



The Retail Reality Check Report

Executive Summary

Three numbers define what retail is walking into in Q4.

\$849.9 billion

in returns in 2025, close to 16% of total retail sales, with NRF citing 9% of those returns as outright fraudulent.

A \$5.3 trillion

economic footprint sits behind U.S. retail overall, supporting more than one in four American jobs. ITF alone supports about 250 jobs moving freight for retailers, one provider's slice of the logistics systems retailers depend on but rarely scrutinize.

Seven consecutive months

of retail growth through the spring.



Executive Summary

NRF Chief Economist Mark Mathews flagged that by April, inflation had caught up to wage growth for the first time since 2023, and the tailwind is fading. Retail finance, merchandising, and operations each read one of these as their own problem: a returns problem, a freight cost line, a growth forecast.



“Transportation is rarely the real problem. Transportation is where the problems become visible.”

— Sam Agyemang, VP Business Development, ITF Group

That is ITF’s read, and it is not a new talking point. Sam Agyemang, ITF’s VP of Business Development, built this view from his own years on the shipper side before joining ITF, and the operating model ITF runs today reflects it. The following sections break each figure down: what the industry gets wrong about it, what ITF sees instead, and what that means for a retailer deciding where to spend the next freight dollar.



01.

The Returns Misdiagnosis



NRF Returns Landscape



Fraud alone accounts for 9% of the \$849.9 billion retail lost to returns in 2025, per NRF, and the industry is still misreading the rest as a customer problem rather than a systems failure.

Retail has built an entire returns infrastructure, portals, policies, customer service scripts, around the assumption that returns start with the customer. ITF's position, built from moving freight for retailers on both sides of that assumption, is that this infrastructure treats the symptom. A generous return policy makes a bad experience less costly. It does not stop a shipment from being mishandled in the first place.

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We've accepted a false premise in this industry. We talk about returns as if they're a customer service issue, something e-commerce has to deal with. In reality, many of those returns are symptoms of an execution failure. And it's always upstream.”

— Sam Agyemang, VP Business Development, ITF Group



01.**The Returns Misdiagnosis**

The failures upstream land in the warehouse, the transit leg, and the number of hands a product passes through before it ever reaches a shelf. What doesn't show up on a return label? A product mishandled in a warehouse, a delay during replenishment, or a shipment that picks up too many touches across the supply chain. Weeks later, a different department's report just shows a percentage, disconnected from the freight decision that actually caused it. The consumer is the last one to feel the impact.

Treat returns as a consumer behavior problem? The fix is a friendlier return policy, an easier portal, a longer return window. Treat them as a freight execution problem? The fix looks completely different: tighter carrier vetting, stricter appointment compliance, and fraud and damage controls at the point of handling. That's the kind of operating discipline ITF has built its business around, reducing execution failure at the source minimizes the reverse.



02.

Freight Is the Economy, Not a Line Item



NRF / PwC Retail Impact
Report



Retail finance teams still score freight as a cost line to minimize, and ITF's position is that this framing itself is the mistake, not the rate a carrier quotes. Every dollar shaved off a freight budget by choosing the cheapest bid still has to move through procurement, manufacturing, inventory, sales, and customer experience before it reaches the customer, which means a decision that looks like a savings on one line item can quietly cost more everywhere else.

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Freight is infrastructure. I would avoid calling it a cost center. It's one of the few business functions that touches every department inside an organization: procurement, manufacturing, inventory, sales, customer experience, finance. Nobody notices when it's working. Everyone feels it when it fails.”

— Sam Burkhan, CEO, ITF Group



02.

Freight Is the Economy, Not a
Line Item

ITF sees this play out the same way across its retail accounts. A shipper who wins a marginal rate discount from a commodity carrier is not saving money, they are transferring risk downstream. Cascading into a missed appointment window that trips a chargeback, into cargo that arrives damaged because a carrier skipped a step in handling, into a return that never gets traced back to the freight decision that actually caused it. None of that shows up on the rate sheet at the time of booking. It shows up weeks later, in a different department's budget, which is exactly why it keeps getting missed in a straight rate comparison. The cheapest bid isn't a discount, it's a risk transfer.

ITF ties this directly to a broader legal shift the industry is still adjusting to: a recent wave of broker-liability rulings that have sharpened where responsibility actually sits between shippers, brokers, and carriers. This shift rewards carrier vetting, accountability ITF has built its business around, and penalizes shippers who still treat carrier selection as a rate negotiation instead of a liability decision.

