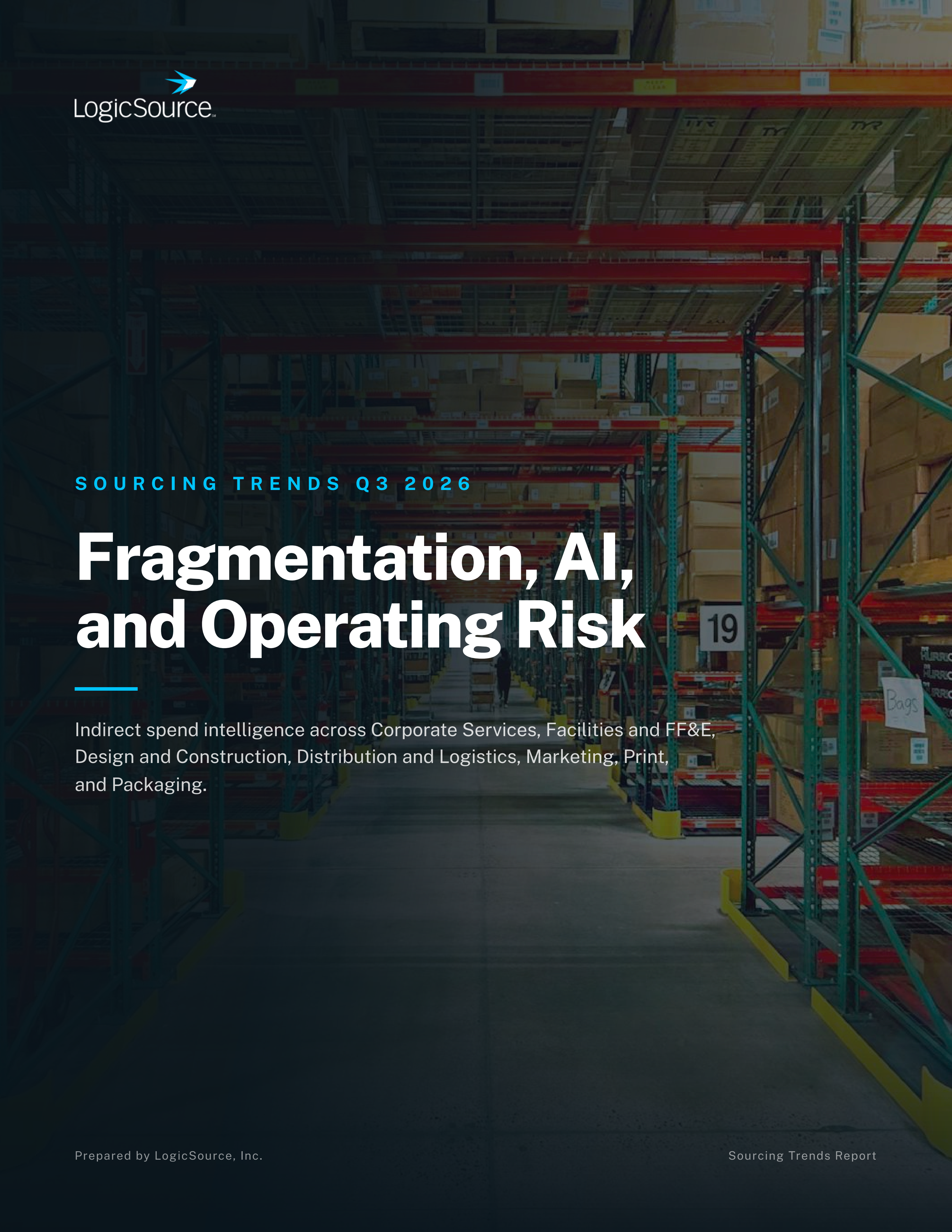


LogicSource

SOURCING TRENDS Q3 2026

# Fragmentation, AI, and Operating Risk

Indirect spend intelligence across Corporate Services, Facilities and FF&E, Design and Construction, Distribution and Logistics, Marketing, Print, and Packaging.

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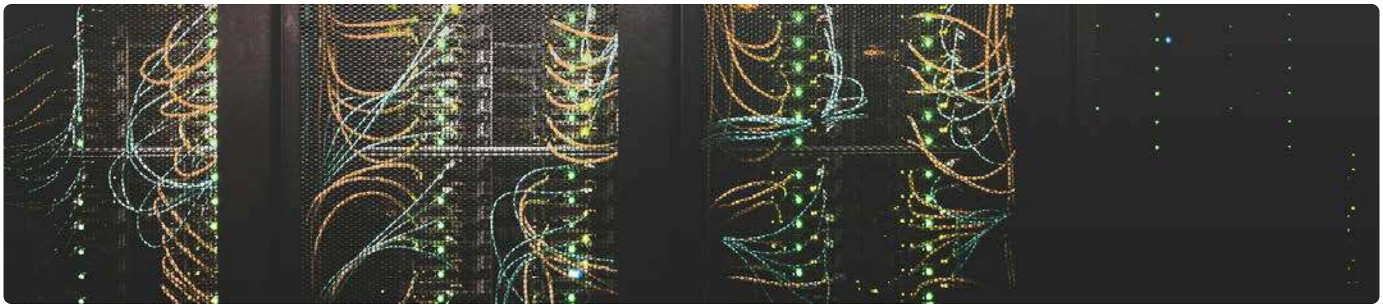
# A less uniform, more fragmented environment.

