

DIGITAL AND TRENDS

The 21st century Silk Road: Chinese e-commerce in the West

Trend report



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An unbeatable e-commerce formula

Executive summary

Alibaba founder Jack Ma traveled to America in the 1990s, and there he stumbled upon a futuristic gray box he had never seen before. His American friend showed him the computer, and Ma was convinced – this “internet thing” was going to change the world. 30 years later, Alibaba has kickstarted a Chinese e-commerce market that is taking the world by storm.

The Chinese e-commerce market enjoyed virtually limitless growth in the 2000s and 2010s. Now that domestic competition has intensified and profit margins are shrinking, the key players are re-opening the Silk Road by selling goods online to the rest of the world.

Alibaba's AliExpress, PDD Holdings' Temu, and the now Singapore-based Shein are among the most successful e-commerce platforms globally, competing directly with Amazon and established American and European e-tailers. At the same time, TikTok has grown to become the most popular mobile app in the U.S., and its recent venture into in-app shopping in both the United States and Europe has made it an e-commerce force to be reckoned with.

These Chinese companies have found success in Western markets by offering a large assortment of products for much lower prices. At the same time, their social media-based advertising strategy allows them to connect with consumers and identify product trends with pinpoint precision. However, their rapid growth does not come without its issues:

- Many Chinese e-commerce companies are surrounded by controversy and allegations of malpractice. These include forced labor, data security issues, and a high carbon footprint.
- As a result, European and American regulators are cracking down on Chinese e-commerce. TikTok may soon be banned in the United States, and Shein has thus far failed to get listed on American or British stock exchanges. Meanwhile, the U.S. and EU are working on implementing stricter import tariffs.

This report examines how Chinese e-commerce has become so popular outside of China and dives into some of the key players' success formulas and pitfalls.

01

E-commerce in China

- Immense market value
- Milestones in China's e-commerce boom
- Three giants split the domestic market
- Major players
- Social commerce and livestream shopping
- From domestic hardship to foreign profits

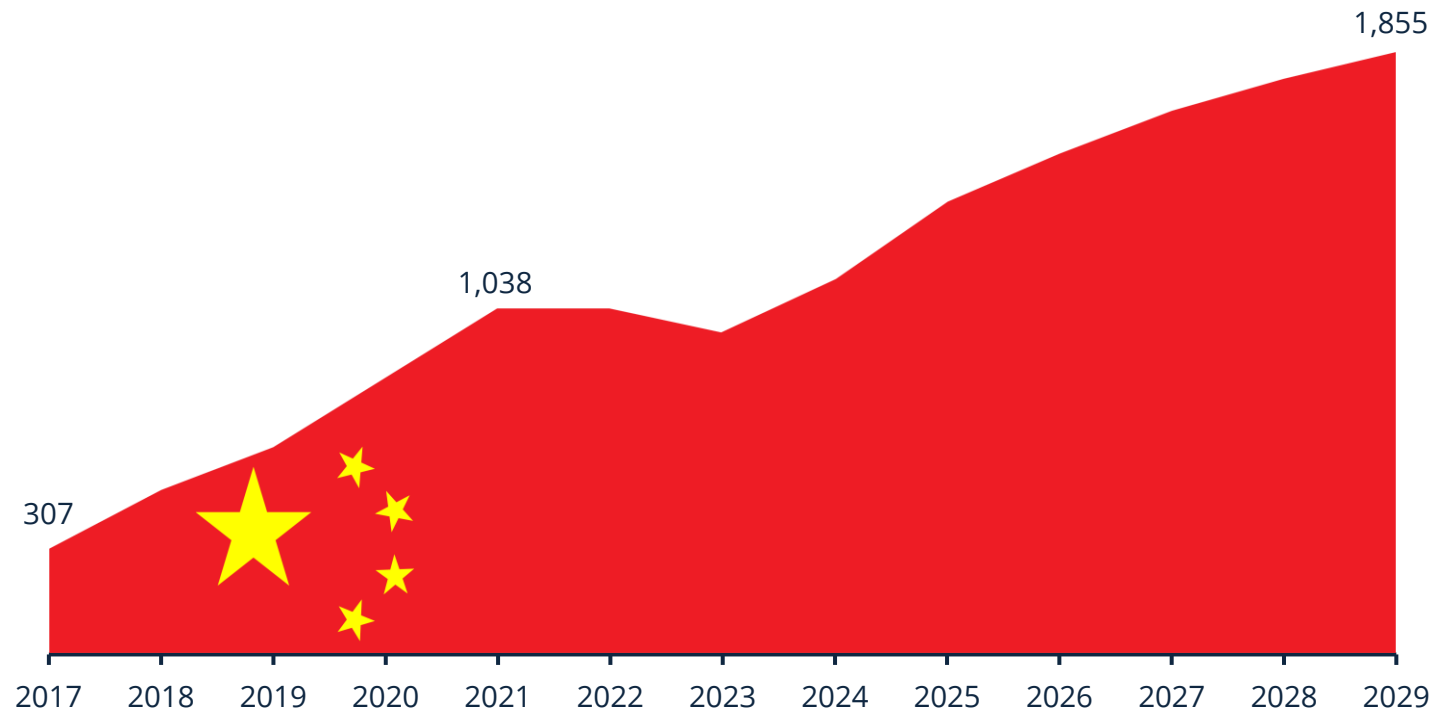


Immense market value

China is the largest online retail market in the world

E-commerce market revenue forecast in China

in billion U.S. dollars

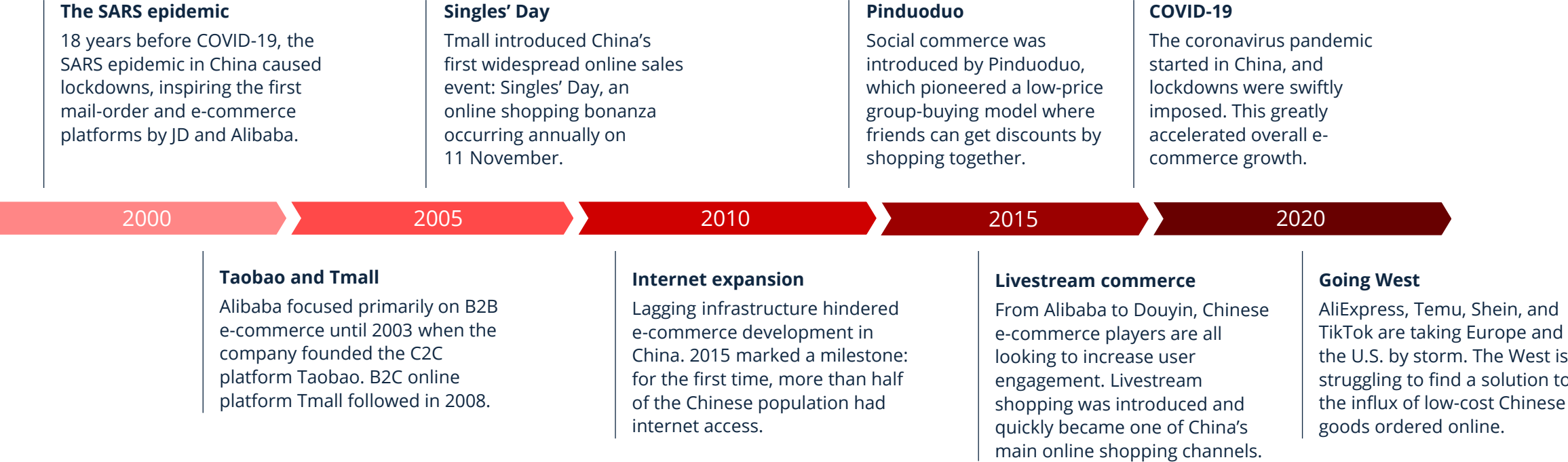


China is home to the highest-valued e-commerce market in the world. As of 2025, China has overtaken the United States, with a total e-commerce revenue difference of over 40 billion U.S. dollars.