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These rulings didn't hand accountability to one party. They raised the bar on due diligence for everyone in the chain, shippers, brokers, and carriers. The question isn't who's liable anymore. It's who can prove they did the diligence before something went wrong. The cheapest decision on paper is frequently expensive somewhere else in the system.”

— Sam Agyemang, VP Business Development, ITF Group

That shift is already visible in how ITF's own client conversations have changed. Shippers who once opened with a rate negotiation are now asking about liability and accountability first.



03.

The Window Is Now, Not Later



NRF Spring Spending 2026

Retail's seven-month growth streak through the spring looked healthy, but NRF Chief Economist Mark Mathews said the wage gains behind it had already been erased by inflation as of April, meaning shippers who wait to fix freight relationships will be doing it with far less margin to spare.

ITF's position skips the economic debate entirely and goes straight to what a shipper actually controls: how prepared their freight relationships are before that window closes. This is logistics: the strongest supply chains are built before they're needed, not scrambled together once volume spikes.

ITF has watched this play out the same way across accounts. The shippers who wait for a bad peak season to force the conversation end up making the fix in the middle of their busiest quarter, with the least room to absorb it. The ones who move earlier are making the same decision on their own terms, while margins can still cover it.

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Let's be honest, no one's buying insurance after the house catches fire. Why should logistics partnerships be any different? You make sure you have a good relationship before the bad things happen.”

— Sam Agyemang, VP Business Development, ITF Group



03.

The Window Is Now, Not Later

ITF sees this divide most clearly when shippers plan ahead rather than reacting on the spot. The accounts that outperform are almost never the ones treating freight relationships as a fire drill, they are planning months, sometimes years, out, well before a disruption forces the issue.

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Organizations that outperform are usually the ones that are invested in their logistics partnerships. If you're able to actually plan ahead, you can see these things coming, several months, if not years, in advance.”

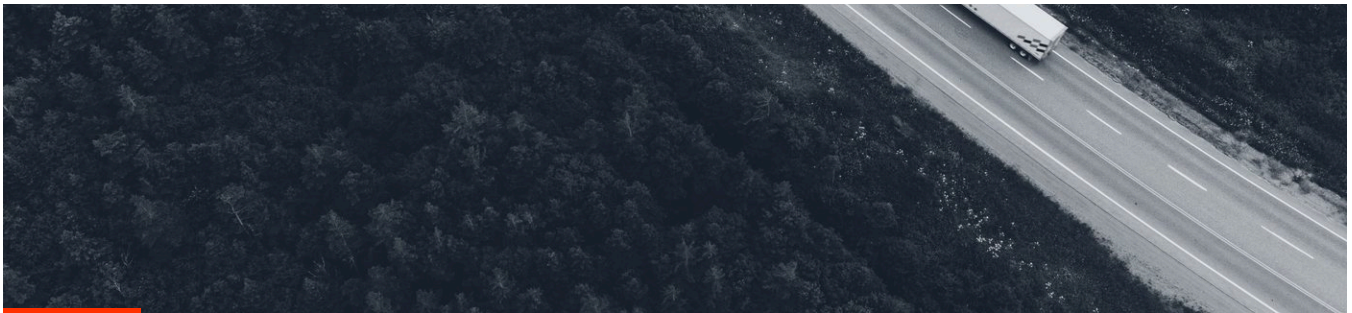
— **Sam Agyemang**, VP Business Development, ITF Group

That shift is showing up directly in ITF's own pipeline, not just as an outside observation. Shippers who ignored these conversations entirely a year ago are now the ones initiating them.

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This time last year was crickets. But now people are actually taking our calls, people are scheduling meetings, people want to have these conversations, because they're recognizing that relationships that worked yesterday may not be the relationships they need for the future.”

— **Sam Agyemang**, VP Business Development, ITF Group



04.

What This Looks Like in Practice

An ITF enterprise customer called on a Saturday afternoon needing emergency freight moved to a customer in Puerto Rico. The shipper already had incumbent pricing in place and a freight forwarding process already set up of its own. None of that mattered once the timeline broke. Leadership had told the team the delivery date was non-negotiable after earlier deliveries had already failed, and the instruction that came down the chain was blunt.

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He was told by his higher-ups, I don't care about the cost, I just need you to get this delivered on time, because this has been a nightmare. This needs to be resolved.”

— Sam Agyemang, VP Business Development, ITF Group

What let ITF move quickly was not a piece of technology, it was the existing relationship with that client. Rather than slotting the load into a standard process, ITF consolidated freight forwarding and delivery into a single point of contact and built a solution around the specifics of that one shipment.



04.

What This Looks Like in
Practice

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What we were able to do in that instance, we were able to make it a one-stop shop, which alleviated a lot of the stress for the shipper. That was a win. A home run for them, and they still talk about it.”