As the third quarter of 2026 progresses, organizations are operating in an indirect spend environment that is less uniformly inflationary but increasingly fragmented. Supply availability has improved in several categories, yet capacity rationalization, supplier concentration, regulatory change, geopolitical disruption, and rapid AI commercialization continue to create category-specific cost and operating risk. Procurement and Finance leaders are balancing near-term savings with resilience, implementation capacity, data control, and supplier continuity.

Across facilities and construction, equipment and service decisions now require earlier consideration of cybersecurity, lifecycle economics, and project-delivery strategy. In logistics, print, and packaging, improved supply conditions have not eliminated price volatility because fuel, tariffs, capacity management, postal changes, and specification choices continue to influence total landed cost. Corporate services and marketing are also being reshaped by integrated platforms, automation, AI-enabled buying models, and greater demand for commercial transparency.

This report highlights the most consequential Q3 sourcing trends across Corporate Services, Facilities and FF&E, Design and Construction, Distribution and Logistics, Marketing, Print, and Packaging. It identifies where supplier economics and buying models are changing, where new governance requirements are emerging, and where LogicSource clients can create value through strategic sourcing, demand management, implementation planning, and stronger contract controls.



01 · INFORMATION TECHNOLOGY

# AI is reshaping software, hardware, and services costs alike.

### SaaS Inflation and the "AI Tax" Reshape Software Renewals

SaaS pricing pressure accelerated sharply in Q2, with Vertice reporting inflation of 16.4% in June 2026, up from 13.2% in Q1. Vendors are combining traditional increases with packaging changes and new AI charges, effectively attempting to make higher AI-enabled pricing the new renewal baseline.

For LogicSource clients, the challenge is separating true software inflation from the value of newly added AI functionality. LogicSource market intelligence indicates renewal increases historically averaged about 1.5%, while current opening positions can reach 11% to 18%, creating an increased need to negotiate those increases toward more sustainable levels. This scrutiny is especially important when only 32% of senior executives report tangible business-productivity gains from AI and approximately one-quarter have paused or abandoned AI deployments.

**RECOMMENDED ACTIONS**

- Separate base-software pricing, annual increases, and AI charges during negotiations rather than accepting a bundled uplift.
- Benchmark renewals aggressively, require measurable value for AI premiums, and negotiate opt-in rights, consumption caps, credit rollover, overage protection, and the ability to remove AI functionality that does not demonstrate sufficient value.

## Agentic AI Challenges Traditional Seat-Based Software Licensing

Agentic AI could materially change how enterprises consume software because AI agents can perform work across applications without requiring the same number of employees to directly use each platform. Gartner estimates that up to $234 billion of enterprise application spend, roughly 20% of SaaS spending, could be exposed to this shift by 2030. Vertice also reports that seat-based pricing fell to 35% of SaaS pricing models in March 2026, while hybrid models reached 31% and increased 6% year over year.

For LogicSource clients, this makes AI substitution rights increasingly important. If AI reduces the number of employees directly using Salesforce, ServiceNow, ERP, analytics, or other applications, customers should not remain locked into historical seat volumes and minimum commitments.

**RECOMMENDED ACTIONS**

- Negotiate rights to reduce or rebalance licenses when AI changes user requirements, and avoid long-term seat commitments without downward flexibility.
- Tie renewals to active usage, establish license-reduction windows, and secure the ability to convert unused seat commitments into consumption, AI credits, or other products with equivalent value.

## AI Infrastructure Demand Creates New Hardware and Capacity Premiums

AI infrastructure remains one of the fastest-growing areas of technology spend. Gartner forecasts $2.59 trillion of AI spending in 2026, up 47% year over year, including approximately $1.43 trillion for AI infrastructure. Memory is particularly constrained, with TrendForce forecasting Q3 server DRAM prices to increase 13% to 18% quarter over quarter and NAND Flash prices to increase 10% to 15% as AI and data-center demand absorb capacity.

For LogicSource clients, hardware inflation should not be treated uniformly. LogicSource market intelligence places AI platforms, GPU infrastructure, and other AI-intensive categories in a higher inflation tier, while traditional infrastructure and commodity hardware remain significantly more competitive.

**RECOMMENDED ACTIONS**

- Separate AI servers, accelerators, memory, storage, networking, and power infrastructure from commodity hardware when budgeting and sourcing.
- Forecast critical requirements earlier, evaluate long-term supply agreements and qualified alternatives, require component-level pricing transparency, and negotiate price protection rather than accepting blanket hardware increases.

## AI Creates a Two-Speed IT Services Market

The IT services market is increasingly split between scarce AI expertise and more competitive traditional services. Gartner forecasts IT services spending to grow 9.0% in 2026, far below the 55.8% growth projected for data-center systems, while IDC reports that traditional IT consulting is facing headwinds from economic uncertainty and AI-enabled service delivery. LogicSource market intelligence simultaneously shows specialized technical resources experiencing 15% to 20% hourly-rate pressure, reinforcing the premium attached to scarce skills.

