR



This sluggish hiring environment has unsurprisingly translated into fewer companies seeing their labor costs increase year over year. Only 60% of companies reported labor costs increasing this year, marking the first time this metric has been under 70%. However, despite this shift, the data for labor as a percentage of total business costs is consistent with previous years.



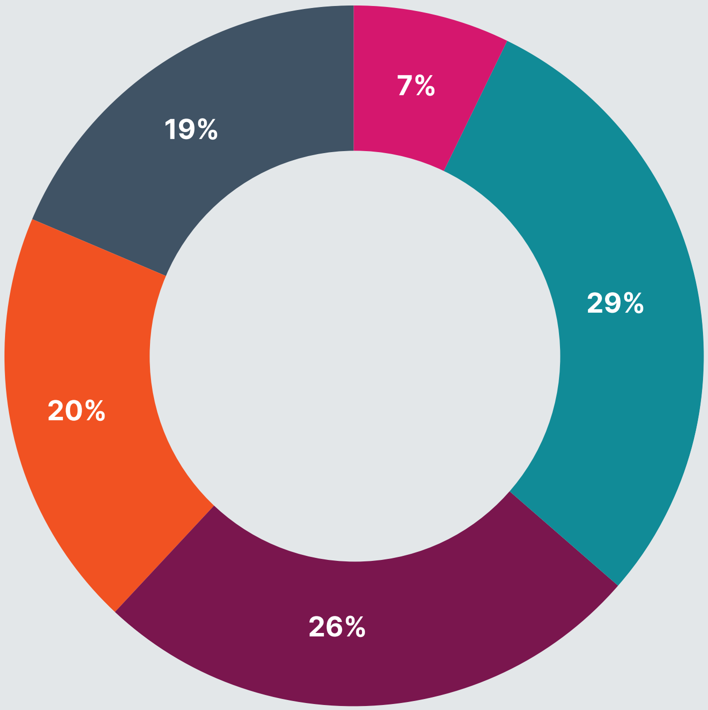
BIGGEST WAREHOUSE STAFFING CHALLENGE



The responses also indicate that it is getting meaningfully easier to find qualified workers. This year, only 31% cited finding qualified workers as their biggest challenge related to staffing, continuing the decline from its peak in 2021 at 48%. However, businesses at both ends of the profitability spectrum—those with the highest profitability growth and those with declining profitability—share this struggle and are 1.4 times more likely than 3PLs in other profitability tiers to name this as their largest staffing challenge.

Additionally, although the change has not been as dramatic, employee turnover is cited less frequently as a leading problem—except for warehouses performing omnichannel fulfillment, which were 1.7 times more likely to name this as their biggest warehouse staffing challenge—which is expected in an environment where warehouse jobs are harder to come by.

Billing & Invoicing



CUSTOMER INVOICE PROCESS

- Through accounting software
- Through our WMS
- Manually
- WMS integrates and feeds into accounting (e.g., QuickBooks) or ERP system
- Other

Billing Automation

Cash flow is king for 3PLs in 2024, and more and more warehouses are looking to automate their billing processes to ensure they are billing quickly and accurately. This year, just over a quarter (26%) of respondents utilized their warehouse management system for this task. The data indicates that 3PLs leveraging invoicing functions in their WMS were 2.2 times more likely to see medium or better profitability growth. Clearly, these businesses—who can take advantage of a unified technology stack that enables them to automate their accounting functions—are better able to bill their higher volume customers quickly.

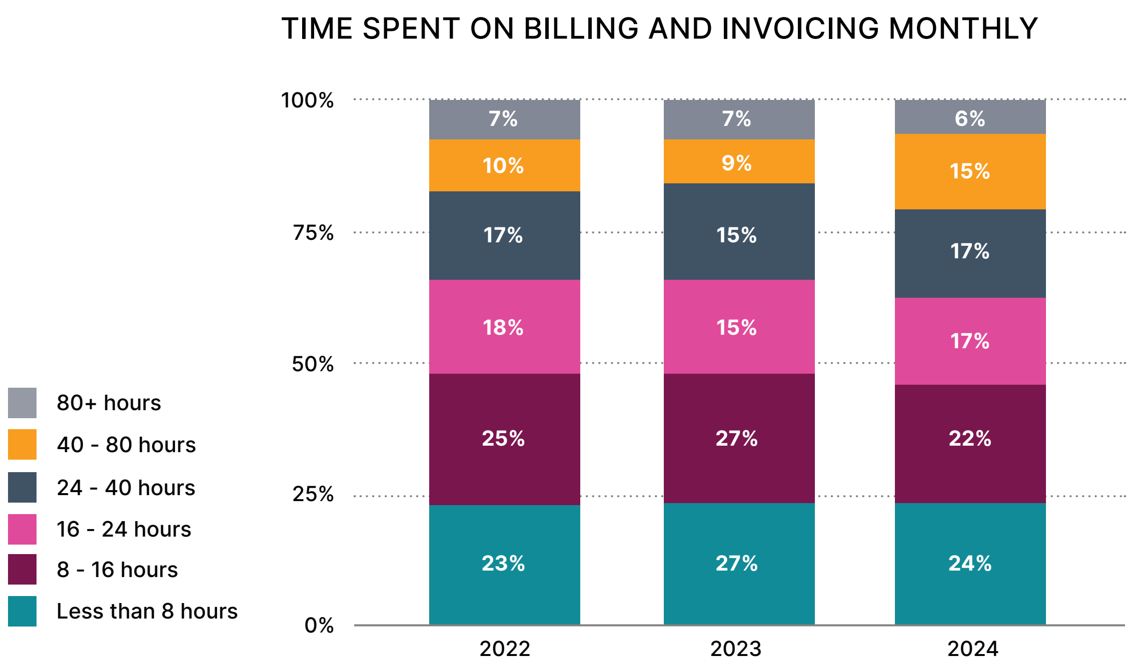
Interestingly, manual invoicing was used by 20% of respondents and would be an area of opportunity for any business not automating their financials today. With the proportion of 3PLs using billing automation increasing at the profitable end of the spectrum, the data suggests that using accounting solutions integrated within a fulfillment technology stack or native billing tools within a WMS for invoicing can lead to better profitability, likely due to increased efficiency, fewer errors, and faster billing cycles.

Time Commitments

Unexpectedly, the time spent billing customers increased in 2024 with 24% of 3PLs reporting they spent less than 8 hours per month on billing, down from 27% in 2023. On the other end of the spectrum, a smaller group (6%) spent over 80 hours per month on billing and invoicing, which is consistent with previous years.

