

Localization and Global Standardization Strategies in Cross-Border E-Commerce: A Case Study of SHEIN's Internationalization

Zinan Wang

School of Management, Shenzhen University, Shenzhen, 518055, China

Abstract. SHEIN is a global online fashion and lifestyle retailer established in 2008, focusing on customer needs, providing products ranging from fast fashion women's wear to home. The company meets the needs of global consumers with data-driven design and personalized recommendation, and has entered many international markets. SHEIN's internationalization has developed rapidly. Instead of following the traditional progressive mode, it has adopted a leap-forward internationalization strategy, relying on China's supply chain foundation to rapidly grow into a large enterprise. The company adopts the dual-engine mode of "self-operated brand+platform" to provide different entry modes to meet the needs of various businesses. SHEIN implements localization strategy, emphasizes global localization, and adapts to and meets the diverse needs of the global market through global layout of independent stations, localization of logistics and supply chain, internationalization and localization of management team and localization of marketing. At the same time, SHEIN also achieved rapid market expansion and brand consistency through the global standardization strategy. In addition, the organizational structure and market entry of SHEIN are also discussed accordingly.

Keywords: Localization, Global Standardization Strategies, E-Commerce, SHEIN.

1. Introduction

1.1 SHEIN

Founded in 2008, SHEIN is a global online fashion and lifestyle retailer, providing all-round development products centered on customer needs. As an international B2C fast fashion e-commerce company, it has entered many markets in North America, Europe, the Middle East, Southeast Asia and South America, and its main products cover fast fashion women's wear, men's wear, children's wear, accessories, shoes, beauty cosmetics, home and home textiles. The company's headquarters moved from Guangzhou to Singapore at the end of 2021, providing services to customers in 150+ countries/regions through major global operation centers such as the United States, Brazil, Ireland and South China.

In addition, as an international enterprise, SHEIN, as mentioned in its corporate vision, "Let everyone enjoy the beauty of fashion, and we constantly pursue the improvement of technology and efficiency, so as to better meet the fashion needs of global consumers in terms of richness, timeliness and cost performance", and constantly meet the needs of global consumers by using digital transformation empowerment and personalized recommendation. Whether in product selection, shopping experience or customer service, SHEIN always adheres to the concept of "fast fashion" and is committed to bringing the latest trends and fashion trends to every customer. Through active overseas market layout and localized operation strategy, SHEIN is constantly consolidating its leading position in the global fashion retail industry.

1.2 Development history of the enterprise

SHEIN was founded in Nanjing in 2008.

Brand transformation started in 2012.

In 2013, it completed the A round of financing and officially began to lay out independent sites around the world.

In 2014, build a supply chain system and deepen the mobile APP e-commerce channel.

In 2015, we completed the B round of financing and expanded into the Middle East market.

In 2016, the dual-brand operation mode of SHEIN and ROMWE began.

In 2018, it became a well-known brand in China and entered the Indian market.

In 2020, it will become a global fast fashion cross-border e-commerce brand and expand the field of all categories of clothing.

In 2023, the e-commerce platform model was officially announced, from self-operated brand to "self-operated brand+platform" dual engine.

.....

During the 16 years of development, SHEIN has provided many successful experiences for the global e-commerce platform to go to sea. And in 2024, a large-scale supply chain logistics transshipment center will be established in Zengcheng to further promote and improve the global layout of platforms and brands. [1]

1.3 Status quo of international development

The traditional theory of international development points out that enterprises usually go through a step-by-step process in the process of internationalization, and only after accumulating enough resources and experience at home can they gradually expand overseas markets. However, some enterprises, known as "naturally internationalized enterprises", do not follow this gradual model, but adopt a leaping internationalization strategy. These enterprises quickly entered the global market at the beginning or shortly after their establishment, and were not limited by psychological and geographical distance, and even entered multiple overseas markets at the same time. By quickly grasping market opportunities and competitive factors, these enterprises can quickly gain international competitive advantages. Although there is no unified quantitative standard for such enterprises in academic circles, it is generally believed that they are often small and medium-sized enterprises, and export is their main business in the early days. [2]