For LogicSource clients, this creates an opportunity to distinguish high-demand AI, cybersecurity, and specialized talent from traditional consulting, implementation, staff augmentation, application development, testing, and mature managed services. Competitive sourcing activity is showing greater leverage in these more traditional areas even as specialized AI talent remains expensive.

**RECOMMENDED ACTIONS**

- Competitively source traditional implementation and services work rather than accepting broad IT labor inflation, while benchmarking scarce skill sets separately.
- Require providers to quantify AI-driven productivity, reduce hours and staffing where automation changes delivery effort, and use fixed-fee, milestone, or outcome-based models so supplier productivity improvements translate into customer savings.

02 · CORPORATE SERVICES

# Platforms, terms, and timing are becoming sourcing levers.

## Integrated Finance Platforms Challenge Traditional Travel, Card, and Expense Models

Companies such as Navan and Ramp are challenging traditional travel, corporate card, and expense models by bringing more of these activities into a single platform. Navan focuses on integrating business travel with payments and expense management, while Ramp combines corporate cards with broader spend and expense controls.

For customers, the value is a simpler employee experience, better visibility into spending, stronger policy controls, and less manual expense administration. This is a new, innovative way to manage employee expenses to target and reduce non-reimbursable expenses. These platforms can also reduce the number of separate providers and systems Finance and Procurement need to manage.

**RECOMMENDED ACTIONS**

- Evaluate integrated platforms against the current travel, card, and expense model, focusing on total cost, user experience, spend visibility, policy controls, and integration requirements.
- Use competitive evaluations to determine whether consolidation can reduce complexity and improve financial control.

## Early-Payment Programs Become Supplier-Resilience and Working-Capital Levers

Companies are increasingly using payment terms as a strategic sourcing lever to improve cash flow and generate savings. Global payment terms increased slightly to an average of 56.5 days in 2025, continuing a market where buyers are holding cash longer rather than shortening terms.

At the same time, suppliers are becoming more willing to trade faster payment for a discount. SAP Taulia's 2026 survey found that 66% of suppliers were willing to accept an invoice discount in exchange for faster payment. This gives buyers greater flexibility to negotiate longer standard terms to improve working capital, while selectively offering early payment when the available discount creates an attractive financial return.

For LogicSource clients, standard payment terms are increasingly extending to 60 to 90 days, depending on the customer's industry and financial profile. LogicSource clients have successfully increased standard payment terms in nearly 65% of applicable negotiations, with the strongest programs combining extended terms, virtual card solutions, and dynamic discounting to maximize working-capital and savings opportunities.

### RECOMMENDED ACTIONS

- Use current market conditions to negotiate longer standard payment terms while offering early-payment or dynamic-discounting options, especially in the direct space.
- Prioritize suppliers where the economics provide the greatest working-capital or discount benefit, rather than a single, blanket approach across the entire supplier population.

## Rising Health Benefit Costs Make Early 2028 Planning a Procurement Priority

Employer health benefit costs continue to rise, increasing pressure on organizations to rethink medical and pharmacy strategies rather than relying on annual renewals. Mercer projects average U.S. employer health benefit costs above $18,500 per employee in 2026, up 6.7%, while prescription drug costs are rising even faster. Employers are responding by reconsidering plan design, carrier strategies, PBM models, and alternative approaches to care delivery.

For LogicSource clients, 2028 planning should begin well before the traditional renewal cycle to create sufficient time to redesign plans, competitively source medical carriers and PBMs, and evaluate point-of-care and other targeted health solutions. Procurement should be engaged early alongside HR and the broker to bring stronger negotiation capabilities to carrier discussions, independently evaluate commercial terms, and ensure broker compensation is fully transparent.

### RECOMMENDED ACTIONS

- Begin 2028 benefits planning in December 2026 and use the additional runway to challenge plan design, competitively evaluate carriers and PBMs, and assess targeted care solutions.
- Engage Procurement directly in broker and carrier negotiations to strengthen commercial leverage, validate fee transparency, and ensure the organization is receiving competitive economics.

03 · FACILITIES AND FF&E

# Equipment decisions now carry cybersecurity and lifecycle stakes.

## Connected Building Systems Expand Facilities Cybersecurity Requirements

Building systems such as HVAC, access control, lighting, elevators, metering, and life-safety equipment are becoming increasingly connected to company networks, cloud platforms, and outside service providers. As these systems become more connected, they can create additional cybersecurity risks, making security requirements an important part of sourcing both the equipment and the suppliers that support it.

For LogicSource clients, cybersecurity requirements need to move upstream into RFPs and contracts rather than relying on post-award IT reviews. Supplier evaluations should address remote access, authentication, activity logging, vulnerability disclosure, patching, product-support periods, subcontractor access, incident response, and secure offboarding. Ownership of administrative credentials, configurations, operating data, and asset inventories should also be explicit.

**RECOMMENDED ACTIONS**

- Add operational-technology security requirements and review gates to sourcing events.
- Require multi-factor authentication, named-user access, logging, vulnerability notification, patching, and support commitments.
- Define credential and data ownership.
- Establish incident-response, subcontractor-access, offboarding, and decommissioning requirements.

