

How Did Temu Achieve Global Retail in A Short Period of Time?

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ABSTRACT

Temu has become a global retail platform with its centralized operation strategy and digital supply chain integration. This study explores how emerging cross-border e-commerce platforms like Temu achieve rapid international expansion. Through literature review, case study and comparative analysis with Amazon and SHEIN, this study reveals that Temu's low-price strategy, digital supply chain management and fulfillment model supported its rapid market entry. This study provides platform companies with ideas for going global and illustrates how digital supply chains can help emerging companies achieve globalization. Future research can explore consumer behavior and profitability to assess long-term sustainability.

KEYWORDS

Temu; Cross-border E-commerce; Digital Supply Chain; Global Expansion; Strategy

1. INTRODUCTION

In recent years, a large amount of data shows that global e-commerce has developed rapidly, and e-commerce has gradually become an important driving force for economic structural changes in various countries. As early as 2017, global retail e-commerce sales exceeded 2.3 trillion US dollars and continued to grow [1]. It can be seen that the popularization of the Internet and the optimization of the global supply chain network are one of the reasons for the expansion of cross-border e-commerce. In the context of the global supply chain, the expansion speed of cross-border e-commerce platforms and their new operating models are research hotspots in academia and industry.

Cross-border e-commerce has become an indispensable part of international trade. TEMU has formed an efficient supply chain integration system through its operating model, cost-effective products and efficient logistics system, connecting Chinese manufacturers and European and American consumers. The platform has a unique operating model and has invested a lot of money in promotion. In a short period of time, it has become one of the most downloaded applications in the world. However, since TEMU is a relatively new research object, academic research on the platform is still in its infancy, and the research volume cannot be compared with international e-commerce giants such as Amazon and SHEIN [2]. The main content of this study is to sort out TEMU's platform operation strategy and supply chain integration in the process of global expansion through literature review, case analysis, comparative analysis and other methods, analyze the platform's planning of overseas logistics routes, unique full-hosting operation model and pricing strategy. At the same time, it explores TEMU's innovation in global supply chain management and profit model.

2. LITERATURE REVIEW

2.1. Background of E-commerce and Digital Supply Chain Development

E-commerce has not only changed the retail landscape in developed countries, but has also developed rapidly in developing countries, becoming an important factor in global economic growth. E-commerce is a new business model. Unlike traditional commerce, e-commerce breaks the limitations of geography and time and promotes the integration of the global market [3].

Cross-border e-commerce must first deal with regional policy differences and logistics barriers, and also needs to combine the platform with the digital supply chain to improve operational efficiency. Enterprises use digital means to effectively manage logistics, inventory and customer service, thereby simultaneously improving cost control and market responsiveness [3]. Especially in the current era, cross-border e-commerce competition is becoming increasingly fierce, and the implementation of digital supply chains has become the key to the platform's global expansion and competitive advantage.

In short, the rapid development of global cross-border e-commerce is inseparable from the support of supply chain digitization. Today, studying how platforms can open up international markets through supply chain integration and technological innovation has become an important direction in the field of e-commerce.

2.2. Research on Cross-border E-commerce Platforms

Scholars who focus on cross-border e-commerce pay attention to the global expansion and supply chain management models of mature platforms such as Amazon and SHEIN. Most studies believe that building and optimizing the supply chain system is the key to the successful entry of such platforms into the international market.

As the world's leading e-commerce platform, Amazon has successfully built a global distribution network with its own warehouses, logistics systems and distribution optimization. By continuously improving order processing speed and customer experience, Amazon has consolidated its competitive advantage in the international market [4].

On the other hand, SHEIN has achieved rapid response through a digital supply chain and shortened the launch cycle of new products. At the same time, owning local warehouses has reduced logistics costs and improved distribution efficiency. Studies have pointed out that SHEIN's innovations in supply chain management, data-driven production and localized operations are important reasons for its rapid capture of the global fast fashion market [5]. In summary, existing research on Amazon and SHEIN provides important empirical references for understanding supply chain construction, logistics system optimization and global market entry strategies. However, compared with Amazon and SHEIN, research on emerging platforms such as Temu is still relatively limited. This research gap reveals the need to deepen research in this field.

2.3. Research Status on Temu

As an emerging cross-border platform, Temu has quickly become popular in the global market and has won wide attention. Although Temu has achieved excellent market performance in a short period of time, academic research on it is still in its infancy, and systematic theoretical analysis is still relatively lacking. Existing literature mainly focuses on Temu's market promotion, price competitive advantages and initial international layout, and lacks in-depth discussion on its supply chain integration [2]. In particular, how does Temu achieve supply chain management through a "full trusteeship" model, how does it use data-driven optimization to match supply and demand, and how does it adjust its strategy according to the market characteristics of different countries. In contrast,

existing research has made relatively systematic theoretical summaries and empirical analyses of mature platforms such as Amazon and SHEIN in terms of global supply chain management, digital supply chain transformation, and local market penetration strategies [2]. Therefore, exploring Temu's supply chain integration model, platform operation mechanism, and differentiated competition strategy during its global expansion can not only fill the gaps in existing research, but also provide an important reference for understanding the competition of emerging cross-border e-commerce platforms in the international environment.