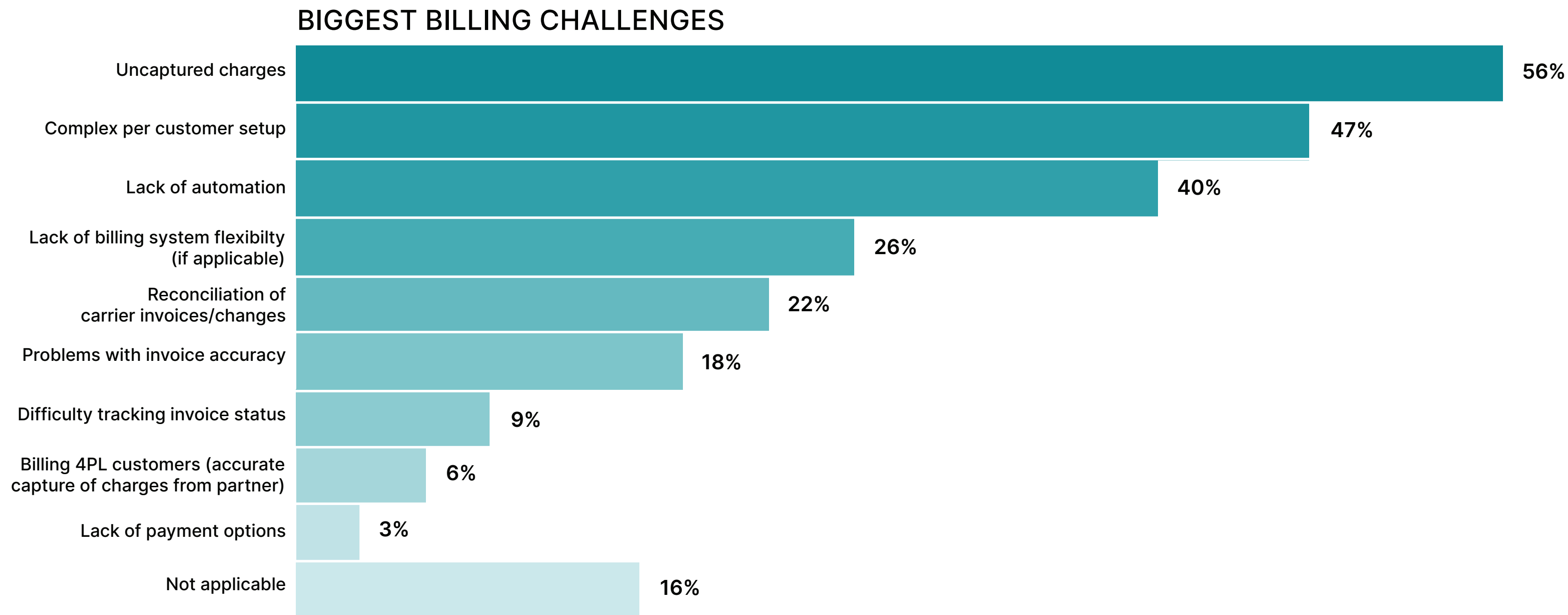
Those who spent less than 16 hours on billing and invoicing were 2.8 times more likely to see high profitability growth. When jumping up to 24-40 hours spent on billing and invoicing, respondents were 1.9 times more likely to experience medium order volume growth. What is perhaps more compelling is that none of the 3PLs that spent more than 80 hours per month on billing achieved high profitability.

Efficient billing processes seem crucial for profitability, as less time spent on billing correlates with higher profitability. Automated systems can help streamline these processes, allowing businesses to focus on growth and customer service.



Billing Challenges

Billing can be complex, and 3PLs face several significant and distinctive challenges. Uncaptured charges were the biggest issue related to customer billing for 56% of respondents, and those involved in B2B fulfillment were 1.5 times more likely to cite this as their biggest challenge. 3PLs using manual methods for capturing charges—especially those still reliant on pen and paper—are no doubt missing billable events because of unreliable recording or lost documents, making a strong case for digital charge capture and automation.



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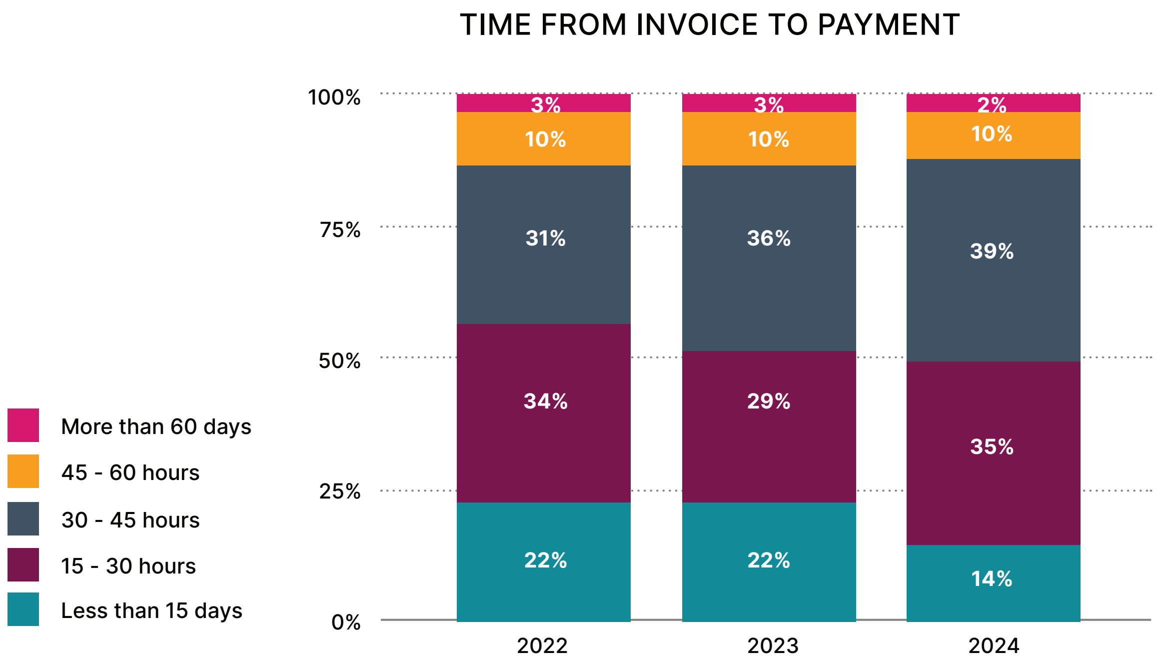
Complex customer setups were the second most common response, but those with high order volume growth were 74% more likely to choose this as their biggest challenge, likely driven by demanding customers, special projects, and sheer volume of chargeable events. Interestingly, respondents on either end of the profitability spectrum—meaning experiencing either high or negative profitability change—were 25% more likely to cite complex customer setup as their top billing challenge.

These challenges highlight the need for robust and flexible billing systems to handle diverse customer requirements and ensure accuracy. Automated systems can help mitigate these issues by ensuring all charges are accurately captured and billed, reducing revenue leakage and improving cash flow.