## Refrigerant Transition Reshapes HVAC Equipment and Service Sourcing

EPA hydrofluorocarbon technology-transition rules are changing equipment availability and design across refrigeration, air-conditioning, and heat-pump applications. Compliance thresholds and dates vary by application, charge size, and system type, with distinct pathways for various systems including remote condensing units, cold storage, and comfort cooling. Existing equipment can generally continue operating and be serviced, but replacement decisions increasingly require asset-level planning.

For LogicSource clients, the transition favors a portfolio strategy rather than blanket replacement. Equipment designed for lower-global-warming-potential refrigerants may require different components, tools, controls, and technician capabilities, increasing the importance of system-wide upgrade decisions and service readiness. Retail food refrigeration faces the most immediate impact, while health systems and higher education must also plan for critical cooling, laboratories, residence halls, data rooms, and distributed HVAC assets.

**RECOMMENDED ACTIONS**

- Build an asset census by refrigerant, age, charge size, criticality, leaks, repair history, and replacement timing.
- Segment assets into maintain, strategic-repair, and replace pathways.
- Evaluate technician and parts readiness.
- Require equipment-compatibility, refrigerant-pricing, recovery, and documentation terms.

## Facilities Contracts Shift from Activity-Based Scopes to Outcome-Based Models

Facilities sourcing is beginning to shift from prescriptive scopes centered on headcount, labor hours, and task frequencies toward commercial models tied to measurable operating outcomes. Buyers are placing greater emphasis on asset availability, response and resolution times, first-time-fix performance, cleanliness, space readiness, occupant experience, and business continuity, while retaining mandatory inputs for regulated and safety-critical work.

For LogicSource clients, outcome-based models can better align supplier economics with enterprise priorities, but they require stronger baselines, data, and governance than input-based contracts. The model works best when measures are within supplier control, data sources are agreed in advance, volume variability is addressed, and incentives are balanced with service credits. Health systems may need hybrid scopes, while campuses and retailers can flex service levels around occupancy, calendars, traffic, events, and operating hours.

**RECOMMENDED ACTIONS**

- Define critical outcomes and separate mandatory compliance inputs.
- Establish baselines, data sources, quality levels, and supplier-controllable metrics before pricing.
- Use balanced scorecards with capped incentives and credits.
- Include volume-flexing, audit rights, change control, governance cadence, and continuous-improvement obligations.

## Skilled Trade Constraints Require More Targeted Facilities Sourcing

Skilled-trade availability remains challenging, but labor pressure is becoming increasingly concentrated in specialized trades such as electrical, HVAC, plumbing, and mechanical services. Demand from data centers, infrastructure, building modernization, and increasingly sophisticated building systems is competing for many of the same qualified workers, particularly electricians and HVAC technicians.

For LogicSource clients, this makes a one-size-fits-all approach to facilities labor less effective. Organizations should understand labor availability and pricing by trade and local market, engage critical providers earlier, and develop deeper qualified supplier networks rather than relying on a small number of incumbent providers. The greatest sourcing attention should be placed on trades where licensing requirements, specialized experience, and competing project demand limit the available labor pool.

**RECOMMENDED ACTIONS**

- Identify critical trades and markets where labor availability creates the greatest operational risk, then establish primary and backup supplier capacity before demand arises.
- Use competitive rate cards, transparent labor classifications, regional benchmarks, and forward staffing commitments to improve cost control and service continuity.

## Circular FF&E Sourcing Expands Reuse and Residual Value Recovery

Organizations are extending circular-economy principles beyond waste management by incorporating reuse, repair, refurbishment, remanufacturing, and supplier take-back into FF&E sourcing. Furniture, fixtures, shelving, casework, and selected facility equipment are increasingly evaluated on useful life, repairability, modularity, material content, redeployment potential, and residual value — not acquisition price alone.

For LogicSource clients, the opportunity is to establish the asset pathway at purchase rather than waiting for a remodel, relocation, or closure. Shared taxonomies, condition-grading standards, and digital tracking can make reuse and cross-site redeployment more scalable. Higher education and retail portfolios can apply these models to recurring renovations and furniture churn, while health systems must combine circular requirements with material health, infection control, and code requirements.

**RECOMMENDED ACTIONS**

- Require new, refurbished, and remanufactured alternatives with total-cost and residual-value scenarios.
- Evaluate durability, repairability, modularity, parts, disassembly, recyclability, and material health.
- Contract for take-back and reverse logistics; standardize asset records, condition grading, storage, ownership, and redeployment approvals.

04 · DESIGN AND CONSTRUCTION

# Earlier procurement engagement is replacing the single late-stage bid.

## Project Delivery Shifts as Owner Procurement Tightens

Alternative delivery models are gaining share as owners seek earlier cost validation and tighter procurement governance. DBIA projects design-build will account for more than 47% of the construction spending covered by its research by 2028, and reports that progressive design-build now represents about one-third of design-build procurements. Progressive design-build and construction-manager-at-risk models bring design, builder, and trade input forward, improving constructability and budget visibility before documents are complete.

For LogicSource clients, earlier engagement reduces reliance on a single late-stage bid event and expands sourcing across design, preconstruction, construction, specialty trades, commodities, and owner-furnished equipment. The approach helps improve cost predictability and reduce downstream schedule impacts.