The pace at which the online retail market in China has been developing is unmatched. In 2017, the overall e-commerce penetration rate in the People's Republic was measured at just over 40 percent. As of 2025, Statista estimates an 82 percent user penetration rate, meaning that the share of Chinese consumers who shop online has doubled in just eight years. For a small nation, this would already be an enormous feat, let alone for one of the most populous nations on the planet. China has gained an astonishing 620 million e-commerce users since 2017.

Milestones in China's e-commerce boom

Epidemics, internet penetration, and big players

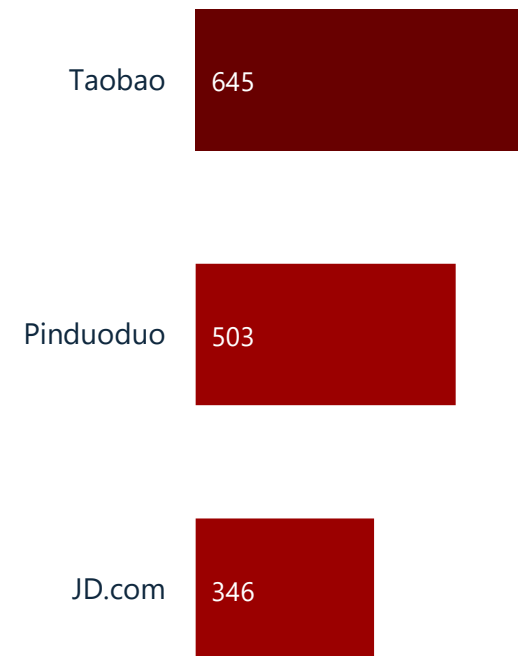


Three giants split the domestic market

Alibaba, JD, and Pinduoduo

Leading shopping apps by monthly active users

in millions



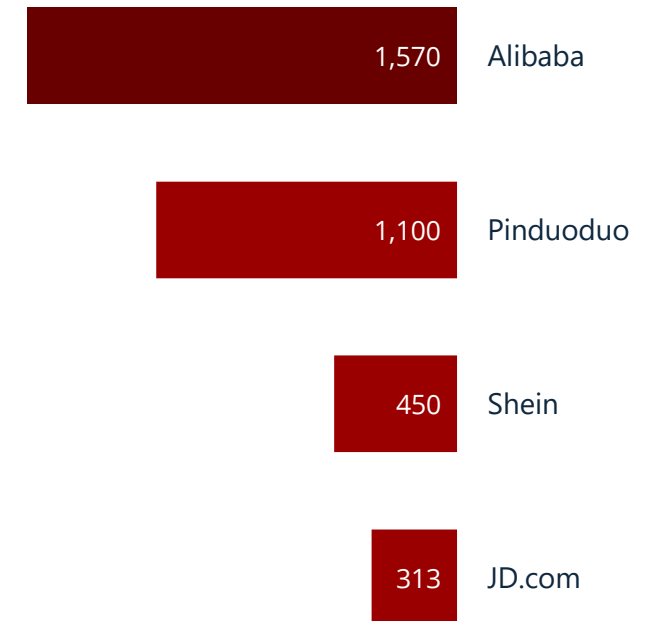
Often referred to as the “Amazon of China,” Alibaba is still very much in the driver’s seat of e-commerce in its home country. Similar to Amazon, Alibaba was founded in the late 1990s and has retained its position as market leader for a quarter of a century, mainly thanks to innovation and diversification of its business model. In China, Alibaba operates Taobao, a consumer-to-consumer (C2C) marketplace, and Tmall, a business-to-consumer (B2C) platform, among numerous other brands aimed at both domestic and international consumers.

JD.com has been Alibaba’s chief rival throughout the 2000s and early 2010s, opting for a self-operated direct-to-consumer (D2C) business model.

In 2015, Pinduoduo surprised the Chinese e-commerce market with its social group-buying concept, which appealed mostly to consumers in low-income, rural areas. As of 2024, PDD Holdings’ domestic brand has over 500 million monthly active users.












Leading Chinese online retailers by market valuation in 2023

in billion yuan



Major e-commerce players in China

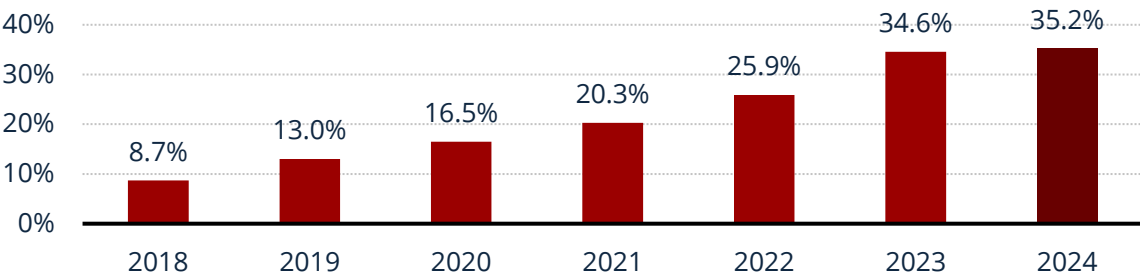
E-commerce pioneers compared

 Company	 Founded	 Revenue	 Domestic brands	 Channel focus	 Niche	 International brand
 Alibaba	1999	941bn yuan (2024)	Taobao, Tmall	C2C, marketplace	Generalist	AliExpress
 JD.COM	2004	1,085bn yuan (2023)	JD.com	D2C	Branded goods	JD Worldwide
 拼多多	2015	247bn yuan (2023)	Pinduoduo	WeChat/mobile	Group buying/social	Temu
 ByteDance	2012	120bn USD (2023)	Douyin	Social media	Social commerce	TikTok

Social commerce and livestream shopping

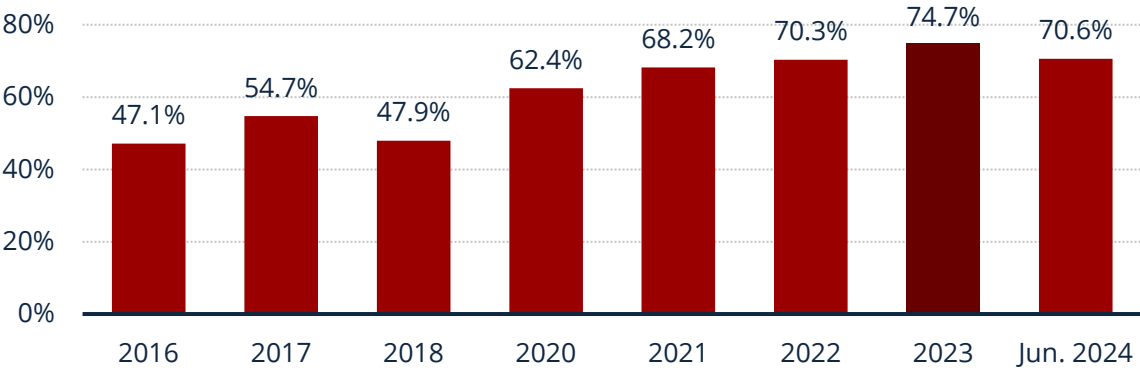
The Chinese way of shopping

Social commerce share of total e-commerce in China



In the West, social commerce is defined as e-commerce that occurs on social media platforms, primarily Instagram, Facebook, and TikTok. When compared to China, the birthplace of social commerce, that definition does not even begin to describe the ways in which consumers and e-tailers use social elements in shopping. From Pinduoduo’s group shopping formula to various WeChat mini programs from the likes of Alibaba and JD.com, the majority of Chinese e-commerce has social elements at its core. In China, **e-commerce is social**, almost by definition.

