

DP WORLD'S Q3 RECAP: POSITIONING FOR THE HOLIDAY SURGE



EXECUTIVE SUMMARY

Q3 in Review

The third quarter of 2025 ended with shifting trade lanes, cautious consumers, and executives flagging changes in trade policy (including tariffs) as the top disruption to growth – now outpacing inflation and geopolitical tensions ^[1]. For brands, the holiday surge will intersect with volatile costs, evolving sourcing footprints, and elevated expectations for fast, transparent, cross-border delivery. Those who pair tariff-aware planning with agile logistics and clear consumer pricing stand to win share in Q4.

DP WORLD'S VIEW



Holiday Stocking Earlier to Manage Tariffs

Across our North American operations, we're seeing customers begin holiday stock-in earlier than prior years – particularly through earlier inventory staging to manage tariff exposure and ensure availability ahead of the surge. This tells us the commercial focus has shifted from volume management to tariff mitigation.





DP WORLD'S VIEW

Preparing for Early, Mobile-Led Orders

Retail customers are staging inventory earlier in our multi-customer warehouses to align with accelerated demand. We've also seen heightened requests for mobile-optimized fulfillment solutions – such as parcel routing that prioritizes two-day delivery for smartphone-driven orders.

Q3 ORDER- PATTERN TRENDS: Early Starts, Mobile Checkout, and a Cautious Consumer

Early starts are real. Multiple trackers show shoppers moving sooner to secure deals and hedge against price or tariff surprises. CivicScience reporting – summarized by BigCommerce – finds 21% of U.S. consumers had started holiday shopping by July 1 (vs. 16% last year) ^[2]; CivicScience's own August note adds that uncertainty and tariffs are reshaping plans for the season ^[9]. In parallel, “back-to-school” (a lead indicator for holiday behavior) also shifted earlier, with 67% of families starting by early July, the highest since 2018 ^[10].

Mobile is the primary checkout lane. Adobe reports \$241.4B in online U.S. holiday sales in 2024 (+8.7% YoY) with smartphones accounting for 54.5% of online purchases, the most mobile season on record ^[3]. Expect that mobile skew – and its operational implications for conversion, payments, and fraud prevention – to persist into 2025.

Holiday growth moderates, channel mix diverges. Deloitte projects total holiday retail sales growth of 2.9%–3.4% (Nov 2025–Jan 2026), the slowest since the pandemic, with e-commerce at 7%–9% and in-store at ~2.0%–2.2% ^[4].

Separately, PwC's 2025 Holiday Outlook signals the first consumer spending pullback since 2020 (-5% on average), with sharper reductions among Generation Z ^[5]. Together, these point to steady online orders, more frugal baskets, and heavier promotional sensitivity.

Operational takeaway: Expect front-loaded demand, mobile-led conversion, higher promo elasticity, and compressed margins – all of which heighten the value of precise forecasting, flexible capacity, and disciplined returns management.

GLOBAL TRADE REALIGNMENTS RESHAPING Q4

Supply chains continue to re-route along geopolitical lines. The United States has shifted import share toward Mexico and Association of Southeast Asian Nations (ASEAN) – with Vietnam a notable gainer in electronics and apparel – while China has deepened flows with ASEAN, Latin America, and Russia. Yet value-added still often traces back to China, creating indirect tariff exposure via components ^[6]. For Q4, brands must model not only the assembly location but origin of inputs to assess tariff levels, lead times, and re-routing risk.

DP WORLD'S VIEW

Flexible Gateways for Shifting Trade Lanes



We're actively helping brands balance sourcing shifts with logistics options. For instance, some customers now move partial volumes through Mexico with bonded trucking into the U.S., while others leverage our Asia-North America ocean-air solutions to hedge against China-specific tariffs.



ECONOMIC SENTIMENT HEADING INTO PEAK SEASON

Executive sentiment remains fragile. In McKinsey's June pulse, more than 70% viewed global economic conditions as worse than six months earlier – though near-term expectations stabilized – while trade-policy shifts remained the top risk [\[1\]](#). Leaders are simultaneously investing in artificial intelligence (AI), workforce upskilling, and resilience, even as they manage tariff ambiguity. And the planning stakes are high: McKinsey's operations experts note that a 25% tariff can trigger a multi-year supply chain reset, with some categories now facing triple-digit rates [\[2\]](#).



DP WORLD'S VIEW

Building Resilience with Flexible Storage Solutions

We're helping customers strengthen resilience by using flexible storage and distribution strategies that allow earlier staging, rapid redeployment, and cost-efficient scaling as tariff and trade conditions change.

CONSUMER AND RETAIL IMPLICATIONS

Tariff opacity remains a conversion risk: shoppers often assume the displayed online price is final, only to be surprised by duty and tax at delivery – fueling cart abandonment and support tickets ^[9]. Cost passthrough is uneven and sector-specific.



Electronics & Apparel:

Upstream component or textile duties complicate Q4 pricing and promo calendars.



Food & Beverage:

Duties on inputs (e.g., sugar, cocoa, packaging) can squeeze margins even when final goods are domestic.



Home & Durables:

Metal and parts tariffs can lift costs even when assembly shifts to lower-duty geographies.

Operationally, heightened price sensitivity, early demand, and mobile-led checkout put inventory positioning, final-mile options, and returns in the spotlight.

DP WORLD'S VIEW

Transparency to Reduce Checkout Abandonment



Our commercial team reports rising demand for customs brokerage and duty calculation tools integrated into checkout systems. Retailers want to surface “all-in” pricing to consumers upfront to reduce abandonment and service calls.