**RECOMMENDED ACTIONS**

- Establish procurement governance and approval thresholds at project initiation.
- Require open-book estimates and auditable assumptions; build package-level sourcing plans during design.
- Benchmark labor, materials, fees, and contingencies.
- Preserve competitive checks for major trades and owner-direct purchases; document decisions and change control.

## Pricing Remains Volatile Despite Supply Chain Stabilization

Supply availability and lead times have improved from earlier disruption peaks, but input pricing remains uneven. AGC reported that construction input prices were 7.1% higher year over year in June 2026 while bid prices rose 3.5%, with particularly large increases in aluminum, copper, and steel, the direct result of tariffs. HVAC, electrical equipment, switchgear, and specialty products also remain exposed to tariffs along with other project-specific capacity risks.

For LogicSource clients, early design validation and value engineering are increasingly important to protect budgets before specifications narrow the supplier field. Procurement can add value through early benchmarks, bid-package development, supplier and manufacturer alternatives, and owner-direct or owner-furnished purchasing where responsibilities are clear. Fixed-price commitments should define inventory, substitutions, escalation triggers, storage, and schedule risk.

**RECOMMENDED ACTIONS**

- Validate high-cost systems during schematic design; develop early procurement packages for long-lead or volatile items.
- Maintain tiered supplier, manufacturer, and distributor options; evaluate owner-direct purchasing.
- Negotiate fixed or indexed pricing with symmetric adjustments, approved alternates, inventory responsibilities, and escalation documentation.

05 · DISTRIBUTION AND LOGISTICS

# Improving capacity hasn't erased total-landed-cost volatility.

## Ocean Rates Soften at the Margin While Operational Volatility Remains

Ocean spot rates began to ease modestly in late July as demand cooled and capacity increased, but normalization remains constrained by geopolitical disruption and carrier capacity management. Xeneta reported that Far East to US West and East Coast spot rates were still 231% to 234% above February levels despite flat to slightly lower weekly movements. Blank sailings, service changes, fuel, security, congestion, and inland costs continue to affect total landed cost.

For LogicSource clients, the softer direction supports selective rate negotiations, but service reliability, space, and allocation remain central on disrupted lanes. Sourcing should compare the complete routing and surcharge structure rather than the base rate alone. On extended Asia-Europe services, guaranteed space, schedule reliability, equipment availability, and contingency routing may create more value than the lowest quoted rate.

**RECOMMENDED ACTIONS**

- Rebid targeted lanes while the market softens; separate base rate, fuel, security, congestion, and inland charges.
- Require space and allocation commitments with remedies; diversify carriers and routings.
- Track blank sailings, rolled cargo, transit variance, and total landed cost through quarterly governance.

## Truckload Tightening Accelerates Intermodal Conversion and Carrier-Qualification Scrutiny

Truckload pricing is showing firmer conditions while intermodal volumes continue to grow. DAT reported that June 2026 dry-van spot rates exceeded contract rates for the first time since February 2022, and AAR reported US intermodal volume up 3.7% through late July. In May, the US Supreme Court held that federal preemption did not bar the negligent-selection claim at issue in Montgomery, increasing scrutiny of broker qualification and carrier controls.

For LogicSource clients, selected lane analyses show intermodal discounts of 30% or more where freight moves at least 700 miles and transit and inventory positions permit. The opportunity should be modeled lane by lane because drayage, ramps, service days, loss and damage, and inventory carrying cost can offset the linehaul advantage. Broker and carrier selection should also include documented safety, insurance, authority, and compliance controls.

**RECOMMENDED ACTIONS**

- Screen long-haul lanes for intermodal conversion; compare door-to-door cost and service, including fuel and inventory.
- Use pilots before permanent routing changes.
- Strengthen broker and carrier qualification, insurance verification, and audit rights; define capacity, tender acceptance, service, and exception-management requirements.

## NMFC Changes Make Freight Data and Packaging Central to LTL Cost Control

NMFTA's July 2025 classification overhaul moved more than 2,000 items to the full density scale and expanded the scale to 13 subprovisions. That change, combined with broader use of dimensioning technology, is increasing reclassification, invoice disputes, and the cost impact of inaccurate dimensions, weight, commodity descriptions, and pallet configuration. Shippers now need better freight data than was required under many commodity-based classifications.

For LogicSource clients, LTL sourcing should begin with a shipment-level freight profile rather than carrier invoices alone. Accurate item dimensions, packaging, stackability, liability, handling characteristics, and density are needed to validate class and compare carrier economics. Packaging changes can reduce cube and cost, but must be tested against damage, warehouse handling, and customer requirements.

**RECOMMENDED ACTIONS**

- Create a freight master with dimensions, weight, density, class, packaging, and commodity descriptions.
- Audit reclasses and accessorials; validate carrier dimensioning data; test pallet and carton redesign.
- Require dispute evidence, correction timelines, and billing-data access; train shipping locations on classification changes.

## Air Freight Sourcing Balances Capacity Recovery with Customs Complexity

IATA data show how quickly air-cargo capacity can move with geopolitical disruption. Global cargo demand fell 4.8% year over year in March 2026 as Middle East carrier demand dropped 54.3%, then global demand rose 8.5% in June as networks recovered. Volatility and disruption, along with the United States' global suspension of de minimis treatment, effective August 29, 2025, continue to reshape low-value cross-border e-commerce and customs workflows.