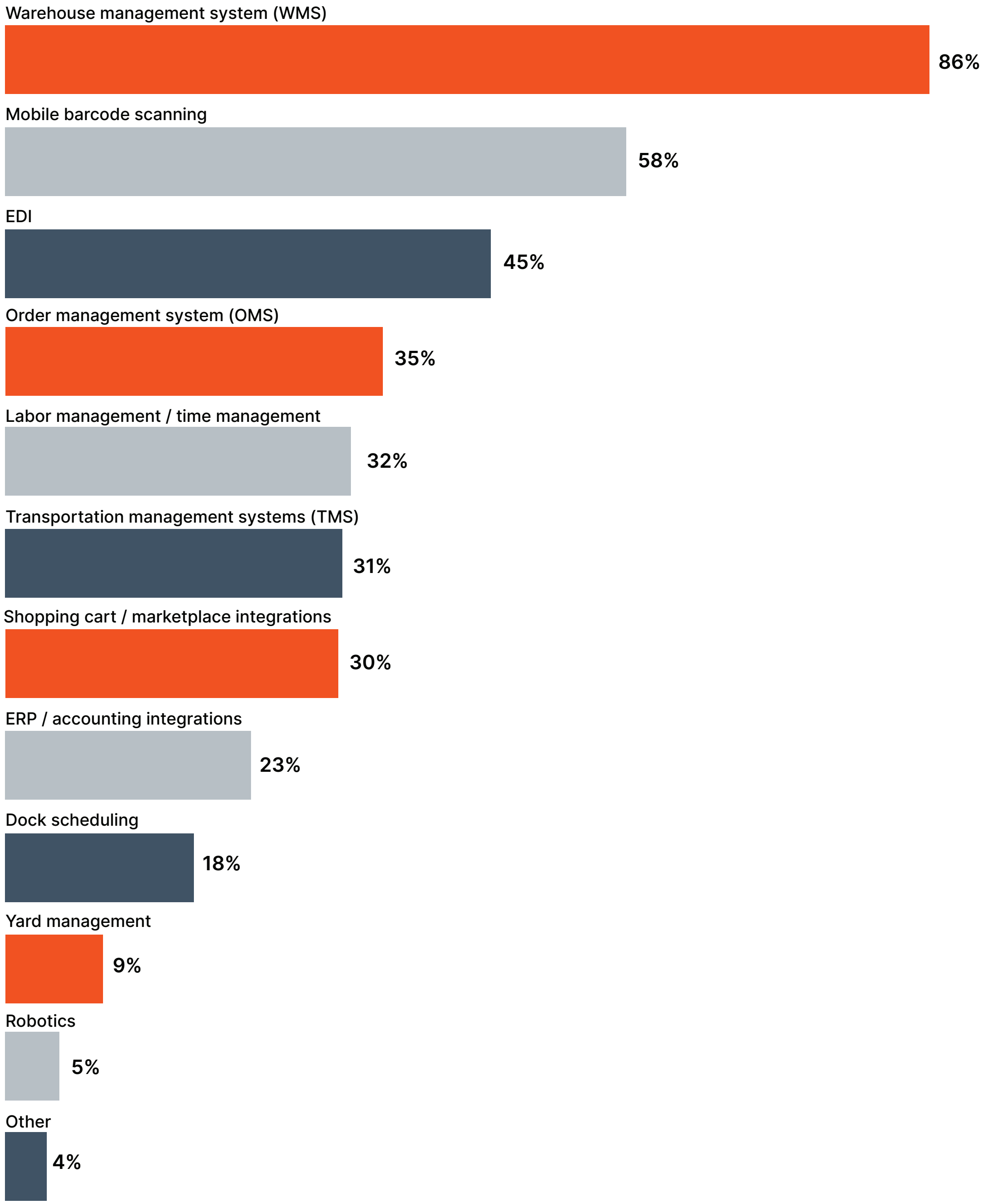


Receiving Payments

It's taking longer to get paid in 2024. Payment times vary, but only 14% of respondents reported receiving payments in less than 15 days, down from 22% in 2023. The largest cohort (39%) received payments within 30-45 days, a slight increase from 36% last year. This is likely a lingering effect of the post-pandemic contraction in ecommerce; as brands' sales slow, their ability to pay on time may be compromised, leading us to believe that industry diversification is a great way to normalize cash flow over time.

Efficient payment receipt is crucial for maintaining working capital and financial stability. The trend towards longer payment times can strain cash flow, emphasizing the importance of efficient billing processes and clear communication with customers about payment expectations. The data also supports the idea that businesses looking to improve cash flow should invest in automated systems for data collection, invoicing, and payments. These systems enhance operational efficiency and accuracy, support better financial performance and growth, and provide a robust foundation for sustainable business success.

Technology Adoption



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Systems Implemented

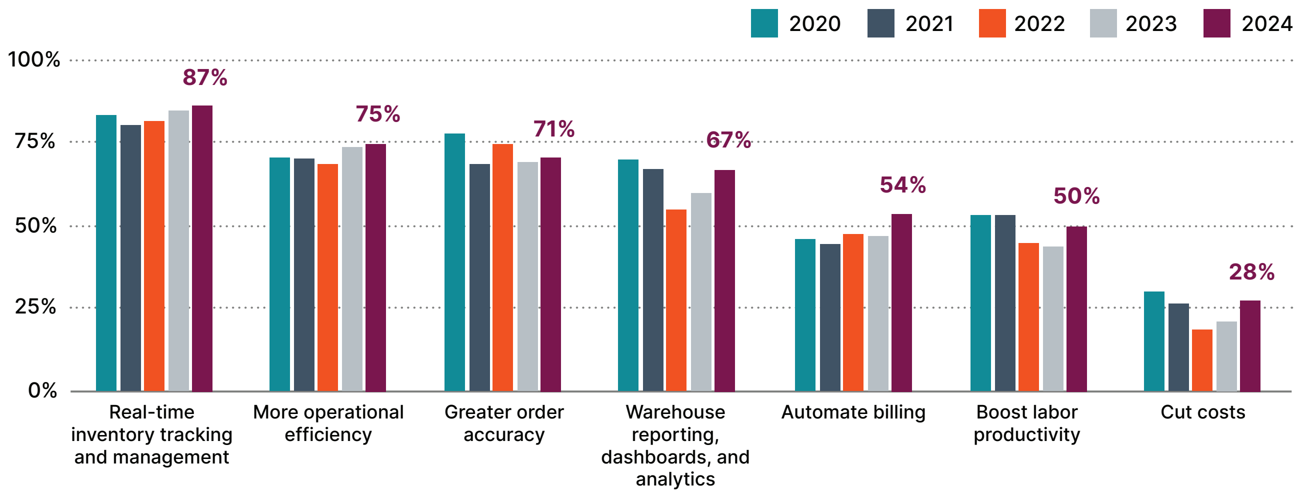
Robust warehouse management systems continue to play a crucial role for modern business operations, helping companies manage their inventory, streamline processes, and boost efficiency. An overwhelming majority of respondents (86%) indicated their WMS was a critical component of their technology stack, which has continued to hold steady since the first Third-Party Logistics Warehouse Benchmark Report in 2020. The remaining 3PLs who had yet to adopt a WMS indicated that their top reasons for not investing in this technology include it being too expensive, too time-consuming to implement, or that their current inventory tracking systems work just fine.