Livestreaming penetration rate in China

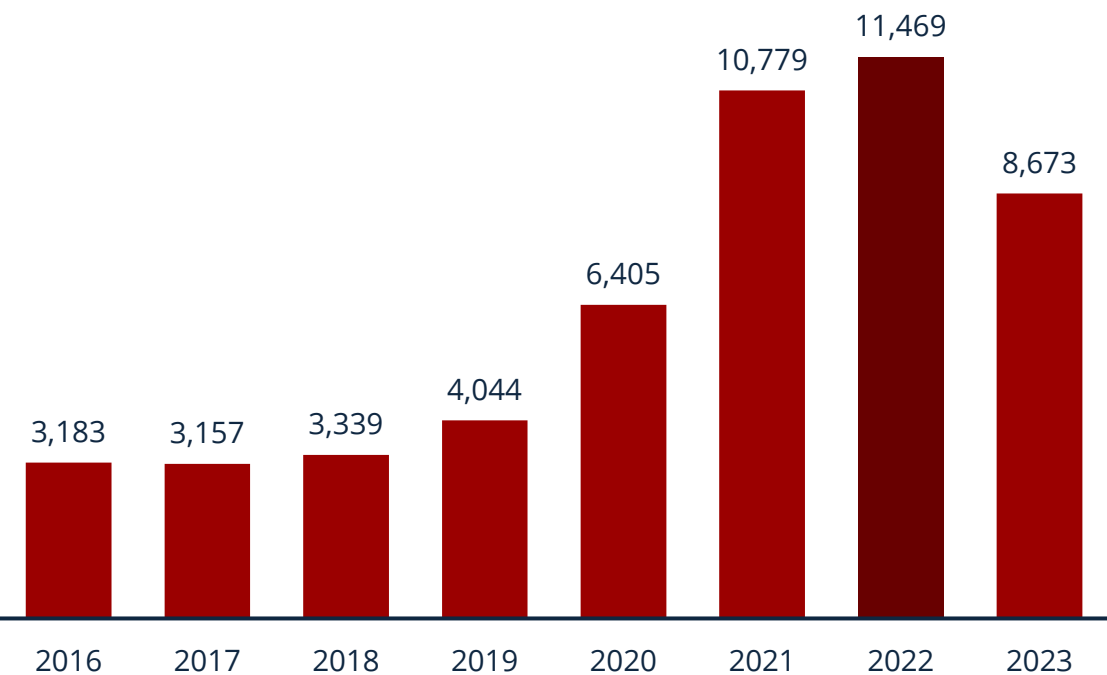


One such social element is the phenomenon of livestream shopping, also known as live commerce. Commonplace across the Asian continent, livestreams are the number one output channel for so-called “key opinion leaders” (KOLs), the Chinese version of the influencer. A large majority of Chinese consumers are avid followers of KOLs and their livestreams, making them a leading sales channel for all product categories, especially for fashion and cosmetics.

From domestic hardship to foreign profits

Chinese e-commerce companies start looking outward

Number of newly registered cross-border e-commerce companies in China



China’s rapid economic growth over the past decades is slowly stagnating. For 2025, the IMF expects a GDP growth rate of around 4.6 percent – a decrease of more than three percentage points compared to 2013. The economic boom and rapid digitalization that led to unbridled e-commerce spending growth in recent years cannot last forever, and Chinese e-commerce companies are starting to feel it. Profit margins are decreasing, competition is intensifying, and the customer keeps expecting lower prices.

As a result, companies like Alibaba and PDD Holdings are broadening their horizons. They now own and operate brands that are designed specifically for cross-border e-commerce, primarily to Europe, the United States, and Latin America. Alibaba has AliExpress, PDD is achieving success with Temu, and thousands of new cross-border e-commerce companies are coming up annually. The most successful one is Shein, the Singapore-based Chinese low-price e-commerce marketplace that has grown to become one of the largest fashion retailers globally.

Chinese e-commerce is everywhere

Markets where the most recent cross-border purchases were from China

■ Most recent purchase from China ■ Different origin country than China ■ No data