For LogicSource clients, airfreight sourcing should address both uplift capacity and trade compliance. Buyers need visibility into routings, blocked-space commitments, security and fuel charges, customs brokerage, duty collection, data quality, and exception handling. Cross-border e-commerce strategies may require new consolidation, entry, postal, express, or in-country fulfillment models as previously low-value shipments face formal clearance and additional cost.

**RECOMMENDED ACTIONS**

- Map air lanes by criticality and disruption exposure; secure capacity and alternate hubs for priority flows.
- Unbundle linehaul, fuel, security, handling, and brokerage; validate customs data and importer responsibilities.
- Redesign low-value e-commerce routing and fulfillment based on duty, clearance, service, and customer economics.

## Parcel Strategies Diversify Providers and Reconfigure Networks

Parcel carriers continue to adjust rates and surcharges while shippers prepare for Q4. FedEx published 2026 demand surcharges covering September 28 through January 17, 2027, and UPS updated rate guides and several international surcharges effective July 6. These changes reinforce the value of diversified carrier portfolios and network strategies such as zone skipping, direct injection, consolidation, and service-level optimization.

For LogicSource clients, diversification should be designed around shipment profile and service capability rather than a uniform volume split. National, regional, postal, and alternative providers can each improve economics in specific geographies or package types. Shipment analytics should identify where lower-cost services can meet the delivery promise, while operational plans address label generation, manifesting, claims, customer communication, and peak-period capacity.

**RECOMMENDED ACTIONS**

- Model Q4 surcharges by shipment profile; source national and regional alternatives by geography.
- Evaluate zone skipping, direct injection, and consolidation; set service and capacity commitments.
- Preserve dynamic routing capability; monitor cost per package, on-time performance, claims, address correction, and surcharge leakage.

06 · MARKETING

# Media buying is being rebuilt around transparency and AI.

## Programmatic Transparency Emerges as a Hard Savings Lever

ANA's Q2 2026 Programmatic Transparency Benchmark shows that better media quality can translate directly into financial efficiency. Kimberly-Clark reduced TrueCPM by 31.4% and improved true impressions per dollar by 45.7% without increasing CPMs. The same benchmark found that only 37.5 cents of every connected-TV dollar reached an attentive, non-fraudulent impression, while inefficient dayparts created 12% to 19% in lost efficiency.

For LogicSource clients, this creates a clear savings opportunity by reducing spend on low-quality inventory, unnecessary intermediaries, and opaque fees. Procurement and Finance should separate modeled media value from realized savings, recognizing savings only when spend is reduced or more qualified impressions are purchased at the same cost.

**RECOMMENDED ACTIONS**

- Add TrueCPM, true impressions per dollar, invalid-traffic loss, and attention quality to regular media governance, and require full transparency across DSP, SSP, verification, data, and agency fees.
- Set a Finance-aligned waste-recovery target, track realized savings separately from media reallocation, and use cleaner or more direct supply paths where they improve qualified-impression economics while eliminating unnecessary intermediaries and duplicate verification.

## AI Search and Agentic Ads Create a New Media Line Item

Paid media is expanding into AI-generated answers and agentic shopping. Google introduced Conversational Discovery ads and Highlighted Answers in May, Amazon launched Alexa+ Agentic Ads in June, and OpenAI expanded ChatGPT Ads to five additional markets on August 11. These formats can influence discovery, recommendation, and transaction within the same interaction, creating a new buying category with limited benchmarks and evolving commercial models.

For LogicSource clients, early tests should compare direct-platform, agency, and ad-tech access paths; separate media cost from management fees; and preserve brand access to conversion signals and campaign data. Traditional search metrics may be insufficient when the platform can move a user from question to purchase inside one conversation. Test budgets should not roll into opaque always-on commitments without incrementality and outcome evidence.

**RECOMMENDED ACTIONS**

- Establish capped test budgets and a distinct conversational/agentic media line item.
- Require full disclosure of media cost, agency/ad-tech fees, rebates, and buying path.
- Preserve brand-owned access to conversion APIs, event data, and campaign-level reporting.
- Evaluate incrementality and completed business outcomes, not CPC/CTR in isolation.

## Creator Marketing Matures into an Enterprise Sourcing Category

Creator marketing is now large enough to require enterprise procurement discipline. ANA research cites US creator and influencer ad spending of $37 billion in 2025 and a projected $44 billion in 2026, while separate ANA research found only about half of marketers have full visibility into influencer payments. Supplier consolidation is also advancing, including Accenture's June agreement to acquire Whalar, which reports more than $600 million in creator campaigns.

For LogicSource clients, budget leakage can sit across creator compensation, agency fees, platform charges, paid amplification, usage rights, exclusivity, production, and unused prefunded balances. The savings opportunity comes from unbundling these layers, standardizing repeatable economics, reconciling pass-through spend, and using volume to negotiate rights and service fees while retaining specialist and local creator access.

**RECOMMENDED ACTIONS**

- Unbundle creator pay, agency, technology, media, and pass-through costs.
- Standardize scopes and rates for sourcing, production, usage, whitelisting, and exclusivity.
- Require payment transparency, audience-quality controls, and campaign reconciliation; consolidate governance and volume where it creates leverage without eliminating specialist access.