Mobile barcode scanning was also popular, coming in second with 58% of businesses having implemented it, up from 51% last year. The number of respondents indicating they have implemented an order management system (OMS) saw the most significant year-over-year decline to 35% from 51% in 2023, but respondents that experienced high profitability growth were 57% more likely to have implemented an OMS.

Warehouse Management Systems

Almost all 3PLs that implemented a WMS (87%) stated the need for real-time inventory tracking and management as their top value proposition, followed by the need for more operational efficiency (75%). Some of the largest categorical changes from last year were the need to automate billing (54% vs. 47%), data reporting (67% vs. 60%), and cost cutting (28% vs. 21%). These numbers indicate that businesses are maturing in their use of WMS technology and are looking to get the most out of what their software can offer.

REASONS FOR WMS ADOPTION



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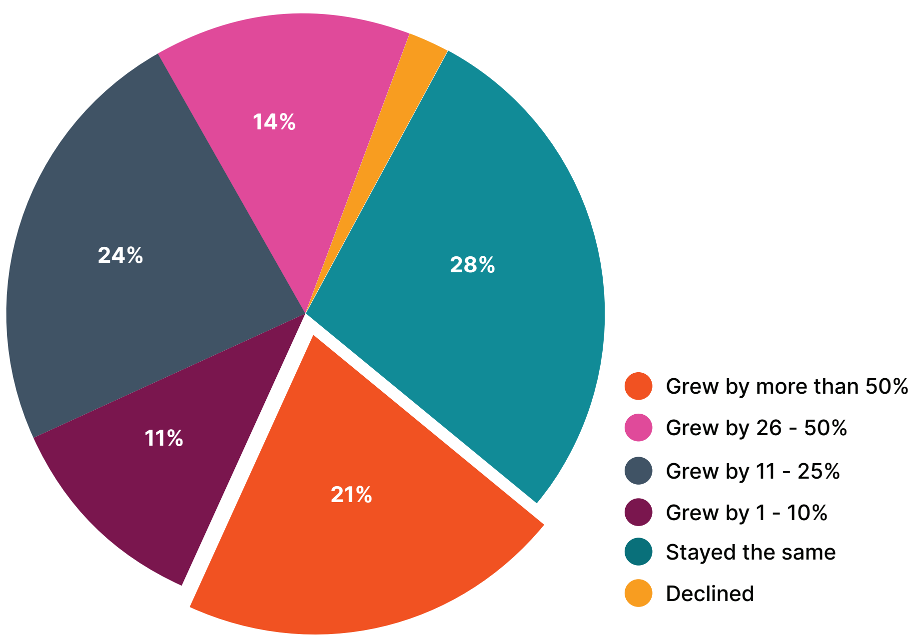
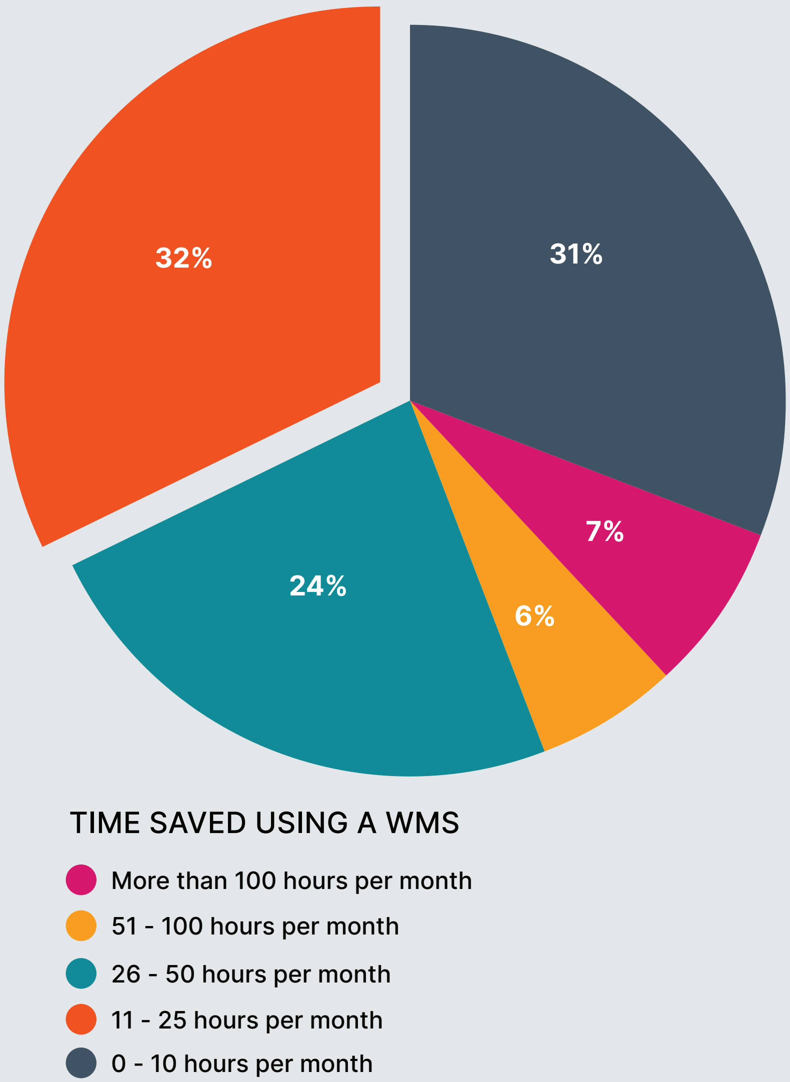
ORDER VOLUME CHANGE WITH A WMS



Accurate inventory control and WMS mastery has proven to positively impact order volume. An impressive 70% of businesses saw their order volumes grow after implementing a warehouse management system, with 21% seeing order volume growth above 50%. In total, 59% of responding 3PLs experienced order volume growth of greater than 10% in 2024 vs. only 44% experiencing the same growth in 2023. Considering all the data, it is evident that using a WMS to establish an accurate source of truth for warehouse operations is foundational to building a growing business.



Digital Automation

A byproduct of many warehouse management systems is access to larger scale warehouse automation, translating to significant time savings. Overall, 69% of respondents saved more than 10 labor hours per month after implementing automation technologies with the largest cohort (32%) saving 11-25 hours.

Businesses with declining order volumes were 1.4 times more likely to report saving less than 25 hours per month from warehouse automations. This trend shows that while automation often saves substantial time in the warehouse, it doesn't completely eliminate the need for a skilled human workforce.