SHEIN is such an enterprise, which has not taken the traditional road of internationalization. Relying on China's stable supply chain foundation, SHEIN has been focusing on overseas markets since its establishment, showing the characteristics of a naturally international enterprise. In the fierce overseas market competition, SHEIN has rapidly grown into a large-scale enterprise through international operation, breaking the traditional natural international enterprise development model with small and medium-sized enterprises as the mainstay. SHEIN's international business scope and brand awareness have achieved efficient growth. For more than ten years, SHEIN has continuously improved its digital technology and management level, optimized its operations in supply chain, sales channels and marketing, and provided personalized services to customers in different countries and regions. [2]

In the long process of international development, SHEIN has made remarkable achievements in many aspects: it ranks first in search volume and App download volume in many countries and regions around the world; It has become the top five unicorn companies in the world and has been selected as one of the top 100 most influential companies in the world by Time magazine in 2022. 2023 is a year of rapid development. In addition to winning the number one shopping App download in the world again, it has also been selected as one of the top ten fastest growing brands in the Millennium. The revenue of the platform is also growing, and its global influence is constantly strengthening.

In addition, SHEIN has also been among the top 50 global Brandz in China in the past four years, ranking 11th, 10th, 4th and 3rd respectively from 2021 to 2024. From this, we can easily find that SHEIN's ranking on the list has been growing steadily, and achieved a great leap between 2022 and 2023. It can be seen that SHEIN has made continuous progress and growth in the process of internationalization, and has become a typical representative of brand internationalization of cross-border e-commerce enterprises, providing successful experience for other cross-border e-commerce enterprises. [3]

1.4 Mode of business entry

As a global e-commerce platform, SHEIN provides different entry modes, innovatively implements the dual-track parallel mode of "independent operation+agency operation", and provides flexible and diverse cooperation schemes for businesses with different development stages and different demand characteristics, so as to help all kinds of small businesses to better carry out trade activities in the global market and increase turnover.

1.4.1 Acting operation mode

Suitable for sellers who only want to focus on product supply or do not have much operating experience. Sellers only need to supply to domestic SHEIN warehouse. The partners are mainly domestic traders, domestic factories, traditional foreign trade and cross-border sellers.

1.4.2 Independent operation mode

Suitable for sellers with certain operating experience and overseas stocking ability. Under the platform mode, the seller can operate the store independently and be responsible for a series of links such as product supply, marketing and sales, and the SHEIN platform is responsible for assisting the operation.

1.4.3 Semi-hosting mode

Suitable for sellers who have operations and have the ability to stock goods overseas and perform contracts locally; In the platform mode, the seller operates the store independently, and SHEIN assists in the operation.

2. Strategic choice

2.1 Localization strategy

SHEIN's localization strategy emphasizes "global localization", that is, in the process of expanding its business on a global scale, it goes deep into the local market and becomes part of the local community. As a global e-commerce platform, in the process of expansion, SHEIN will inevitably face the culture and aesthetics of different markets, as well as the specific consumption preferences and needs of consumers in different regions. For example, in the North American market, SHEIN can mainly promote short skirts, while in the Middle East market, it mainly focuses on conservative long skirts. In addition, some local enterprises and local laws and regulations will also limit the development of enterprises. This strategy not only pays attention to the expansion of the global market, but also pays attention to the localized operation mode in each country and region. The purpose is to better adapt to and meet the diversified needs of different markets around the world, so as to enhance brand competitiveness and market share, as well as brand image and consumer loyalty [4]. It is under this strategy that SHEIN has achieved remarkable success in the field of fast fashion and provided valuable experience for other cross-border e-commerce enterprises. Specific performance in the following aspects:

2.1.1 Global layout of independent stations

Unlike many novice brands who just went to sea, SHEIN did not choose to rely on Amazon, a big platform with less initial investment. Instead, she initially chose the self-built website model and invested a lot of website construction costs and promotion funds. After long-term development, the scale of users is increasing and the stickiness is increasing. SHEIN has successfully formed a private domain traffic pool in various places, with a steady stream of traffic, which facilitates the shopping experience of users around the world, realizes the globalization of independent station layout, and paves the way for localization development.