## Ecommerce Modernization Accelerates Through Modularization, Stack Simplification, and UX Improvement

Commerce modernization is shifting from multi-year replatforming toward modular releases that address specific customer-journey and operating bottlenecks. In July, commercetools launched standalone cart, order-management, and product-catalog offerings. Shopify's Spring 2026 release similarly added structured product data, centralized management of AI commerce channels, and additional search, sign-in, and checkout capabilities.

For LogicSource clients, the financial case is increasingly based on speed to benefit and operating simplification, not license reduction alone. Modular modernization can reduce custom integration and systems-integrator dependency while improving customer experience, but composability can also create more applications, APIs, support contracts, and integration charges. Each new component should retire or materially reduce an existing capability unless the added complexity has a quantified business case.

### RECOMMENDED ACTIONS

- Prioritize three to five customer or operating bottlenecks; define a target-state stack and retirement rule.
- Require total-cost views across licenses, cloud, integration, support, and data; structure platform and SI contracts in release waves.
- Use time-to-production, defects, page speed, conversion, and deployment velocity as performance measures.

07 · PRINT

# Postal, production, and targeting decisions now move together.

## USPS Rate Increases Shift Direct-Mail Savings to Postal Engineering

USPS increased mailing-services prices approximately 4.8% effective July 12, 2026, increasing pressure on direct-mail budgets. However, USPS also offers meaningful offsets, including a 30% postage credit on qualifying 2026 First-Class Mail and Marketing Mail volume above established growth thresholds and a 20% Marriage Mail discount on qualifying Saturation and High Density Plus Marketing Mail.

For LogicSource clients, postage optimization is becoming as important as print pricing. Total cost can be influenced by format, weight, presort, entry strategy, address quality, volume aggregation, and incentive eligibility, while USPS's 2027 promotion calendar provides additional opportunities to plan campaigns around available discounts.

**RECOMMENDED ACTIONS**

- Re-cost major campaigns using current USPS rates and evaluate alternative formats, weights, mail classes, presort strategies, commingling, co-mail, drop shipment, and eInduction opportunities before specifications are finalized.
- Improve address quality and suppression controls, and incorporate USPS incentives and 2027 promotions into campaign planning while clearly defining eligibility, credit ownership, pass-through economics, and postal savings separately from print fees.

## Shorter Runs and Faster Turns Push Commercial Print Toward Digital and Inkjet Sourcing

United Alliance's May 2026 State of the Industry survey of 258 printing companies shows a buyer market moving toward faster, smaller and more price-sensitive jobs: 64.7% of respondents said clients are requesting faster job turns, 57.1% reported shorter lead times, 54.6% reported movement to shorter press runs, and 61.3% said clients are more price sensitive. Printer operating-cost inflation averaged 4.8% in 2025 while price increases averaged only 2.8%, leaving suppliers under continued margin pressure. In July, Canon's U.S. unveiling of its B2+ varioPRESS iV7 — designed for high-volume commercial print and direct mail — further signaled production inkjet's move into applications historically associated with offset.

For LogicSource clients, the opportunity is not to designate one production technology as universally cheaper, but to route each job to the lowest total-cost process. Offset can remain efficient for long, stable runs, while toner and inkjet can reduce plates, makeready, changeover, waste, inventory, and obsolescence on shorter or highly versioned work. The crossover depends on run length, substrate, finishing, versions, turnaround, and distribution timing.

### RECOMMENDED ACTIONS

- Segment commercial-print spend by run length, trim size, substrate, version count, finishing complexity, turnaround time, and reorder frequency, then require technology-neutral bids that show supplier-specific crossover points for offset, toner, and production inkjet on a fully loaded cost basis.
- Standardize specifications and substrates, consolidate similar jobs where practical, and use dynamic job routing to reduce makeready, waste, rush charges, and fragmented low-volume buying, while requiring suppliers to quantify automation, labor, waste, and throughput improvements and reflect those gains in pricing.

## Direct Mail Shifts to Fewer, Better-Targeted, Digitally Measured Pieces

Rising costs are changing how marketers use direct mail. United research found that 58.9% of printers said clients are reducing print usage because of postal, labor, tariff, and other cost increases, 58.6% said clients are seeking lower-cost alternatives, and 49.0% reported greater integration of print and electronic channels. USPS is also expanding post-campaign measurement through Informed Delivery data, increasing the focus on response, conversion, and incremental value rather than cost per piece alone.

For LogicSource clients, the opportunity is to reduce low-value mail volume while improving the performance and measurability of the pieces that remain. Better use of CRM data, suppression, targeting, personalization, and digital extensions can improve campaign economics, but added data, analytics, and variable-print fees must be controlled.

**RECOMMENDED ACTIONS**

- Measure campaigns using delivered pieces, response, revenue, incremental orders or donations, contribution margin, and other segment-level unit economics, not mailed volume alone.
- Unbundle and benchmark data, list hygiene, modeling, variable-data, landing-page, QR, Informed Delivery, and campaign-management fees, while using first-party triggers and suppression rules to focus spend on higher-value audiences and redesign or eliminate segments that do not meet return thresholds.