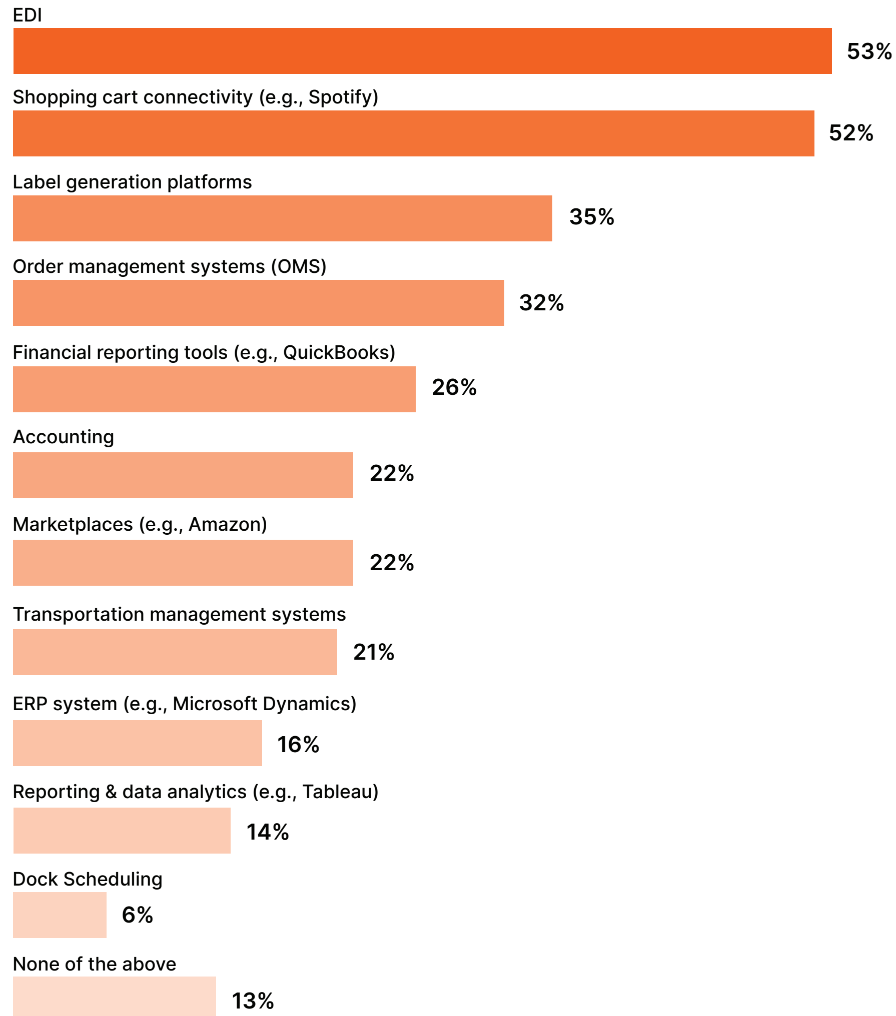
Systems Integrations

Beyond WMS automations, there were a few notable findings about additional system integrations. High order volume growth businesses were 1.8 times more likely to have shopping cart integrations, illustrating the importance of seamless connectivity in driving business success. Correspondingly, 56% of respondents that integrated shopping cart connectivity with their WMS or ERP experienced medium to high profitability.

It goes without saying that automating the flow of any data across systems inherently reduces costs and errors, but these integrations stand out for how much they streamline B2C and ecommerce fulfillment so that 3PLs can better serve their customers.

2024 also marked a year of continued emphasis on data-based decision making as 27% of 3PLs integrating reporting and data analytics with their WMS or ERP experienced high profitability. Combining automation and data reporting can create the perfect opportunity for both real-time decision making and long-term forecasting that can help lower the overall cost to serve in every capacity.

SYSTEMS INTEGRATED



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Future Plans

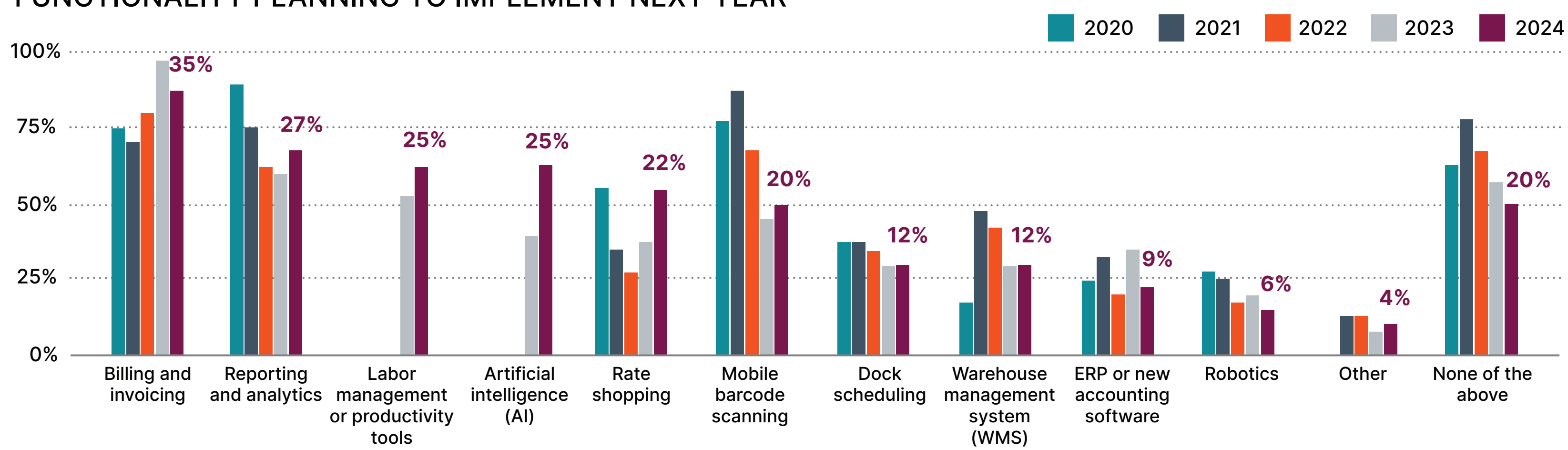
Looking ahead, businesses are planning to implement new functionalities to further enhance their operations. Though billing and invoicing software tops the list with 35% planning to implement this functionality, it fell slightly in popularity from 39% in 2023. However, the rest of the top five categories—reporting and analytics, labor management or productivity tools, artificial intelligence (AI), and rate shopping—all increased since last year.

Given the easing of some of the labor-related challenges, respondents are less focused on adding robotics to their operations. In the 2024 survey, only 6% of respondents listed robotics as something they plan to implement in the coming year, the lowest percentage recorded for this option since the introduction of this survey. Instead, companies are turning their attention to measuring the efficiency of their workers, with 25% citing implementing labor management and productivity tools as a top priority for the year ahead—the same percentage as those looking to invest in AI.

Businesses planning to implement AI and/or mobile barcode scanning were 40% more likely to experience high profitability and 70% less likely to see negative profitability change in 2024. AI was the top functionality chosen by respondents experiencing high order volume growth while mobile barcode scanning was the most popular among those experiencing negative order volume growth.