02

Chinese e-tailers in the West

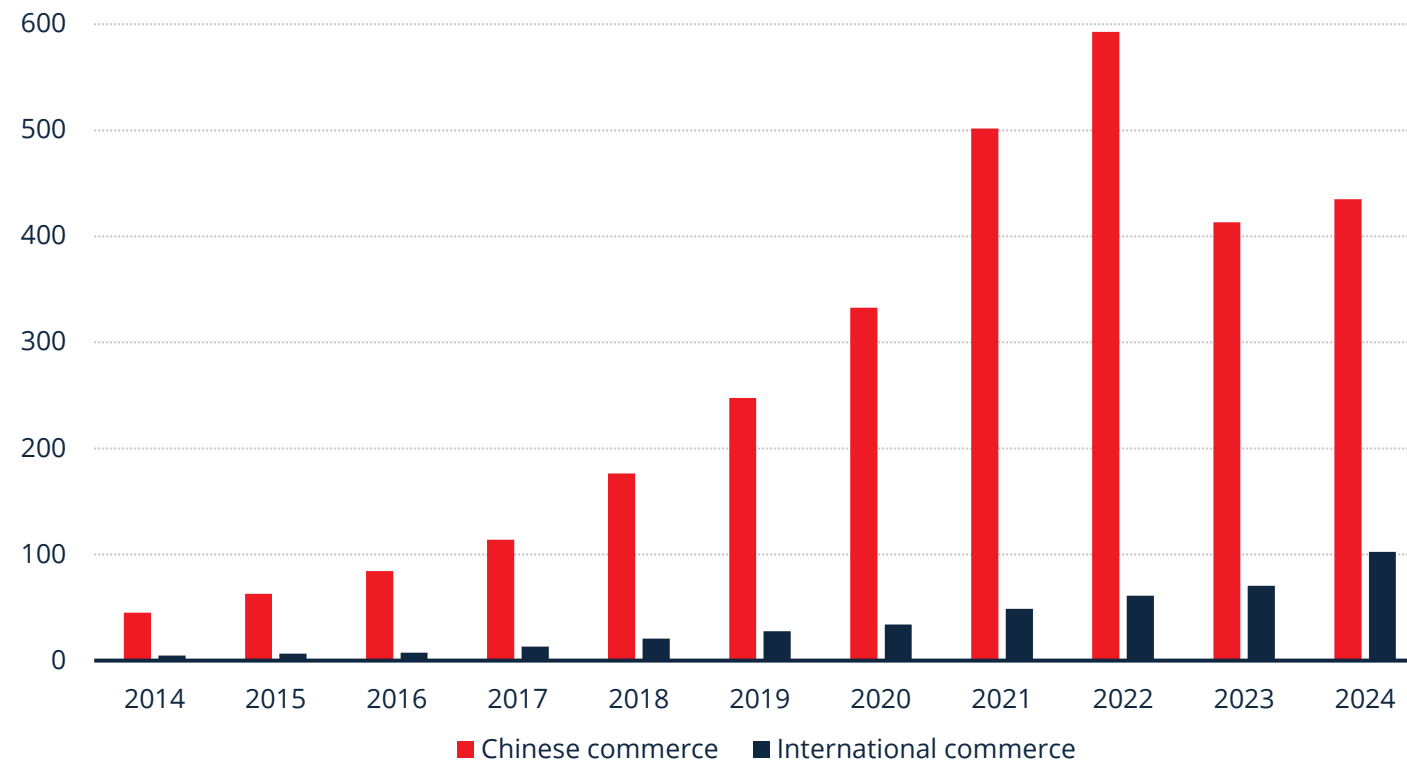
- AliExpress
- Temu
- Shein



AliExpress: Alibaba's B2C sensation

The original Chinese cross-border brand

Revenue of Alibaba in billion yuan, by segment



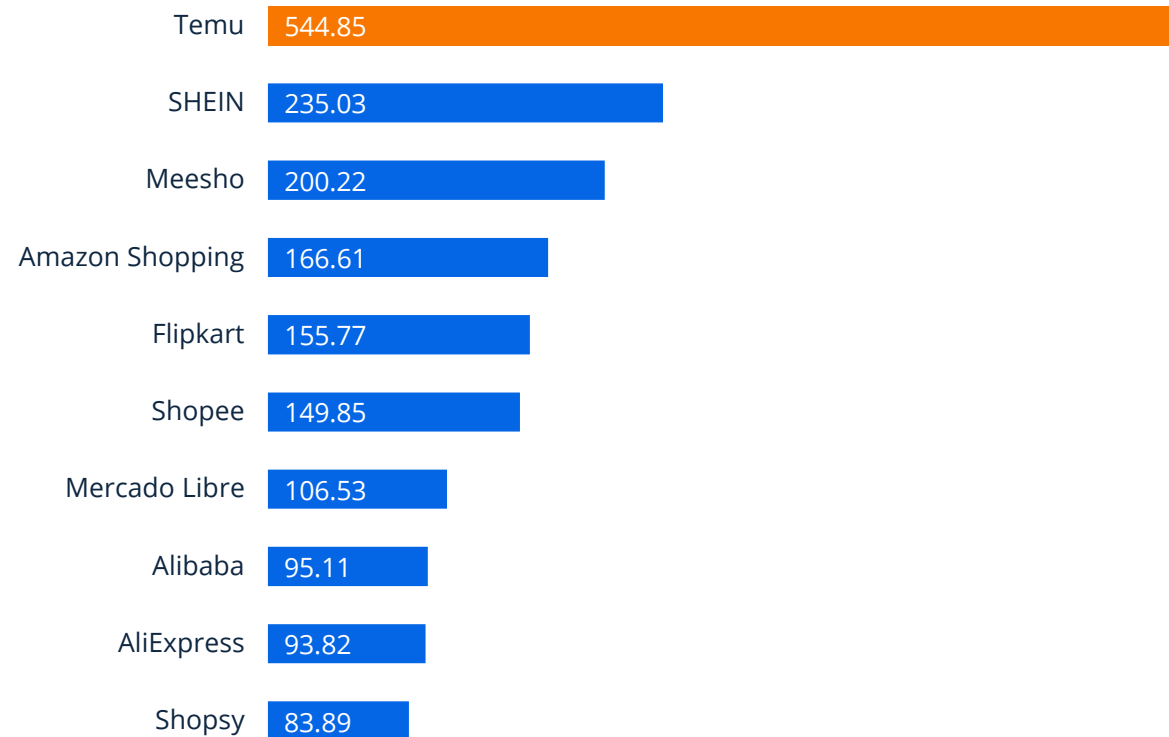
Long before Temu and Shein started dominating European and American app stores, Alibaba founded its international service AliExpress. Starting out in 2010 as a B2B platform connecting Chinese sellers with international buyers, AliExpress soon branched out to B2C e-commerce and launched storefronts in multiple languages. The platform is a pure online marketplace – facilitating transactions between B2C companies and consumers, without offering many products of its own.

Over the past few years, the growth of AliExpress and other international properties has outpaced the Alibaba Group's domestic operations. While in 2016, Alibaba's international revenue was just 10 percent of the Chinese sales, eight years later, international commerce made up nearly one quarter of the total revenue. This international expansion has resulted in AliExpress consistently ranking among the top marketplaces in the West.

Temu rules the app store

The most downloaded shopping app in the world

Most downloaded shopping apps worldwide in 2024 (in million downloads)



Founded in 2022, Temu managed to become the most downloaded mobile shopping application worldwide in both 2023 and 2024. This never-before-seen debut of an online retailer has been dominating e-commerce headlines ever since.

Naturally, an independent start-up would likely not have been able to scale up like Temu has in its two years of existence. Temu has been profiting from the e-commerce industry expertise and infrastructure of PDD Holdings, its parent company, which already pulled off a similar feat back in 2015 with Pinduoduo in China.

Temu is a well-oiled e-commerce machine that manages to offer precisely what each consumer wants, coupled with the lowest price on the web. Its advanced personalization algorithms and highly efficient order fulfillment systems lay the foundation for Temu's success.

Key figures on Temu in Europe

Temu's transparency report

2024 was the year of Temu. The shopping platform's chart-topping market entry quickly attracted the attention of regulatory agencies. In Europe, Temu is officially known as a "Very Large Online Platform" under the European Digital Services Act. This forces the Chinese e-tailer to release transparency reports to the European Commission. The following figures are from Temu's first transparency report, revealing an immense European user base, as well as statements and figures on rule infringements that occurred on the online marketplace.

Temu's report mentions several figures on illegal and banned products that appeared on the marketplace. More recently, European market surveillance authorities found that a staggering 85 to 95 percent of products from Shein, AliExpress, and Temu do not comply with European legislation.



Temu claims to have **93.7** million monthly active users in the EU.



Germany is the biggest market in Europe with **16.3** million monthly users. France (12 million) and Italy (10 million) complete the top three.



2,500 Ireland-based moderators work together with algorithms to safeguard the platform.



Temu received **89** reports of illegal content in the period from February to October 2024.



Temu claims to have stopped **6.2** million possible IP violations and has banned **7.2** million products.

Shein leads in website visits

Leader in fast fashion

Most popular fashion and apparel websites worldwide

Share of visits



Shein is a different beast when compared to Temu and AliExpress. Whereas both of its competitors are backed by established Chinese e-commerce giants, Shein was founded as an independent startup in 2008 with a purely cross-border focus. Shein has no noteworthy presence in China but did manage to grow to become the most-visited fashion website in 2021, maintaining that top spot ever since. The most recent traffic data shows that Shein recorded over 2.6 percent of all fashion website visits globally, edging past big names such as Nike and H&M.

Having been a dominant fashion player for several years now, European and American consumers are well aware of the pros and cons of shopping on the ultra-fast fashion platform. Delivery times are often measured in weeks, and the actual products often bear little resemblance to how they are presented on Shein's product pages. Nonetheless, the website's unbeatable prices and intelligent social buying elements, embodied by its many recruited influencers, continue to win over new consumers, often members of Generation Z.

Shein's quest for legitimacy

Public offerings and brick-and-mortar presence

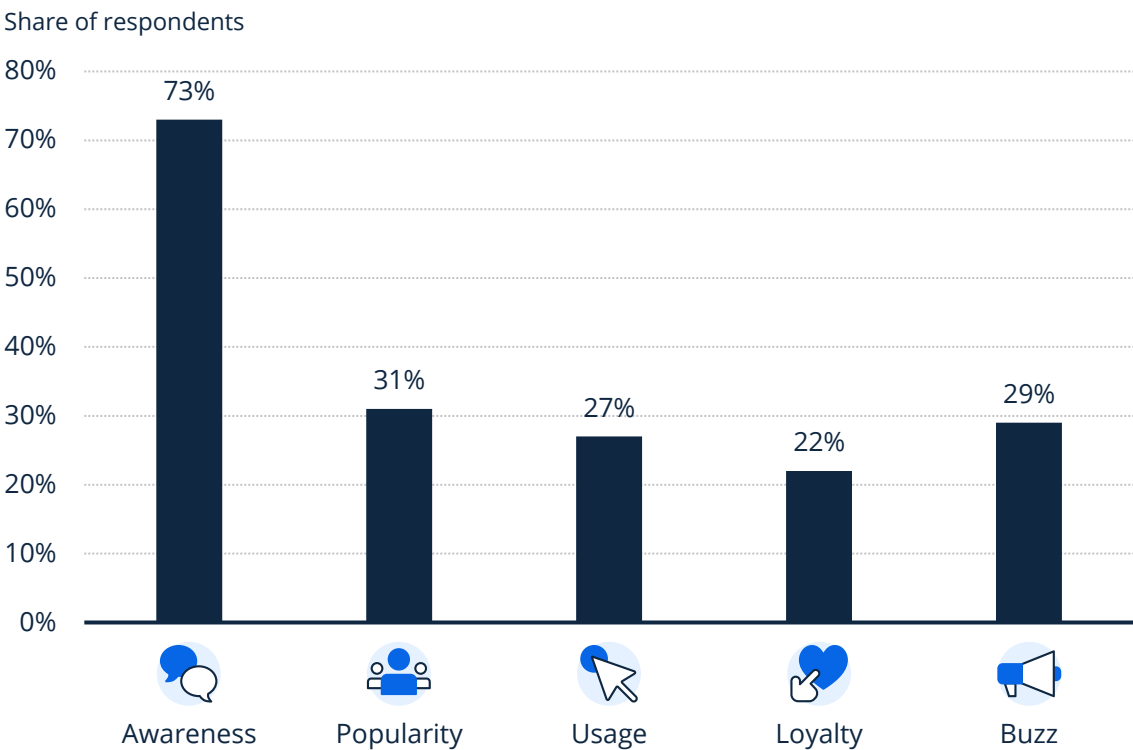
Shein is surrounded by lots of labor controversies, ranging from its alleged use of forced labor in its supply chain to poor working conditions of its employees. In addition, the company has been scrutinized for its industry-leading carbon footprint and overall lack of transparency.