— Sam Agyemang, VP Business Development, ITF Group

ITF’s read is that this is the part of the business that technology cannot replace, which is also how ITF frames AI’s role in the industry.

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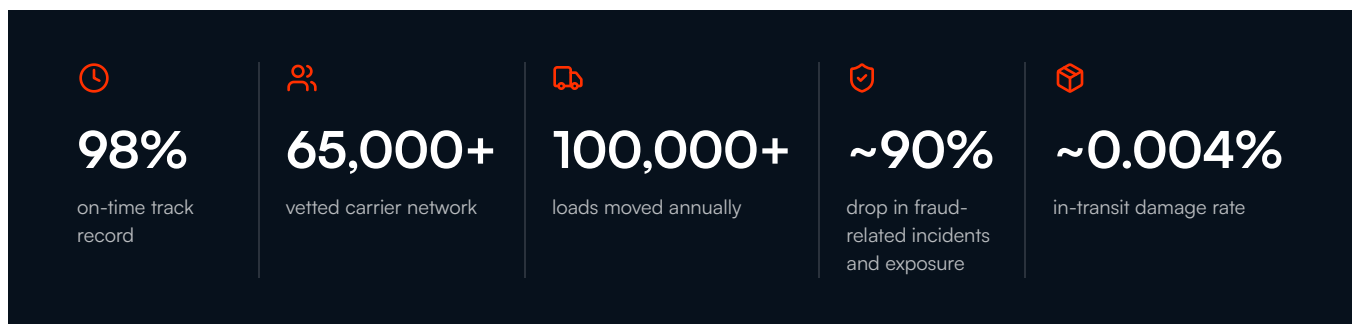
AI makes things information-abundant. Trust becomes scarce. If you don’t have trust, you don’t have business.”

— Sam Burkhan, CEO, ITF Group



05. What Closes the Gap

ITF's operating model is built around the same principle: catch the failure before it becomes a return, a chargeback, or a stockout. That shows up in a 98% on-time track record, a 65,000-plus vetted carrier network, roughly 100,000+ loads moved annually across its asset and brokerage operations, drop trailer programs, and structured surge planning ahead of peak.



Carrier vetting is treated as continuous, not a one-time onboarding step; when a carrier's performance slips, the fix starts with a conversation, not a scorecard.

On fraud and cargo security, ITF layers technology with human oversight: product-level sensors, real-time freight fraud monitoring through technology partners such as Samsara, and armed escort options for high-value cargo loads, on top of the vetted carrier network rather than in place of it. Since rolling out its enhanced fraud-prevention and turnaround controls, ITF has seen fraud-related incidents and exposure drop by roughly 90%.



05.

What Closes the Gap

On the damage side, a separate measure, ITF holds an in-transit damage rate of about 0.004%, just 3 to 4 incidents across some 100,000+ annual loads, though damage of that kind can come from a range of causes beyond ITF's own handling, from improper loading to driver error.

This model has already produced results across ITF's retail accounts: a national footwear retailer cut accessorial exposure using dedicated lanes and a drop trailer pool, and a regional grocery and CPG distributor stabilized replenishment using flexible staging and surge planning.

“ *A question every shipper should ask themselves is how many companies measure transportation success only by on-time delivery, and never measure how transportation affects return rates.”*

— Sam Burkhan, CEO, ITF Group



06. Outlook

This report lands at a key moment. Peak season and back-to-school volume are both ahead, the exact window when the gaps described above stop being theoretical and start showing up in daily operations.

Retailers who treat freight as infrastructure now, and revisit carrier relationships before volume peaks, are the ones positioned to absorb it. Retailers who wait will be diagnosing the same problem in the middle of their busiest quarter, with less room to fix it.



Bottom Line

Most retailers run returns, freight cost, and margin timing as three separate conversations, split across three departments. ITF's argument is that this is one conversation, and it starts at the freight decision. See it that way, and a shipper gets ahead of it. To best prepare for this Q4, ask yourself the following as a self-assessment. Most retailers can answer the first one. Few can answer all five:

- ☑ Do you track how freight execution affects your return rate?
- ☑ Are carrier bids scored on total risk, or just the rate on the sheet?
- ☑ Do you know where liability sits between you, your carriers, and your brokers as broker-liability rulings continue to evolve?
- ☑ Is carrier vetting ongoing, or a one-time step at onboarding?
- ☑ Are freight relationships built before peak season, or during it?

The retailers who can answer all five go into Q4 protecting margin. The ones who can't are already paying for the gap, they just haven't traced it back to the freight decision that caused it.