	Initial layout stage (2008 -2013)	Accumulation and efficiency improvement stage (2014 -2019)	Explosive growth stage (2020-present)
Independent station layout	2010 — The Spanish site was established and entered the ZARA home market	2014 — Italy site	2021 — Download volume of American platform exceeds Amazon.
	2012 — The Italian site was established	2015 — Sheinside changed its name to Shein, a site in Arabia, Australia, the Middle East and India	2023 — Launched the comprehensive e-commerce platform "SHEIN Marketplace". The first stop was to test the water in Brazil, and the subsequent sites in the United States and Mexico were launched.
	2013 — Completed a round of financing, and successively launched independent stations in Germany, France and Russia.	2016 — Officially entered the Middle East market.	2024 — On April 22, 2024, SHEIN fully opened its independent operation mode in 9 European countries and Mexico and other multinational platform sites.
		2017 — Shein business has covered 224 countries and regions around the world.	2024 — On June 21, 2024, it officially entered the Korean market, and the Korean platform was launched.
		2018 — Entering the Indian market through mobile e-commerce channels	

Figure 1. SHEIN's global localization development layout

2.1.2 Localization of logistics and supply chain

SHEIN has invested in establishing production centers and distribution infrastructure in Brazil, Mexico and other countries, and cooperated with local manufacturers to realize the localization of some sales. It also plans to invest in Brazil and cooperate with 2,000 local textile manufacturers to create 100,000 jobs in the next three years. It is estimated that by the end of 2026, about 85% of Brazil's sales should come from local manufacturers and sellers. Adopting the mode of "small order and quick return", rapid response production is realized through digital management tools, which greatly shortens the product design and development cycle. [5]

At the warehousing level, SHEIN currently has three types of warehouses in the world, including domestic central warehouses, overseas transit warehouses and overseas operation warehouses. The domestic central warehouse is located in Foshan, Guangdong, and there are several satellite warehouses around it. Nearly 95% of the goods in the world come from the domestic central warehouse. At the same time, SHEIN also has a number of overseas transit warehouses in Italy, Indonesia, Saudi Arabia, Dubai, Australia, Vietnam and other regions. Overseas transfer warehouses are only responsible for receiving consumer returns and not delivering goods. In addition, SHEIN has operating warehouses in Hong Kong, Belgium, Delhi, the northeast and the west of the United States, which are responsible for the distribution of its radiation areas. Overseas warehouses account for about 5% of global shipments. [6]

The layout of SHEIN's customer service center has been gradually improved with the development of the company. In 2015, SHEIN set up a customer service center in the United States for the first time to prepare for entering new markets. So far, five customer service management centers have been set up around the world to respond to customer questions quickly. At the same time, it provides multilingual services to consumers around the world, covering 16 languages, and has opened 24-hour online customer service in many countries. Among them, the most important customer service teams are located in Nanjing, Yiwu and the Philippines, and college students are recruited all over the world for part-time customer service to ensure the after-sales speed. At present, the platform has two self-operated international sites, SHEIN and ROMWE, and nine small-language sites, taking into account both the IOS mobile terminal and the android mobile terminal, so as to quickly solve the problems of consumers in the purchase and after-sales process.

2.1.3 Internationalization and localization of management team

Since 2020, SHEIN's management team has gradually developed internationally. For example, AdamWhinston, who was in charge of supply chain ESG compliance at Disney, became the ESG global director of SHEIN; Marcelo cowl C, former chief operating officer of Softbank, became the chairman of Latin American companies and vice chairman of the group. And in terms of localization, in addition to establishing a global warehousing system and adding local employees, SHEIN also began to try to adopt the dual CEO system of local people managing local people. [7]

2.1.4 Localization of marketing

SHEIN implements differentiation and localization strategies for different markets, such as designing special products for the Middle East market and optimizing payment methods to meet the

needs of local consumers. At the same time, through market segmentation, different brands and product lines (such as SHEIN and ROMWE) are launched according to the user level, language and cultural characteristics of different countries, so as to realize differentiated operation. This strategy not only improves the consumption conversion rate, but also enhances the brand's market positioning.