While these issues have not stopped the Western consumer from shopping at the ultra-fast fashion e-tailer, they have made it very difficult for Shein to develop into a legitimate Western operation. Shein first filed for an initial public offering (IPO) in the U.S. in November 2023 but failed to get listed due to political scrutiny.

One year later, the company veered toward the London Stock Exchange for a second IPO attempt, but as of April 2025, valuation concerns and pressure from anti-slavery NGOs are delaying the process.

In the meantime, the originally pure e-commerce player has opened its first brick-and-mortar popup and outlet stores in various cities across Europe and the United States, in an attempt to further establish itself in the Western fashion market.

Shein brand profile in the United States



17 **Notes:** March 2024; 1,026 respondents who use fashion shops; 18 to 64 years; online survey. Awareness: respondents who know the brand. Popularity: respondents who like the brand. Usage: respondents who have used the brand in the past 12 months. Loyalty: respondents who think they will use the brand again in the future. Buzz: respondents who have noticed the brand in the media, on social networks, or in advertising in the past three months
Sources: Statista Consumer Insights; Text: Chain Store Age; CNBC; Los Angeles Times; Reuters; Yale Climate Connections

03

Social commerce taking over

- From inspiration to purchasing
- Leveraging social reach on video platforms
- Temu's advertising
- TikTok Shop
- Trust issues



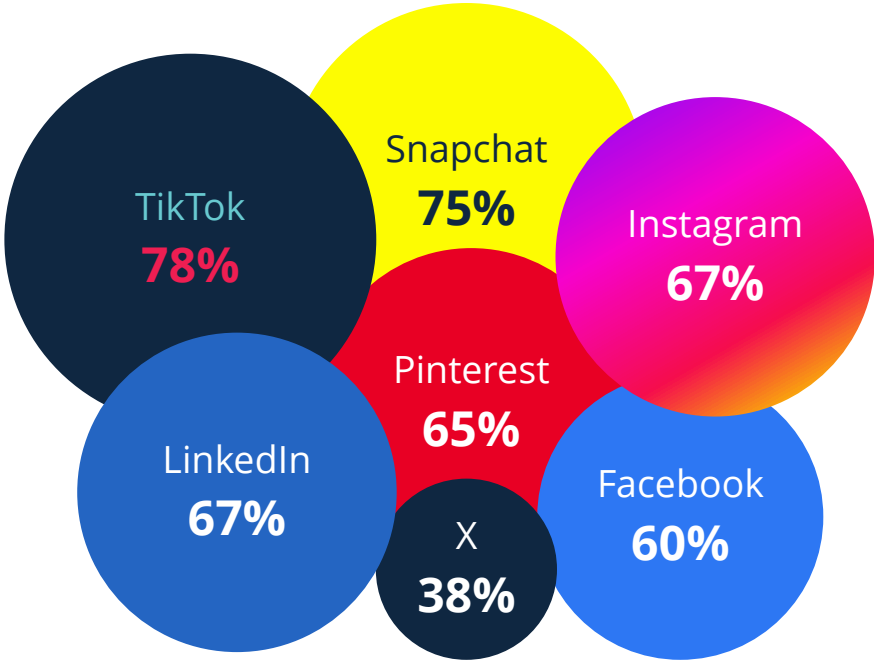
From inspiring to purchasing

Influencers are called influencers for a reason

Social media no longer functions solely as a means to keep track of friends and family members, but also as a strong bridge between brands and millions of consumers worldwide. With social media ad spending set to reach over 250 billion U.S. dollars in 2025, popular platforms such as Facebook, Instagram, Pinterest, and TikTok have become vital marketing tools for businesses.

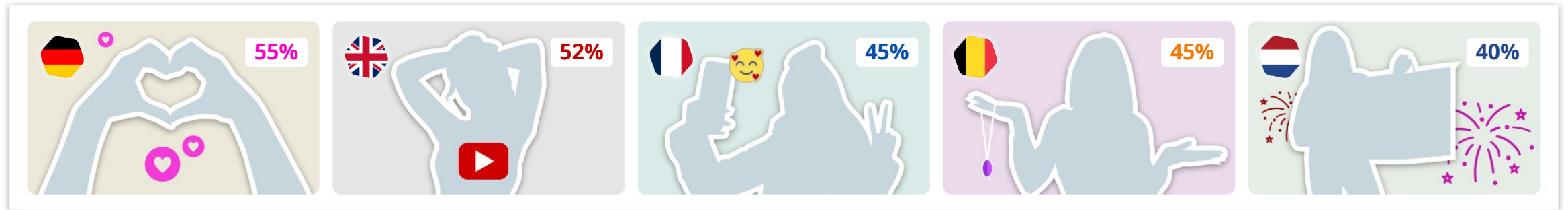
Social media algorithms allow brands to make use of targeted ads that reach their desired audiences and thus expose them to both influencer marketing and user-generated content alike. As a result, social media often serves as the first point of contact in the customer journey, and the emergence of social commerce platforms such as TikTok Shop in both the United Kingdom and the United States now equates to millions of potential conversions each time the app is opened.

U.S. consumers who purchased a product after seeing it being used by an influencer in 2024, by platform



Temu and Shein leverage social reach on video platforms

Share of European consumers using YouTube for product research



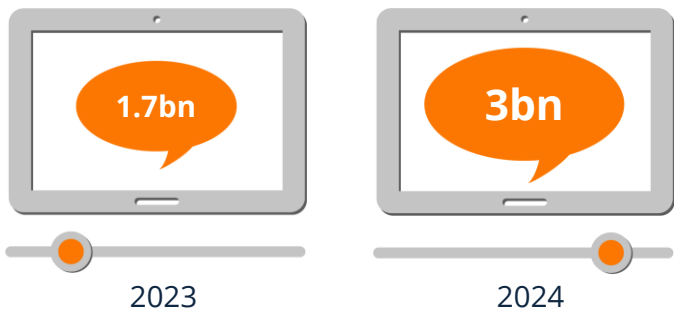
Using micro-influencer marketing and unboxing videos known as hauls, Shein was successfully able to target Gen Z consumers who tend to shop online. During the COVID-19 pandemic its popularity skyrocketed, with the hashtag #sheinhaul reaching billions of views on TikTok. By April 2022, Shein reached a valuation of 100 billion U.S. dollars and the popularity gained via video platforms has yet to go away.

What is a shopping haul? A haul is a video showcase of goods purchased in bulk. Influencers spend hundreds and sometimes thousands of U.S. dollars on low-cost products, obtaining the best return on their investment with new clothes and content to post. As a result, their YouTube channels, TikTok accounts, and other social media platforms grow, while their viewers know exactly what to look for when filling their online carts pre-checkout.

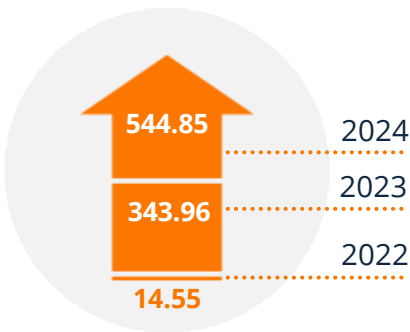
“A global online platform dedicated to providing quality products to consumers at attractive prices”

Temu’s phenomenal success is rooted in its advertising budget

Temu spent 1.7 billion U.S. dollars on marketing in 2023 and an estimated 3 billion U.S dollars in 2024



Global app downloads of Temu (in millions)



While the hashtag #shein hauls popularized the phenomenon and encouraged users to create hauls from other low-cost online marketplaces, influencer marketing, and user-generated content only make up pieces of the pie.