It's easy to rationalize this difference given the rapid evolution of warehousing and logistics technologies. High performing businesses are looking to cross into a new horizon of efficiency while lower performing warehouses are looking to stabilize and strengthen their operations with tried-and-true technology. It is important to note that barcode scanning and AI have a strong connection: collecting relevant data in real time is important for training AI and machine learning (ML) models to make informed decisions, which is prohibitively difficult without digital methods like barcode scanning. Thus, it is a fair assumption that those 3PLs planning to invest in AI now implemented barcode scanning in previous years.

FUNCTIONALITY PLANNING TO IMPLEMENT NEXT YEAR



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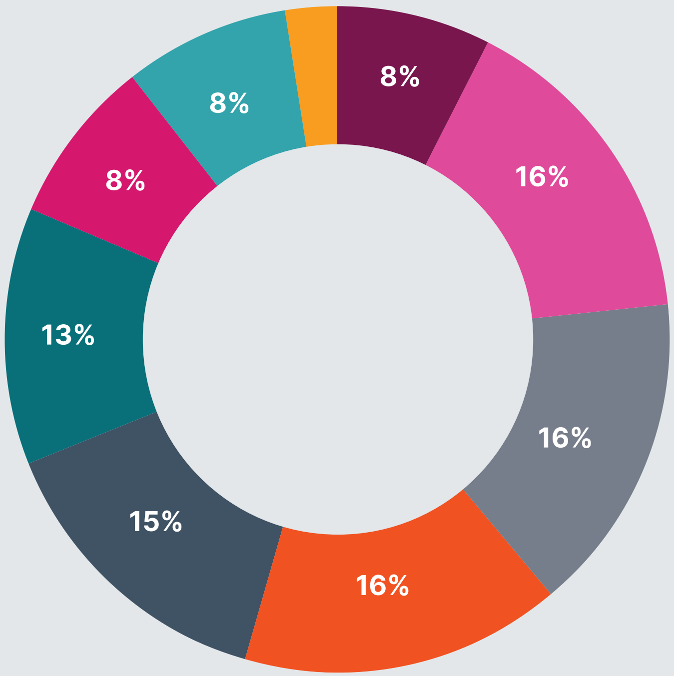


AI's BIGGEST IMPACT AREA FOR 3PLs

- Pick optimization
- Storage optimization
- Business development
- Demand forecasting
- Labor planning
- Location optimization
- Marketing
- Warehouse location
- Other

Artificial Intelligence

The rise of artificial intelligence as a priority for technology investment is hardly surprising given the media focus on AI across all industries. Last year was the first year we included AI in the survey, and only 16% of respondents were looking to explore it. This year, that number rose sharply to 25%.

However, in an indication that the industry is still looking for solutions with proven value, responses were evenly divided as to where AI will be best applied. Responses were almost equally divided across the top five choices, though 3PLs providing omnichannel fulfillment were 45% more likely to choose demand forecasting as the biggest opportunity for AI.

An increasing number of fulfillment providers are interested in artificial intelligence, but they have yet to coalesce around a single use case with the greatest return on investment (ROI). It is prudent for software providers to rapidly mature and evolve their offerings to prove a positive ROI and make clear to warehouse operators how to best utilize this promising new technology.

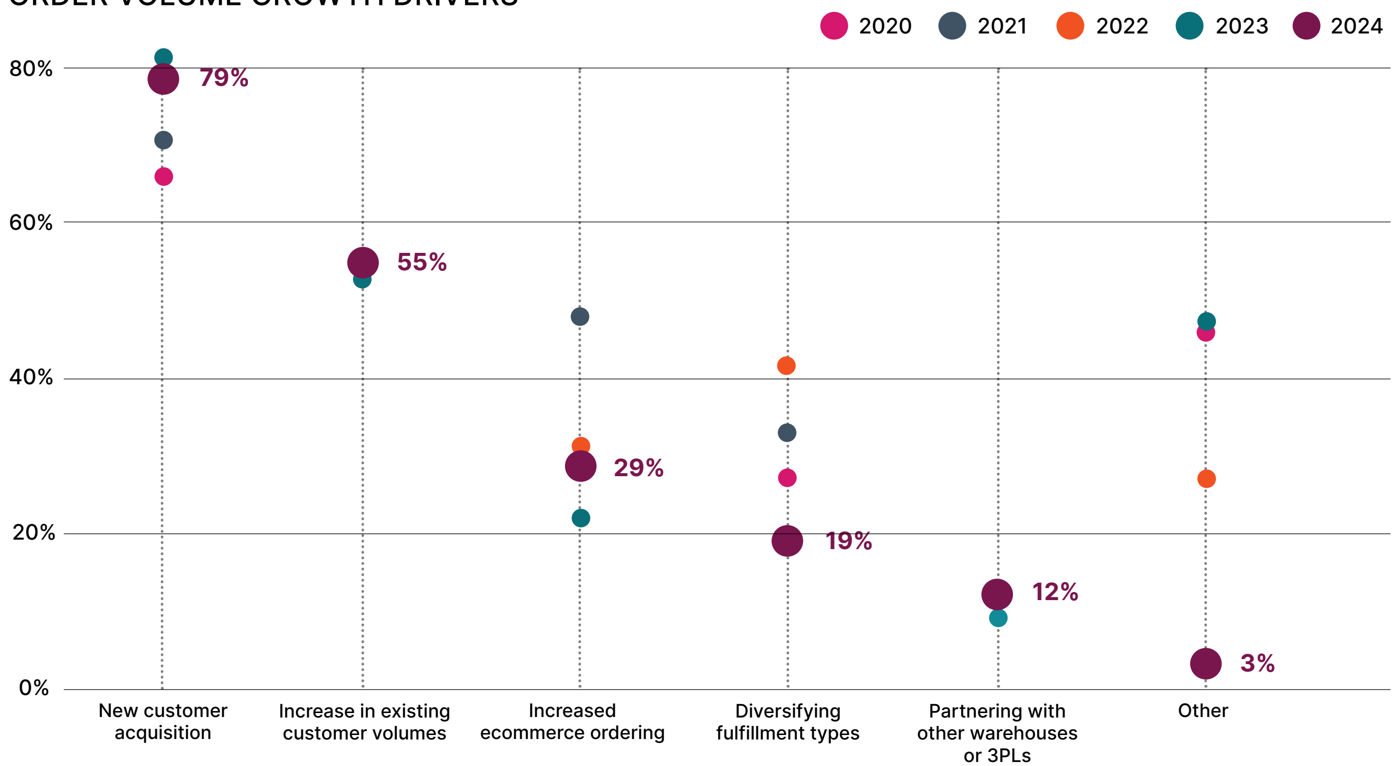
Looking Ahead to 2025

Growth Drivers

The battle for customers is ubiquitous, and new customer acquisition continues to hold the top spot each year as the primary growth driver for most 3PLs (79%) reporting positive order volume growth in 2024. Speaking of growth, 55% of 3PLs reported existing customer volume increases to be part of their growth success story in 2024—including 29% who attributed their growth to increased ecommerce ordering, up from 22% in 2023. However, increases in existing customer order volumes appear less impactful for 3PL business growth as respondents that experienced high order volume increases were 22% less likely to name this as a source of growth.