Here, taking Mexico market and Brazil market as examples, the localization measures of SHEIN in different markets are explained in detail. In the Mexican market, in marketing, SHEIN attracts the target audience by using labels related to price-sensitive consumers who are willing to find discounts, such as #saveinstyle; In terms of production, SHEIN opened the first production and distribution center in Yucatan, and established a strategic alliance with local small factories, so that consumers can receive products in a shorter time and continue to play the flexible supply chain model. In addition, SHEIN also cooperated with local financial institutions to launch its own credit card, so as to promote the inclusiveness of Mexican finance, expand consumer groups and build user loyalty. The situation in the Brazilian market is slightly different. SHEIN has laid out the Brazilian market since 2019, and in recent years, it has been regarded as one of the important markets outside North America and Europe. This is mainly because Brazil itself has a strong clothing industry chain. As one of the major textile and clothing producers in the world, it is more suitable for developing local supply chains. SHEIN has established an office in Sao Paulo, Brazil and an independent office to consolidate its local business, and plans to invest in establishing a market in Brazil and cooperate with local textile manufacturers to further deepen the localization process. In marketing, the unique charm of SHEIN brand is displayed in the form of offline pop-up shop, which also attracts the attention of a large number of consumers. The development of the local e-commerce market in Brazil itself is very mature, and it is very important for SHEIN to enter this market and implement the localization strategy. [8][9]

2.2 Global standardization strategy supplement

In addition to the implementation and application of localization strategy, SHEIN has also achieved rapid market expansion and brand consistency through global standardization strategy at some levels. This is embodied in the following aspects:

2.2.1 brand consistency and market positioning

SHEIN uses the measures of global standardization strategy to ensure the consistency of the brand in the global market. Designers from different parts of the world are used to form a design team to collect local hot trends, cultural characteristics and other information, and provide designers with the direction of design and production information. Adopting the flexible supply chain mode of "small order and quick return", this standardized design and production process helps SHEIN maintain the consistency and attractiveness of the brand on a global scale, and can be improved in real time to meet the different needs of consumers in various regions. [10]

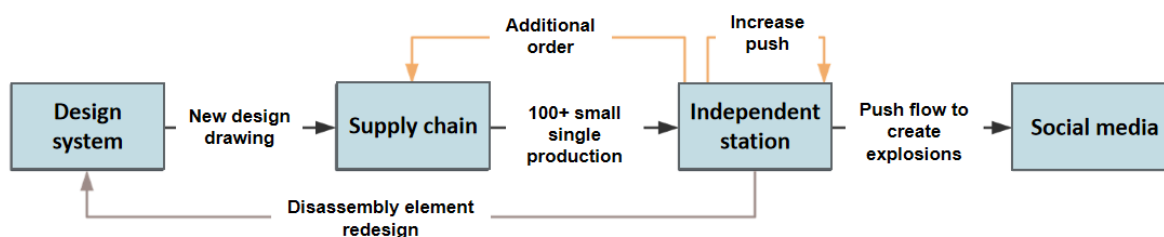


Figure 2. "Small Order Quick Return" Mode

2.2.2 Digital management and marketing strategy

SHEIN provides personalized services to customers in different countries and regions by continuously improving the level of digital technology and management, coordinating and optimizing the operation of supply chain, sales channels and marketing. Flexible supply chain and "small order quick return" mode are adopted in multiple markets to respond to market demand quickly, shorten the new cycle, reduce inventory costs and maintain price advantage. This standardized supply chain

management not only improves the operational efficiency, but also ensures the consistency of product quality and brand style. [11]

In the case of multi-language and multi-currency, it adapts to the needs of buyers in different regions, flexibly uses digital marketing means such as social media advertisements, user-generated content strategies and pay-per-click advertisements, and rapidly expands SHEIN's influence in the global market. This global unified digital marketing strategy has also helped SHEIN to establish a strong brand recognition on a global scale. [12]