DP WORLD'S VIEW

Parallel Paths for Supply Chain Flexibility

Our customers are testing contingency playbooks earlier. For example, some are staging two parallel transport lanes – ocean plus expedited air backup – so they can switch depending on tariff rulings or port congestion. DP World's integrated footprint allows this flexibility without duplicating vendor management.

FORECAST: Q4 Holiday Surge Strategies

Leaders are deploying a resilient-growth playbook that blends defensive hedges with selective offense:

Dynamic Pricing & Assortment Discipline.

Pull forward markdowns on legacy Stock Keeping Units (SKUs) while delaying price calls on newness until tariff clarity improves; rebalance toward trusted value tiers. (See also CEO guidance on pricing under uncertainty [\[8\]](#).)

Inventory Buffering & Trade Programs.

Use near-port or regional storage facilities to forward-position key SKUs, and calibrate safety stocks to cover tariff or port-ops shocks [\[7\]](#).

Supplier Optionality.

Pre-qualify alternates (quality, compliance, tooling), contract for contingent volumes, and validate rules-of-origin to reduce surprise duty [\[7\]](#).

Digital Simulations.

Pair demand sensing with AI-driven tariff and network simulations to stress-test costs, capacity, and service levels before peak [\[1\]\[7\]](#).

Experience Fixes for Mobile.

Streamline mobile checkout (payments, address validation, ETA duty calculation), as smartphone share continues to rise [\[3\]](#).

HOW DP WORLD FITS AS A PARTNER IN RESILIENCE

DP World in North America is designed for this moment – linking [ocean, air, inland terminals](#), and [multi-customer warehousing](#) with integrated tech and customs expertise to lower total cost of ownership (TCO) and protect service during spikes:



Peak-Ready Fulfillment at Scale.

Flexible, multi-tenant sites near ports/air gateways support fast intake, two-day delivery, and accurate direct-to-consumer (D2C) and marketplace flows.



Customs Intelligence & Brokerage.

Tariff classification support and documentation rigor help reduce duty leakage and cycle-time surprises.



Inventory Optimization & Visibility.

Integrated planning and real-time status provide earlier signals for re-slotting, carrier mix, and promo pacing.



Returns & Recovery.

Rapid screening, grading, and refurbishment help recapture margin and improve sell-through on seasonal items. As return volumes spike in January, readiness becomes a competitive advantage. The best-performing retailers will treat returns as a continuation of the customer experience – one that builds loyalty and accelerates re-commerce. DP World is already preparing capacity and process improvements to meet that surge head on.

DP WORLD'S VIEW

Holiday Resilience Beyond Volume

Our perspective is clear: holiday resilience is no longer about handling volume alone. It's about giving customers tariff flexibility, mobile-optimized fulfillment, and rapid returns recovery. That's where DP World is positioned to make the difference in 2025.



LAST-MILE DELIVERY: Speed and Experience at the Final Touchpoint

In the last mile - the final and most visible stage of delivery - speed and reliability define the customer experience. DP World's carrier and courier marketplace enables same-day and next-day delivery, as well as upgrade services like hold-at-location, scheduled delivery, and delivery to a safe place. These flexible options allow retailers to exceed expectations where it matters most: the last touchpoint of the order.

RETURNS READINESS: Turning Returns into Resilience

As we move into Q4, the conversation around returns becomes more critical than ever. Returns are no longer just an operational necessity — they're a strategic lever for profitability, customer retention, and sustainability.

DP World is enhancing a digitized, end-to-end returns solution that connects the customer experience with warehouse operations. By integrating smart data capture, real-time visibility, and automated disposition workflows, we help merchants turn returns into actionable insights and recovered revenue.

The goal is to move beyond simply processing returns to truly optimizing them — shortening the return-to-resale cycle, improving inventory health, and empowering merchants with the data they need to make informed, profitable decisions this peak season and beyond.

Net effect: a defense-plus-offense posture – mitigating tariff-driven costs while enabling agile response to early demand, mobile-heavy conversion, and late-season returns.

DP WORLD'S VIEW

Returns as the Next Competitive Frontier

Our customers are recognizing that returns are not the end of a transaction – they're the beginning of the next sale. We're helping brands close that loop faster, with smarter technology and tighter integration between the customer, carrier, and warehouse.



CONCLUSION

Turning Uncertainty Into Advantage

Q3 reaffirmed that volatility is the baseline. Brands that price transparently, scenario-plan tariffs, pre-position inventory, and leverage partners able to flex capacity and clear customs cleanly will convert Q4 demand without sacrificing margin. Add AI-assisted planning and mobile-first journeys, and you're positioned not just to protect the season – but to gain share heading into 2026.



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REFERENCES

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- [4] [Reuters – “US holiday sales set for slowest growth since pandemic, Deloitte report forecasts” \(Sept 10, 2025\)](#).
- [5] [PwC – “Holiday Outlook 2025”](#).
- [6] [McKinsey Global Institute – “Geopolitics and the Geometry of Global Trade: 2025 update”](#).
- [7] [McKinsey – “The New Tariff Reality: From Risk to Resilience” \(McKinsey Talks Operations, June 2025\)](#).
- [8] [McKinsey – “How CEOs Are Responding to Geopolitical Uncertainty” \(Aug 2025\)](#).
- [9] [CivicScience – “The State of Holiday Shopping Today Amid Tariff-Driven Uncertainty” \(Aug 20, 2025\)](#).
- [10] [National Retail Federation – “Back-to-School Season Begins Early for Majority of Shoppers” \(Press Release, July 2025\)](#).