This category of growth is still significantly trailing the pandemic-fueled ecommerce boom in 2020 and 2021 (both years reached 48%) when nearly all industries were primarily focused on adopting an ecommerce model. Opportunities for additional ecommerce volume monetization is critical from a growth perspective, making transactional volume a key tool in the belt of competitive 3PLs where fulfillment revenue is minimized in lieu of small parcel revenue shares and per order processing fees.

ORDER VOLUME GROWTH DRIVERS



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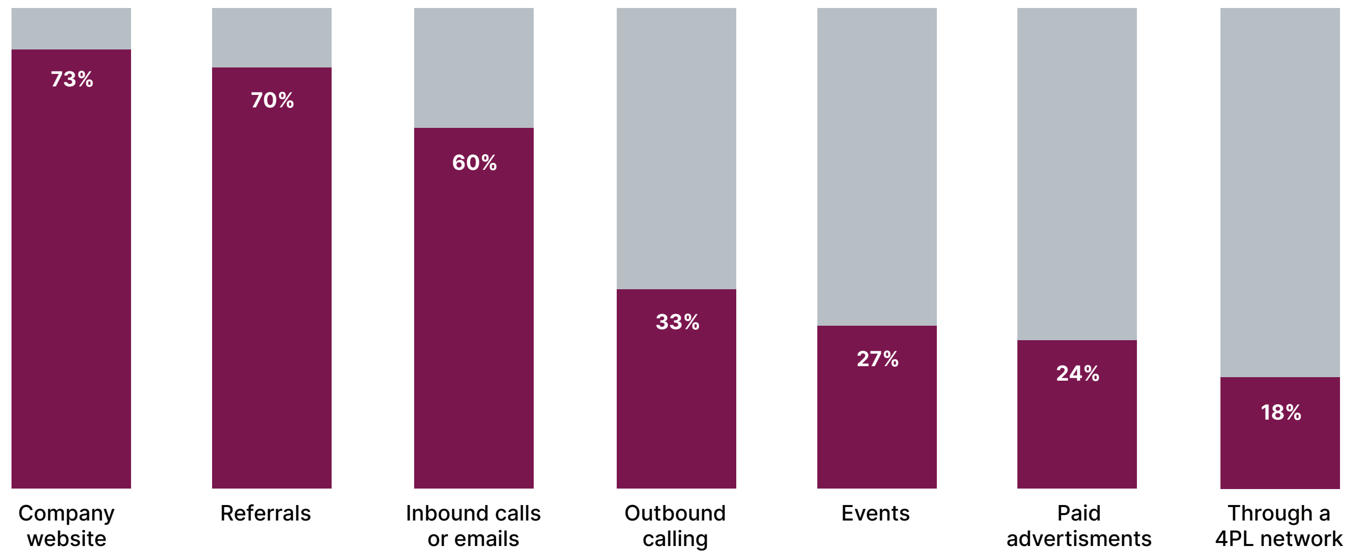
Customer Acquisition

PRIMARY CUSTOMER ACQUISITION CHANNELS



**Multiple selections were allowed*

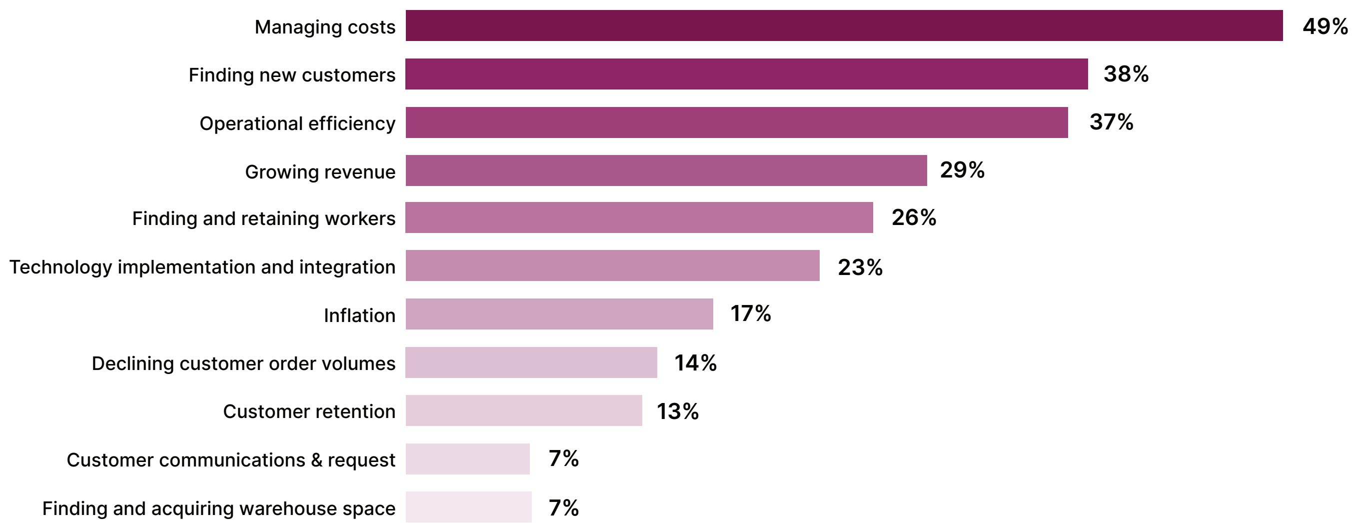
3PLs are continuing to add formal sales strategies and capabilities to their businesses beyond the traditional owner-led growth model. This shift—likely spurred by the introduction and proliferation of digital marketing techniques for optimizing online presence—elevated corporate websites as the top customer acquisition channel in 2024 for the first time in the survey's history.

4PL partner networks also proved to be a massively growing trend in customer acquisition with 18% of 3PLs reporting network participation to be part of their successful growth strategy this past year, jumping from a nominal 2% in 2022. With billions of dollars being invested in the 4PL space, early adopters are finding success with customer acquisition, retention, and growth that is outpacing traditional partner referral growth. Having dedicated, formal 4PL network partners is proving to be a winning combination for quickly enhancing services while maintaining customer control.

Business Challenges

When looking at business challenges, 3PLs that are secure enough to focus on expanding their businesses were more optimistic about the future, gravitating toward more growth-oriented challenges. While managing costs was the most selected business challenge overall at 49%, high and medium growth 3PLs accounted for approximately two-thirds (66%) of these responses.