2.2.3 Standardized platform operation mode

SHEIN implemented the platform strategy and launched the "Hope for Gravitation" plan, which will help 10,000 global sellers to break through the annual sales of one million US dollars in the next three years, and open two cooperation modes: semi-hosting and full-hosting, so as to provide global site coverage and precise marketing capabilities for merchants. Such measures have formed a dual-engine development model of SHEIN's "self-owned brand+platform", and at the same time, it sells products of self-owned brands and third-party brands, covering more than 150 countries or regions around the world. In addition, the application of the "semi-hosting" model has further expanded its business coverage and attracted a large number of third-party sellers to join the platform. This model not only enhances SHEIN's market competitiveness, but also improves the overall efficiency through standardized operation processes. [6]

3. Global matrix structure

SHEIN's organizational structure design supports its extensive operation and innovation strategy, and at the same time, it takes into account the global unity of product lines focused on the global product structure and the adaptability of regional markets focused on the global regional structure, and finally achieves the balance between globalization and regionalization through the matrix structure. In 2019, SHEIN made an organizational restructuring, in which all senior executives were promoted from within and a flat organizational framework was built around business lines. After adjustment, there are eight departments: commodity center, supply chain center, IT R&D center, digital intelligence center, operation center, customer relationship management center, organizational development and empowerment center and financial center. This kind of structure emphasizes the cooperation and information circulation between departments, ensures the orderliness of resources and information, and achieves strategic goals through this orderliness. [13]

It can be said that SHEIN's organizational structure conforms to the characteristics of global matrix structure. Its core departments such as commodity center, supply chain center and IT R&D center are not only responsible for global operations, but also need to respond to market demand quickly, which reflects the combination of functions and product dimensions in the matrix structure. For example, the central department of supply chain is also responsible for product-level production and procurement, as well as warehousing and logistics management in various regions of the world. It can be said that SHEIN realizes rapid iteration and precise marketing of products through two-wheel drive of data and platform, which also reflects the cross management of geographical areas and product dimensions in the matrix structure. [13]

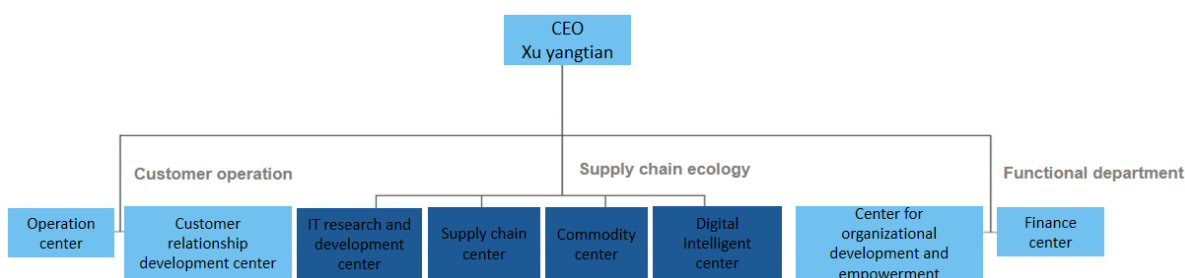


Figure 3. SHEIN's organization chart

This year, SHEIN's project to build the global headquarters of cross-border e-commerce supply chain in Greater Bay Area, located in Zengcheng, Guangzhou, was officially started. Different from the single receiving and dispatching warehouse in the past, this headquarters is a modern supply chain center integrating operation and warehousing, stocking, picking, distribution, delivery and settlement, which can provide more efficient synergy for SHEIN's global sales and provide important channels and assistance for its global matrix structure.

4. Market entry mode

Before analyzing SHEIN's market entry mode, let's first look at his sales distribution in various regions of the world (taking 2021 as an example). It can be seen that SHEIN's main markets are Europe, America and the Middle East, and SHWIN's entry mode is slightly different in different markets. [6]