PDD Holdings (previously Pinduoduo Inc.), which founded Temu in 2022 in Boston, Massachusetts, has made clear its intentions to expand into Western markets. U.S. investment bank J.P. Morgan reported that Temu’s marketing expenditure reached a total of 1.7 billion U.S. dollars in 2023. The amount spent on advertising by Temu was estimated to hit the three billion U.S. dollar mark in 2024, and the numbers keep adding up. In February 2024, Temu ran an ad campaign in conjunction with the Super Bowl LVIII, capturing the attention of millions of American consumers by spending an estimated 30 million U.S. dollars on a total of five ad spots throughout the broadcast and another 15 million U.S. dollars to be given away in the form of store coupons and credit, both ahead of and during the game itself.

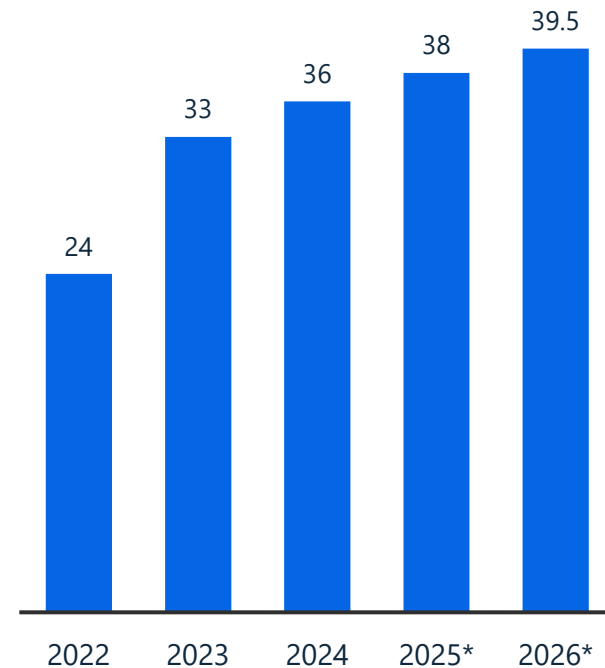
In addition to the estimated 76 percent of Temu’s ad spend being used on social media platforms, the marketplace quickly overtook top-ranking online marketplaces such as Shein and Amazon on app stores not only in the U.S. but around the world as it became the most downloaded shopping app globally in 2023 and 2024.

TikTok Shop's unique value proposition: a seamless social commerce experience

A blend of content and commerce: shopping directly on the most popular video-sharing app is now a reality

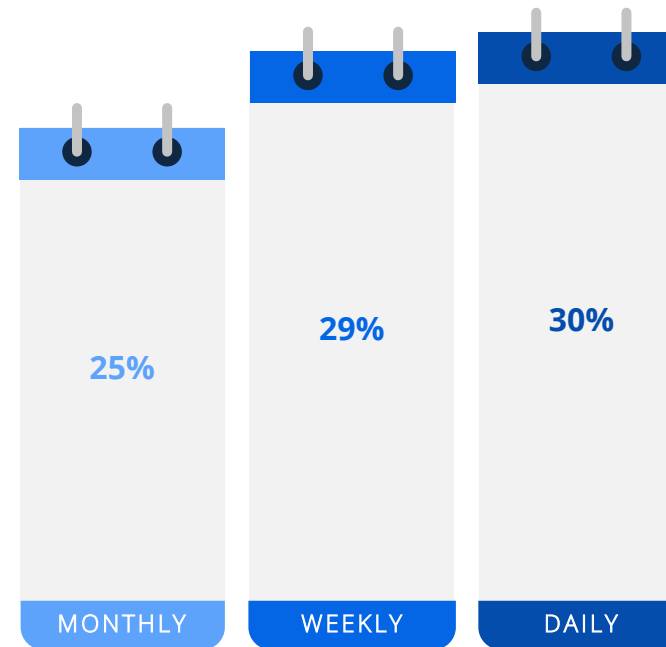
TikTok social buyers in the United States from 2022 to 2026

in millions



TikTok Shop users by frequency of TikTok use in the United States as of September 2023

Share of respondents



With a combination of engaging short-form videos that seamlessly integrate online shopping with targeted entertainment, TikTok has quickly entered the social commerce scene. Where Instagram's Shop failed, TikTok Shop continues to expand, first finding success in Southeast Asia and now fully operating in the United States, the United Kingdom, and several EU countries.

With U.S. TikTok users numbering above 107 million and an additional estimated 17 million users in the United Kingdom as of 2024, TikTok Shop was launched in these markets with a plethora of potential customers waiting to make purchases. By 2026, the estimated number of TikTok Shop buyers will rise to 40 million. Among these, 30 percent reportedly use the TikTok app on a daily basis.

The New Age infomercial

Seeing products in action is important: fashion and beauty

On TikTok Shop, consumers have three primary options:

1. **LIVE Shopping** – TikTok's take on live commerce, where consumers watch influencers or sellers display products on TikTok LIVE and can buy products directly and in real-time without closing the stream. TikTok offers their participating sellers educational courses to optimize their shopping events.
2. **Shoppable videos** – These ads capitalize on TikTok's video format. They can be found under hashtags or sounds and can appear between videos in users' Following and For You tabs as targeted ads. Users can purchase items directly in videos.
3. **Storefront pages** – Businesses can set up in-app shops that are customizable and recognizable for consumers.

A survey conducted by Material and published by TikTok revealed that "70 percent of TikTok users discover new brands and products" on the platform, backing up the self-proclaimed statement that TikTok Shop is a one-stop e-commerce solution for brands. In the United Kingdom (the first European country where TikTok Shop was made available), fashion and apparel was the most popular product category for consumers to watch during live commerce events. After beauty products, fashion made up the second largest share of available products on the platform in 2023.



Customer overlap of TikTok Shop users

Online marketplaces reign supreme



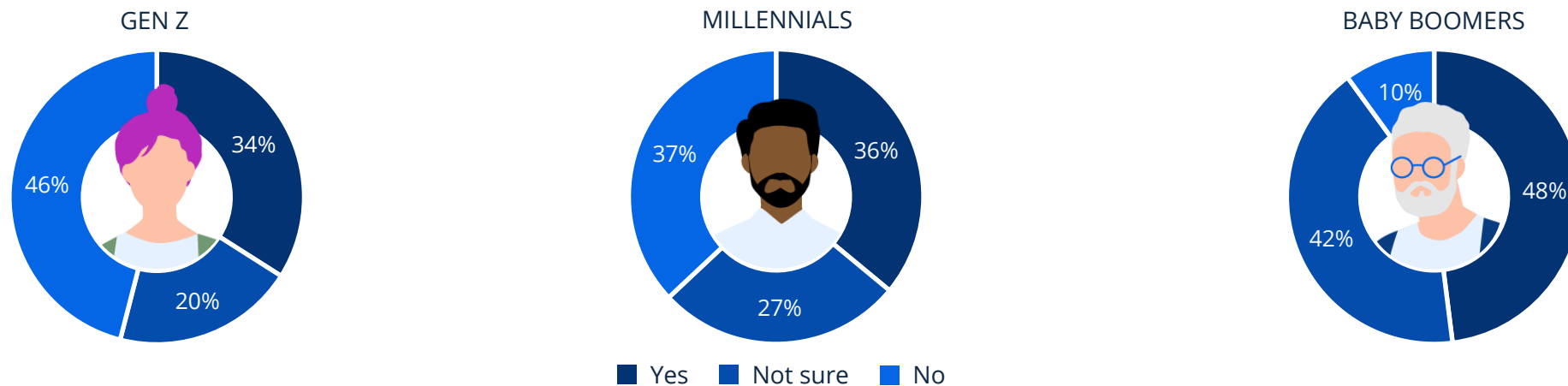
An interesting connection seems to be present among online shoppers who use both Chinese and American online marketplaces. What connects them? TikTok Shop and its combination landscape of social commerce and the e-commerce marketplace model.

In the United States, approximately 28 percent and 25 percent of customers of Shein and Temu, respectively, were also shopping on TikTok Shop in 2024. Nearly all TikTok customers used Amazon, and over half of them reported using Etsy.

TikTok trust issues

Americans fear ulterior motives

Share of Americans who think China is using TikTok to make Americans feel more divided



TikTok's enormous American user base notwithstanding, the United States has expressed concern about TikTok's Chinese ownership. Political action on this front dates back to 2020 when the first Trump administration issued an executive order to ban TikTok and other Chinese apps. The Biden administration reversed that initial order, expressing the desire for TikTok to be American-owned. After a chaotic half-day ban in January 2025, TikTok's future still hangs in the balance.