TOP BUSINESS CHALLENGES

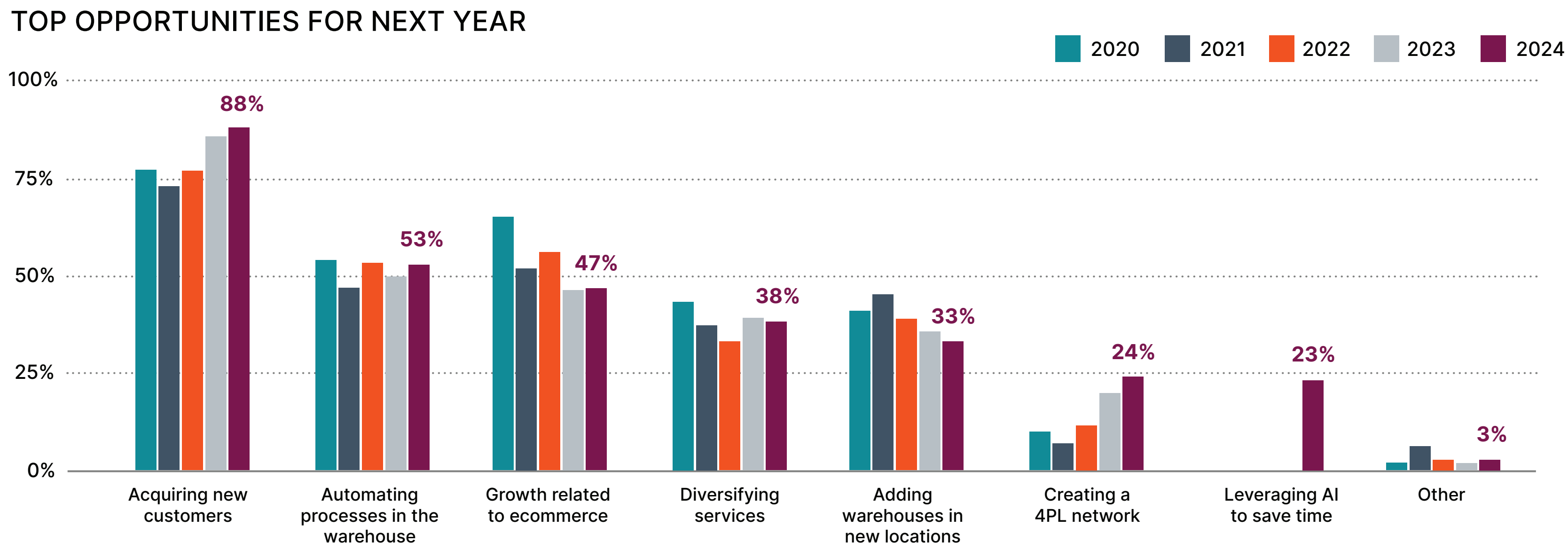


**Respondents selected top 3 choices*

Conversely, finding new customers was the most common challenge for 3PLs experiencing a negative profitability trajectory, accounting for 22% of the votes cast by this cohort. While this is an understandable instinct, warehouses in this scenario should investigate how they can make changes within the business to repair profitability before increasing marketing spend to attract new customers.

There continues to be a bifurcation of performance where well-running warehouses continue to grow at the expense of others—a noticeable shift from the height of the pandemic when we saw explosive growth across the industry.

Opportunities



*Multiple selections were allowed

With a slowing growth curve year over year, 3PLs are considering a wide array of options to add revenue to their businesses. While adding warehouses in new locations has decreased in popularity every year since 2021, respondents selecting this as a top opportunity for 2025 were 2.2 times more likely to have experienced high year-over-year order volume growth.

Learning from the past few turbulent years and avoiding taking on excess space could be leading the businesses operating at high capacity to consider alternative ways to grow, including building 4PL networks. Although interest is still lower than for some of the other approaches to growth, interest in fourth-party logistics has doubled since 2022. With more widespread 4PL network participation and growing recognition of this trend, it is unsurprising that participating in 4PL partnerships to improve competitiveness is one of the top movers in growth opportunities.

Artificial intelligence showed the largest jump in interest, comparably boosted by increased industry attention and public awareness, with 23% of 3PLs reporting that leveraging AI for time savings presents a prime opportunity to improve their business efficiency. Again, rising from nearly nonexistent numbers just a couple of years ago, these two initiatives are quickly taking over the 3PL space.

Conclusion

As we wrap up another year's Third-Party Logistics Warehouse Benchmark Report, it's clear that rapid technological innovation, strategic multi-warehouse expansion, and a continuous adaptation to market volatility are the strongest driving forces reshaping the logistics landscape in 2024. While these may seem unrelated at first glance, these are not just isolated trends but are interlinked catalysts fueling the future of the 3PL industry.

The accelerating interest in AI stands out as a beacon of progress—especially in an industry that has previously been hesitant to adopt advanced technology. Despite a lack of consensus on the best use case for artificial intelligence, our report shows that 3PLs' intentions for it have matured beyond mere inventory tracking to more sophisticated applications like optimization and forecasting. This development highlights a growing trend in logistics of rethinking how things are done rather than sticking with conventional strategies.

Likewise, the push towards multi-warehouse fulfillment and 4PL networks highlighted throughout this year's report reflects a tactical shift in the industry. This is not merely about increasing warehouse capacity; it's a calculated response to supply chain volatility and ongoing economic uncertainties. By diversifying their geographic presence, 3PLs can offer more robust solutions to their clients, mitigate risks associated with regional disruptions, and enhance their competitive edge. This strategy, coupled with advancements in technology, enables 3PLs to offer more tailored and responsive services, aligning with the growing expectation for faster, more flexible delivery options among consumers.

Looking ahead to 2025, the convergence of AI advancement and networked fulfillment points to the start of a transformation in logistics, driven by the need to not just cope with disruptions and fluctuations but to actively forecast and shape market realities. Adopting these tools and strategies empowers 3PLs to rise above the challenges of an increasingly complex supply chain—paving the way for sustainable growth and resilience while solidifying them as indispensable partners in their clients' success.

Methodology

RESPONDENTS

The survey was conducted between August 7, 2024, and August 31, 2024. There were 297 respondents who identified as 3PL warehouses from across the United States, Canada, United Kingdom, Australia, and New Zealand. Of the respondent companies, 88% were traditional 3PL warehouses, and 12% were hybrid public and private warehouses (who also sell and ship their own goods). Note that this year saw a small decrease in hybrid warehouse respondents compared to 2023.

Of the respondents, 32% identified as executives or owners, followed by 26% who held roles in warehouse or logistics management and 18% in operations. The remainder spanned other parts of the business.

FORMAT

The survey questions included multiple-choice, multiple-selection, and open text. Due to rounding or multiple-selection questions, the figures may not add up to 100 percent.

About Extensiv

Extensiv is a visionary technology leader focused on creating the future of omnichannel fulfillment. We partner with warehouse professionals and entrepreneurial brands to transform their fulfillment operations in the radically changing world of commerce and consumer expectations. Through our unrivaled network of more than 1,500 connected 3PLs and a suite of integrated, cloud-native warehouse management (WMS), order management (OMS), and inventory management (IMS) software, we enable modern merchants and brands to fulfill demand anywhere with superior flexibility and scale without painful platform migrations as they grow. More than 25,000 logistics professionals and thousands of brands trust Extensiv every day to drive commerce at the pace that modern consumers expect.

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