08 · PACKAGING

# Concentration and regulation are reshaping packaging risk.

## Corrugated Packaging Faces Renewed Inflation Amid Capacity Rationalization and Supplier Concentration

Corrugated packaging is entering a renewed inflation cycle as capacity rationalization tightens supply. AF&PA reported US containerboard capacity fell 5.1% in 2025, while Fastmarkets linked 3.9 million tons of recent capacity retirements to a third announced North American containerboard increase for 2026. Major combinations, including Smurfit Kappa and WestRock and International Paper and DS Smith, have also increased the scale and integration of leading suppliers.

For LogicSource clients, the market creates both price and resilience risk. Mill-to-box integration and supplier concentration can make benchmarking less transparent, while major producers are becoming more selective about transactional price checks and low-commitment bids. Buyers should map the mills and box plants serving each region, separate containerboard from conversion and freight economics, and use credible forecasts and volume commitments to secure capacity and competitive terms.

**RECOMMENDED ACTIONS**

- Map supporting mills, box plants, alternate assets, and swing capacity; separate containerboard, conversion, freight, and surcharges.
- Define benchmark, baseline, lag, and symmetric adjustments; run purposeful sourcing events with credible forecasts.
- Reduce structural demand through right-sizing, board and flute optimization, specification rationalization, and void reduction.

## Tariffs and Regulations Increase Premium Packaging Supply-Chain Complexity

International packaging landed cost increasingly depends on product classification, origin, and applicable special tariff provisions, not country alone. USITC's 2026 tariff schedule includes frequent Chapter 99 revisions, while state and local packaging rules continue to diverge. California's 2026 carryout-bag requirements and packaging EPR regulations illustrate how material, fee, labeling, and reporting obligations can create additional SKU and store-execution complexity.

For LogicSource retail clients, premium shopping bags and gift packaging are especially exposed because customization, print quality, specialized materials, and long development cycles limit rapid switching. Country diversification alone may not solve the risk when trade remedies or regulations extend across sourcing markets. Sourcing strategies therefore need SKU-level landed-cost transparency, factory and exporter traceability, controlled change processes, and a centralized jurisdictional compliance matrix.

**RECOMMENDED ACTIONS**

- Build SKU-level landed cost with duty, freight, inventory, and compliance; confirm factories, exporters, and origin documentation.
- Prohibit unauthorized supply-chain changes; diversify across regions and suppliers.
- Centralize bag requirements by jurisdiction and store format; set inventory buffers by customization, lead time, seasonality, and approved backup availability.

# Value now depends on moving procurement earlier.

As Q3 2026 progresses, the sourcing environment is being defined less by one broad market direction and more by simultaneous shifts in capacity, regulation, technology, and commercial models. Supplier availability may be improving in parts of construction and logistics, yet pricing remains exposed to commodities, tariffs, capacity management, and concentration. At the same time, AI and connected systems are creating new categories of cost, data, cybersecurity, and implementation risk.

Across the trends in this report, value increasingly depends on moving procurement earlier into the operating lifecycle. Cybersecurity requirements need to be established before building systems are awarded; refrigerant and FF&E strategies require asset-level planning; construction sourcing must begin during design; logistics and postal savings depend on network and specification engineering; and marketing savings require transparency into media quality, rights, data, and fees.

Organizations that establish reliable baselines, deconstruct total cost, diversify selectively, and contract for measurable outcomes will be better positioned to manage volatility and capture value. Procurement's role continues to expand beyond price negotiation into operating-model design, implementation governance, supplier resilience, and enterprise performance. LogicSource clients that combine market intelligence with disciplined execution can translate these Q3 trends into sustainable savings and stronger operational control.

LogicSource

# Purpose-built for better buying.

## ABOUT LOGICSOURCE

The innovative leader in procurement services and technology, LogicSource is purpose-built to drive profit improvement, mitigate risk, and ensure supply chain continuity through better buying. LogicSource focuses exclusively on the sourcing and procurement of indirect goods and services, which typically represent 20% of an organization's revenue and the area of greatest spending inefficiency.

These include complex categories like marketing, packaging, corporate services, facilities, information technology, distribution and logistics, and more, for which organizations often lack the capacity, focus, and scale to achieve best-in-class buying. Unlike traditional advice-based consultants, LogicSource is a purpose-built buying utility with assets that are configurable to their clients' needs and ready to deploy.

By combining decades of sourcing and procurement expertise, superior market intelligence, cross-portfolio spending leverage, and their AI-enabled OneMarket® Source-to-Pay technology, LogicSource executes customized solutions that deliver immediate savings and sustainable value. For more information, visit logicsource.com.

## ABOUT THE AUTHORS

This Sourcing Trends report was produced by the LogicSource Indirect Category Leaders and Center of Excellence, which leverages decades of expertise and data to help organizations navigate global trade trends and optimize their procurement strategies.

With a dedicated team of indirect category experts and access to deep indirect pricing data, LogicSource equips our clients with the insights and tools needed to make informed decisions, mitigate risk, and drive sustainable value.

For more information or to discover how LogicSource can help your organization achieve best-in-class buying, visit logicsource.com.

**$200B+**
INDIRECT PRICING DATA

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**200+**
INDIRECT CATEGORY EXPERTS

**450+**
FULL-TIME EMPLOYEES