Looking at the American population, opinions on whether TikTok may be used by China to disrupt society are divided. Nearly half of Gen Z Americans, who are more familiar with TikTok than older generations, do not think that China has any ulterior motives with the social platform. In contrast, 48 percent of baby boomers do think that China is actively using TikTok to make Americans more divided. A further 42 percent of baby boomers are not sure.

04

Response from the West

- United States
- European Union
- United Kingdom
- Key figures on Chinese e-commerce in the West
- Amazon plays catch-up
- Consumer dilemma



How are Western nations faring?

U.S. outlook



Security concerns

- Potential data collection practices with links to the Chinese government and general exploitation of user data
- **TikTok** allegedly sharing U.S. user data with Chinese authorities
- Platforms such as **Temu**, **Shein**, and **AliExpress** lack transparency in their supply chain regarding both imports and how they handle U.S. consumer data



Legislative actions

- TikTok ban
- Bipartisan bills introduced to regulate or ban TikTok in the U.S.
- Proposed legislation to enforce stricter compliance with U.S. labor and import laws
- Announcement of change to *de minimis* exception on imports
- Tariffs on Chinese imports
- Banning of goods suspected to be involved with forced labor
- Investigations on deceptive advertising and data privacy practices



Economic and geopolitical implications

- Concerns and legislative action reflect the increasing tensions in U.S.-China relations
- Desired increase in regulation also functions to counter global Chinese influence in e-commerce and tech

How are Western nations faring?

EU outlook



Security concerns

- Potential data collection practices with links to the Chinese government and general exploitation of user data
- **TikTok** allegedly breached the General Data Protection Regulation (GDPR) by mishandling EU user data and potentially sharing it with Chinese authorities
- **Temu**, **Shein**, and **AliExpress** raise concerns about consumer safety in relation to counterfeit products, unsafe materials, and insufficient control of cheaply-valued imported goods



Legislative actions

- TikTok ban on government devices
- European Commission requires **Shein** and **Temu** to provide information to comply with EU consumer protection standards
- Proposal to abolish the 150-euro duty-free threshold for non-EU imports
- Stricter regulations under the EU's ban on products linked to forced labor
- Major platforms such as **TikTok** are required to conduct annual audits, guarantee content moderation, and provide transparent methods to report illegal activities



Economic and geopolitical implications

- Concerns and legislative action reflect the EU's desire for stronger economic sovereignty
- Reducing dependence on non-EU companies in digital and retail industries
- Legislative actions to level the playing field for European companies

How are Western nations faring?

UK outlook



Security concerns

- Potential data collection practices with links to the Chinese government and general exploitation of user data
- **TikTok** allegedly sharing UK user data with Chinese authorities
- Low-cost, high-volume imports from **Shein, Temu, and AliExpress** raise concerns about low transparency in their supply chains



Legislative actions

- TikTok ban on government devices
- Enhancement of digital regulations under the Online Safety Bill
- Calls for improved customs enforcement to address duty evasion by platforms shipping from China
- Legal disputes between Shein and Temu over copyright and anticompetitive behavior in London's High Court



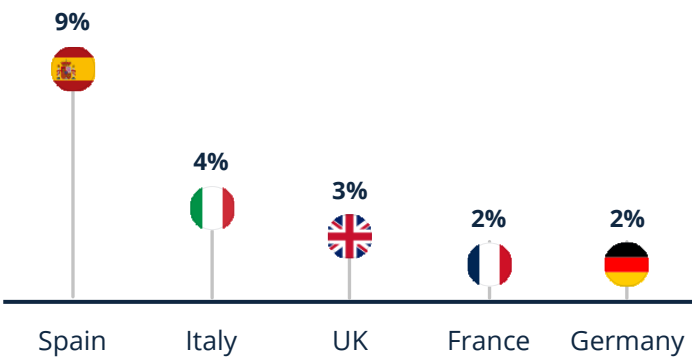
Economic and geopolitical implications

- Shein files for London Stock Market initial public offering
- Focus on fair competition and anticompetitive actions
- Businesses desire to level the playing field

Key figures on Chinese e-commerce in the West

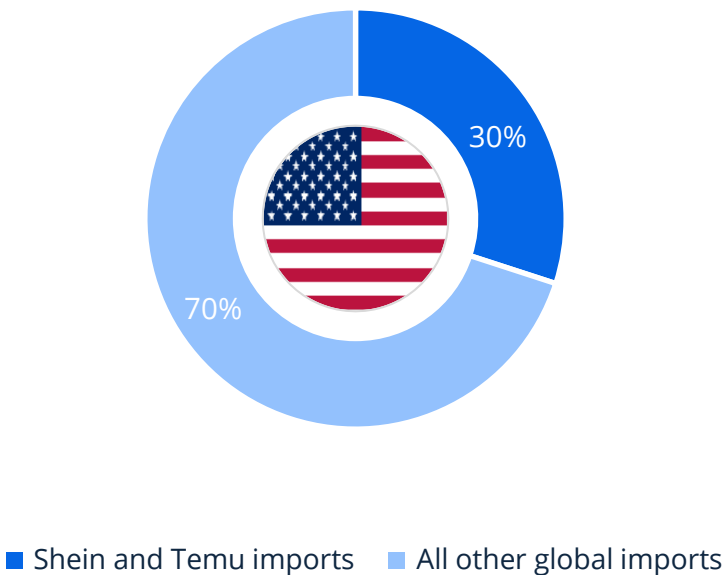
Chinese players making inroads

Share of overall e-commerce sales of AliExpress, Temu, Shein, and Miravia in 2023



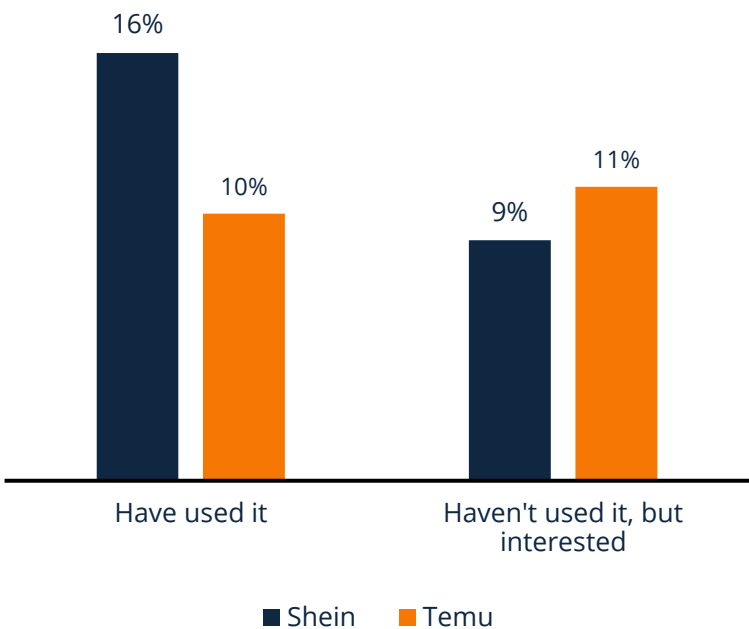
“22% of parcels delivered in France by La Poste come from Temu and Shein.”
-nss Magazine, October 2024

Distribution of daily *de minimis* imports to the U.S. from Shein and Temu in 2023



U.S. clothing shoppers who have used Shein or Temu as of September 2023

Share of respondents



30 Notes: (1) Miravia is a Spanish e-commerce marketplace owned by the Alibaba Group

Sources: (1) eMarketer; Foxintelligence; ID: 1536300; (2) nss Magazine; (3) U.S. House of Representatives – Select Committee on the CCP; ID: 1537272; (4) CivicScience; ID: 1453374

Amazon plays catch-up

If you can't beat them, join them – introducing Amazon Haul

In light of ultra-fast fashion and low-cost online marketplaces such as Temu and Shein gaining traction among shoppers globally, Amazon has announced its strategic response: Amazon Haul.