3. METHODOLOGY

3.1. Research Methods

This study uses four methods, namely literature research, case analysis, comparative analysis and model construction, to systematically explore Temu's global expansion path and supply chain integration mechanism in the field of cross-border e-commerce from both theoretical and practical levels.

First, this study uses the literature research method to systematically sort out existing research results and build theoretical support and conceptual framework for the study. The literature materials mainly come from authoritative materials such as international academic journals and industry analysis reports to improve the reliability of the research.

Second, this study uses the case analysis method to analyze the case of cross-border e-commerce. This method lays the foundation for summarizing general rules and proposing management inspirations.

Third, the comparative analysis method is used to compare Temu with mainstream cross-border e-commerce platforms to summarize Temu's differentiated advantages. This method helps to more clearly identify Temu's unique positioning as an emerging platform in the fierce market competition.

Finally, this study introduces the model construction method to construct Temu's business model and supply chain logic framework to support the subsequent analysis process.

3.2. Research Design

This study focuses on the supply chain integration and platform operation characteristics of Temu in the global expansion of cross-border e-commerce, and designs a systematic and phased research process.

The research design mainly includes the following steps: First, determine the research problem. Based on the literature survey of the development trend of the cross-border e-commerce industry, clarify the platform's global expansion path, supply chain integration model and localized operation strategy, and find out the research scope and core issues. Secondly, data and case collection. Systematically collect public information related to Temu and sort out the platform characteristics. Next, compare and analyze various platforms, taking Amazon and SHEIN as the main control objects, compare from the perspectives of supply chain layout, platform operation strategy and international market entry, and analyze Temu's unique competitive advantages in the field of cross-border e-commerce. Finally, build a model and display it. Draw a business model diagram to show Temu's business model and global supply chain operation framework, and intuitively show the relationship between the various elements within the platform. Finally, summarize the research findings. Based on the systematic analysis and comparative study of the Temu case, summarize its core characteristics and put forward a theoretical summary of the future development of cross-border e-commerce platforms.

3.3. Model Construction and Analysis

In order to systematically present the inherent logic of Temu's supply chain integration and platform operation model during its global expansion, this study constructed Temu's business model and global supply chain operation framework based on case data analysis, and conducted structured analysis.

First, based on official data, industry research reports and market analysis data collected in the study, this study extracted the core elements of Temu's operation system, including supply, platform, fulfillment and consumers. The relationship between the elements revolves around resources, processes and information flow, forming a complete business operation logic.

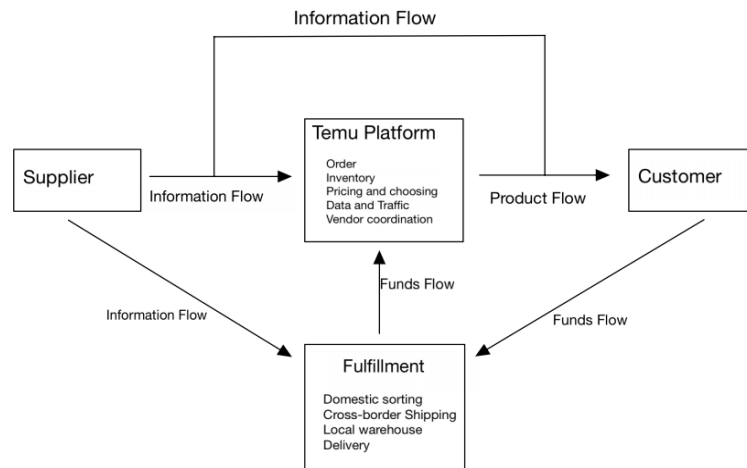


Figure 1. Temu Business Model Structure Diagram

As shown in Figure 1, suppliers provide product resources to the platform and connect to the platform through information flow. The Temu platform includes core parts such as order processing, inventory forecasting, product selection and pricing, data, traffic and collaborative management. The platform feeds back order information and traffic to complete the actual delivery of goods through fulfillment and logistics. The fulfillment part consists of domestic sorting centers, cross-border transportation systems, overseas warehousing and local distribution, forming a logistics chain for the international market. Finally, the goods reach the hands of consumers. Consumer payment behavior drives the formation of platform cash flow, and then the platform completes the settlement with fulfillment service providers and suppliers. As the analytical basis of this study, this model clearly shows the relationship and process between the various participating elements in the operation of the Temu platform from a structured perspective, providing visual support.

4. RESULTS AND ANALYSIS

4.1. Platform Strategy and Supply Chain Structure

Temu, Amazon and SHEIN were compared from the perspectives of supply chain organization model, fulfillment system and platform operation, and the differences in logic and operational strategies of the three platforms in their global expansion were analyzed.