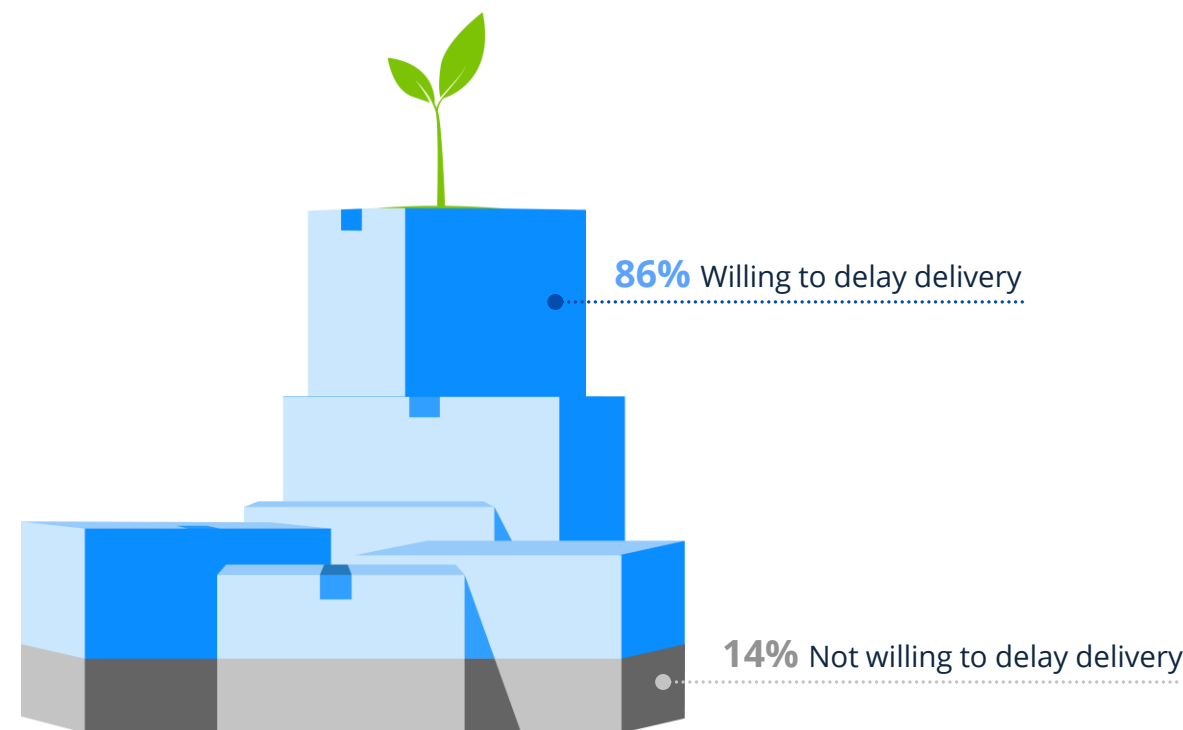
Beta-tested in the United States in 2024, Amazon's Haul outlet mimics Temu and Shein in using a business model defined by marketing affordability and offering inexpensive items to value-conscious consumers. Sourcing products from third-party sellers and manufacturers in China, Haul items are price-capped at 20 U.S. dollars, free shipping is available after the total cart value exceeds 25 U.S. dollars, and the items have delivery times of up to two weeks. Haul joins the list of Amazon's niche competitive fronts: Amazon Handmade, Amazon Luxury Stores, and Amazon's discontinued TikTok competitor: Amazon Inspire.

By leveraging high-speed supply chains and algorithm-driven personalization to promote cheap, impulse-buy products, Amazon Haul intends to cater to the same demographic of consumers driving the sales of Chinese e-commerce marketplaces.



Consumers are still divided – weighing convenience against ethics

U.S. shoppers willing to delay delivery if offered a sustainable incentive in 2023



While Western users generally remain supportive of TikTok despite government security concerns, Shein and Temu are another story. Amid toxic substances reportedly found in the marketplaces' products, health concerns have arisen on the list of reasons for not shopping on either platform. Forced labor allegations and the heavily criticized proliferation of waste caused by mass-produced, low-cost, and sometimes even plagiarized products are consumers' main issues with these online marketplaces. This has sparked a debate between the ethically-minded consumers and the value-conscious ones. Whereas more than eight in 10 U.S. shoppers were reportedly willing to delay their usually rapid, sometimes same-day e-commerce deliveries if given an incentive related to sustainability, there are still millions of shoppers who do not mind waiting the extra week or two for their high-volume, low-cost Temu orders. Ultimately, a large value-action gap remains that speaks volumes: nothing beats cheap.

What will be China's e-commerce legacy?

Outlook

Chinese retail and social media powerhouses have successfully exploited a niche in the European and American markets: **low-cost, socially engaging e-commerce**. Before the COVID-19 pandemic, few Western consumers knew about Shein and TikTok, and Temu had not even been founded. As of 2025, these China-backed platforms have made significant inroads in Western markets, resulting in top spots in rankings for app downloads and website visits, as well as billions of U.S. dollars in sales.

However, issues are starting to arise. TikTok, the most popular app in the U.S. in 2024, may soon be banned from that very market. In a similar vein, Shein was denied an IPO on the American stock market. Meanwhile, the European Union has imposed import tariffs on goods with a value below 150 euros, specifically targeting cheap Chinese imports from Temu. These companies are on a (thus far unsuccessful) quest for legitimacy in the West. With regulatory pressure increasingly resulting in market exits, could it be that the Chinese cross-border e-commerce boom is just a phase?

While certain companies may disappear from Western markets, their ideas will not. Temu, Shein, AliExpress, and TikTok do not just attribute their success to unbeatably low pricing – innovation plays an equal part in their popularity. Social commerce, influencer marketing, and livestream shopping have been dominant channels in Asian e-commerce for years, and Chinese e-tailers have now successfully introduced these channels to the West. TikTok may be banned in the United States, but consumers will look for the next social network on which they can shop while consuming video content by their favorite influencers. At the same time, their usage of artificial intelligence to optimize the efficiency of supply chains is now being looked at as an example for Western retailers to follow.

Jack Ma discovered the internet while visiting the United States and was the first to apply the concept of a website, and later, an online store named Alibaba, to the Chinese market. In turn, Amazon now sees its market share endangered by the likes of AliExpress, Shein, and Temu and is applying their concepts to the U.S. market. The legacy of Chinese e-commerce in the West is not measured in market share or yuan – it is measured in innovation.

Glossary

B2B e-commerce

Business-to-Business online retail.

B2C e-commerce

Business-to-Consumer online retail.

C2C e-commerce

Consumer-to-Consumer online retail.

D2C e-commerce

Direct-to-Consumer online retail, also known as DTC or Direct Selling.

Livestream commerce

Type of e-commerce popular in Asia where influencers advertise products during livestreams on social media platforms, and viewers can purchase directly on the platform.

Group buying

Pinduoduo popularized a concept in which customers can share discount codes with friends and shop for lower prices if they convince others to buy the same product.

Social commerce

E-commerce that occurs on social media or with social elements.

KOLs

In China, influencers are known as Key Opinion Leaders. This includes celebrities as well. They are generally managed by agencies that act as producers for the video shoots or photo shoots.

WeChat mini programs

Lightweight, stripped-down mobile applications that run within WeChat, China's most popular application used for messaging, payments, and more.

Micro-influencers

Influencers with less than 10,000 followers

De minimis

In the context of import tariffs in the U.S., this rule states that goods with an import value below a certain threshold will not be taxed.

Sources

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Authors



Koen van Gelder

Team Lead E-commerce

koen.vangelder@statista.com

Koen leads the e-commerce research team at Statista that develops highly relevant insights into the latest trends in the e-commerce industry. They work on statistics, data reports, and editorial reports for all aspects of online retail.



Jessica Wallesverd

Research Expert E-commerce

jessica.wallesverd@statista.com

Jessica is a research expert for e-commerce at Statista, with a special focus on the United States, Canada, and the United Kingdom. She specializes in fashion and apparel online retail, as well as C2C e-commerce platforms.