In terms of digital supply chain model, Temu adopts a fully managed mechanism, where the platform uniformly manages product pricing, inventory and logistics, with particular emphasis on centralized control. Amazon has formed a more flexible multi-channel supply system through its own FBA (Amazon Logistics) [6]. SHEIN adopts a flexible supply chain, allowing factories to launch only a small number of new products for market testing. If a product is found to be selling well, additional orders will be placed immediately and production will be resumed. This strategy enables SHEIN to achieve a high-speed operation, low inventory and low-risk sales model [7].

In terms of fulfillment system, Temu has built a combination model of domestic pickup, cross-border transportation, overseas local warehouses and local distribution, improving delivery capabilities in a light-asset form. Amazon has built its own logistics system with global warehousing as the core [6], while SHEIN adopts a combination of direct air transport and some overseas warehouses to reduce cost and time risks [7]. In terms of platform operation, Temu builds a system through order systems, inventory forecasting, and traffic distribution to achieve centralized scheduling of platform products, suppliers, and fulfillment resources. In contrast, Amazon's system focuses more on full-process tracking [6], while SHEIN emphasizes data-driven feedback and sales [7].

The differences among the three platforms in platform strategy and supply chain integration paths reflect their different control efforts, efficiency goals, and resource coordination methods, providing a structural basis for subsequent localization and market adaptability analysis.

4.2. Localization Strategy, Pricing and Competitive Positioning

As one of the most representative platforms in the cross-border e-commerce field in recent years, Temu's rapid globalization layout shows a unique operating mechanism. First of all, in terms of platform positioning, Temu adopts low prices and centralized processing methods to attract a large number of users, and forms efficient integration capabilities through product pricing, traffic distribution and logistics fulfillment. This operating model helps to reduce operating costs and simplify cooperation processes.

Secondly, Temu's user structure has obvious characteristics of youth and mobile orientation. The platform is mainly aimed at price-sensitive and high-frequency consumption groups, emphasizing promotional activities, limited-time discounts and visual stimulation strategies to greatly enhance user participation [8]. This user architecture pushes Temu's market orientation to a faster pace and standardization.

Temu uses a unified operating process to quickly replicate successful practices to other countries and achieve simultaneous launch in multiple markets. This can help the platform quickly enter new markets, quickly trial and error and adjust in the early stages. However, this approach also places higher demands on its localization capabilities, customer service levels and data processing responses.

Temu has established a business model of "high integration, rapid response, and light asset operation" in platform management, supply chain control, and market operations. This has provided strong support for its international expansion in the short term and also constituted a core competitive strategy that distinguishes it from traditional platforms.

4.3. Key Features and Emerging Patterns

As one of the most representative platforms in the cross-border e-commerce field in recent years, Temu's rapid globalization layout demonstrates its unique operating mechanism. First, in terms of platform positioning, Temu adopts low prices and centralized processing to attract a large number of users, and forms efficient integration capabilities through product pricing, traffic distribution and logistics fulfillment [9].

Second, Temu's user structure shows obvious characteristics of youth and mobility [8]. The platform mainly targets price-sensitive and high-frequency consumer groups, emphasizes promotional activities and visual stimulation, and greatly improves user participation. Such a user structure quickly promotes Temu's market positioning to a more standardized direction.

Temu adopts a unified operating process to quickly replicate successful practices for global expansion. This model also places higher demands on its localization capabilities, customer service levels and data processing response.

Temu has established a highly centralized and fast-response business model in terms of platform management, supply chain control and market operations, which provides strong support for its international expansion in the short term and constitutes its core competitive strategy that is different from traditional platforms.

5. CONCLUSION

This study uses Temu as a case study to analyze the platform's global expansion path, and by comparing the two major international platforms of Amazon and SHEIN, it shows its structural characteristics and differentiated competitive logic as an emerging cross-border e-commerce platform. The study found that Temu, relying on the full-hosting model, has built a highly integrated digital supply chain system and asset-light fulfillment links. Using platform algorithms, the platform flexibly adjusts commodity prices, optimizes the content that users see, and accurately recommends suitable commodities. At the user level, the platform takes the low-price strategy as the core, quickly attracts price-sensitive users, especially in the European and American markets, forming a unique market entry angle. In addition, Temu emphasizes the standardized replication of Pinduoduo and the fast-paced launch in its global expansion, which strengthens its speed advantage. This study not only provides a practical case for the global expansion of platform-based cross-border e-commerce, but also helps to better understand the feasibility and effectiveness of the digital supply chain integration model in the internationalization process. However, this study is mainly based on the analysis of public information and platform operation logic, and fails to cover deeper factors such as user retention rate and long-term profitability. In the future, more in-depth research can be conducted in combination with authoritative data and consumer behavior.

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