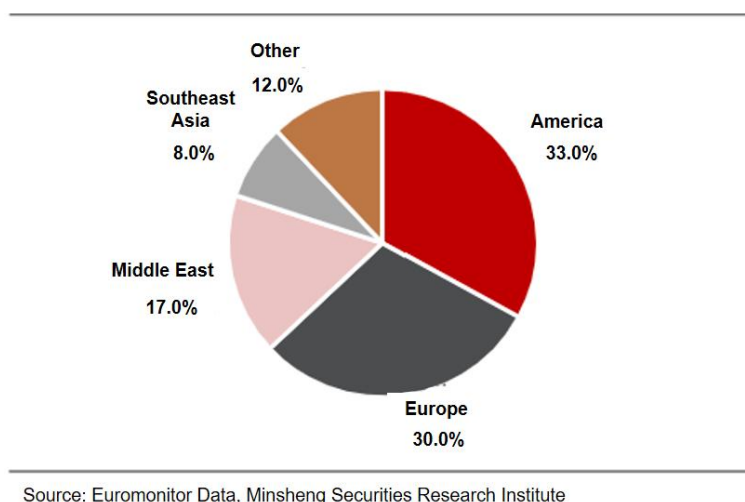


Figure 4. SHEIN's global regional sales layout

In the early market of America, Europe and Middle East, SHEIN adopted the logistics mode of "head-to-head air transport+destination terminal delivery", and introduced third-party sellers in the online platform mode of SHEIN Marketplace in America. In the Southeast Asian market, SHEIN pays attention to localized operation, cooperates with local fashion bloggers and KOL to enhance brand influence, and adopts the special line company model to transport goods to Southeast Asia. In 2015, with the help of overseas social platforms such as Instagram and Twitter, it successfully entered the Middle East market. It can be seen that SHEIN's market entry mode is not a single one, but a combination of multiple modes.

4.1 "Buyer" mode-direct export

The most direct way for SHEIN is to enter the market directly through "buyers". In the early days, SHEIN's buyer team was composed of employees. Later, in April 2021, it became an independent department called "Fashion Technology". This department began to operate in the second half of 2021, and its responsibility is to study fashion trends, fashion trends and related trends. They capture fashion trends through offline buyers and online crawlers, and turn this information into specific design schemes. The buyer team is not only responsible for screening competitive products, but also formulating reasonable price strategies to ensure the rationality of product prices, meet the needs of consumers and ensure the profit space of enterprises. They are also responsible for negotiating and signing contracts with suppliers. For example, SHEIN has a new team called "Super Buyers", which will be responsible for finding new suppliers and developing new products. [13]

SHEIN enters the international market through export mode, which is a low-risk, low-investment strategy and suitable for market expansion in the initial stage. By cooperating with local dealers or distributors, the products are sold to the target market, while avoiding the establishment of operating

costs in new countries. In addition, SHEIN also provides a semi-hosting mode through the Export Easy Platform to help sellers optimize overseas warehousing and logistics management.

4.2 License agreement

The entry mode of the Indian market can be regarded as a license agreement. SHEIN re-entered the Indian market through a licensing agreement with Reliance Industries. According to the agreement, Reliance Retail will fully own SHEIN's business in India and its subsidiary will manage the e-commerce platform, while SHEIN will provide production support and training to local suppliers to ensure data security and localized operation. The advantages of this model are low cost and low risk, but SHEIN's control over the local market is weak.

4.3 Investment in mergers and acquisitions

Through acquisitions and joint ventures with other brands, SHEIN has always implemented a multi-brand operation model. SHEIN's M&A road began in 2015. After completing the B round of financing, she acquired a number of peers including ROMWE and MakeMechic. These two brands have provided important experience for SHEIN's own brand building and cross-border operation, and the localization of MakeMechic in North America has also helped it to gain a firm foothold in the North American market quickly. In the British market, SHEIN cooperated with Forever 21, a fast fashion women's clothing brand, to set up a joint venture, and acquired Missguided, a British fashion brand facing the crisis, and made use of the brand's extensive influence in the local area to become a great help for SHEIN to enter the British market. In addition, SHEIN also tested its offline channels by acquiring a part of the shares of SPARC Group, a joint venture between Authentic Brands Group and Simon Real Estate Group. The domestic Guangzhou Longyiren Clothing Co., Ltd. introduced SHEIN to participate in the holding in 2018, and registered LATUZA, a brand mainly selling pajamas, in the next year. At present, it operates both independent stations and Amazon stores. [6]

Some of SHEIN's investment and M&A projects are listed in the following table:

Table 1. SHEIN's investment and M&A projects

Event	Influence
Merger and acquisition of MakeMeChic and ROMWE in 2015	Absorb the experience of cross-border brand building from ROMWE; Make use of the localization ability of MakeMeChic team to quickly establish brand potential in North America.
Acquired the entire founding team of ZZKKO in 2015.	Accelerate the layout of mobile apps.
Angel invested in JWPEI in 2017 and LATUZA in 2018.	Further enrich the platform business lines (cheap environmental protection handbag brand and bamboo fiber pajamas brand)
Invest in Soufeel in 2019	March into the independent development of jewelry category and explore different vertical categories.
In early 2021, United Sequoia Capital invested in the home brand Outer.	As a typical DTC brand, Outer has a strong localization ability in the United States, and specializes in high-premium products, providing experience for SHEIN's high-premium DTC brand building.
In March 2021, he invested in Patuosun with Xiaomi and Byte; In May, Anker invested in Guangzhou Lanshen Technology.	Provide experience for the development of SHEIN's product line from non-standard clothing to standard clothing, so as to learn the leading style of Amazon standard clothing.
In 2022, I tried to acquire TopShop, and finally failed.	Exploration of Overseas Localization Brand Building and Expanding Zhang Zhilu
In 2023, it acquired 1/3 equity of SPARC Group, parent company of Forever 21, and Missguided, a subsidiary of British Star Lion Group, and all its intellectual property rights.	Flexible supply chain model is practiced in different fashion brands around the world, expanding sales and user scale and enhancing the influence of SHEIN brand camp.

In particular, SHEIN established Hainan Rock Technology Holdings Co., Ltd. in May 2021, mainly for investment activities. It can be seen that investment and cooperation to form a joint venture is one of the important means for SHEIN to go to sea. Through overseas investment and mergers and acquisitions, the globalization of its layout is accelerated, and the degree of binding with overseas capital is further deepened. It can be said that both mergers and acquisitions and investment are concrete manifestations of the implementation of SHEIN's localization strategy. At present, SHEIN has more than 10 brands in the world, not only clothing brands, but also all categories including dozens of sub-sectors such as household department stores, beauty care, electronic products, automobile decoration and home appliances.

5. Conclusion

5.1 Summary of the internationalization process of SHEIN

The implementation of localization strategy is a very important link in the process of SHEIN internationalization, which has a vital impact on the global development of e-commerce platform. Take the Indian market as an example. After the Sino-Indian conflict in 2020, the tension between China and India led to a large number of China apps, including SHEIN, being included in India's blocked list. Although SHEIN tried to re-enter the Indian market during Prime Day by cooperating with Amazon, it was still blocked. It can be seen that for an e-commerce platform like SHEIN, the change of local policies and regulations will cause an inestimable blow to its market expansion. Of course, in the process of internationalization, SHEIN has gradually overcome the problems and challenges and made remarkable achievements.

First of all, at the beginning of its establishment, SHEIN carried out the original traffic and user accumulation in the mode of independent station, followed the development mode of "independent brand+platform", and had the consciousness of building its own brand from the beginning. And firm localization development strategy, established operation centers in more than 150 countries or regions around the world, and helped local enterprises to enhance their competitiveness in the international market through a number of investment fairs and empowerment plans. Secondly, the combination of SHEIN's "small order quick return" and flexible supply chain brings great time advantage and cost advantage to the global layout of its logistics and supply chain. This model not only shortens the production cycle, but also reduces the inventory risk, enabling it to quickly launch products that meet the needs of overseas consumers. Finally, in terms of brand and market expansion, SHEIN flexibly uses the combination of various market entry modes to consolidate and develop its position in the global fashion industry chain, and covers different consumer groups through multi-brand strategy. In addition, SHEIN has promoted the internationalization of China's manufacturing industry through cooperation with local industrial belts. For example, textile and garment enterprises in Fujian and Shantou have accelerated their going out to sea through SHEIN platform, helping to enhance the international popularity and influence of regional textile and garment products.

5.2 Enlightenment and prospect

5.2.1 Get rid of the attraction of low prices and enhance brand value.

At present, low price is still the core competitiveness of SHEIN brand, which also leads to its low-cost and low-end brand image. The label of "low price and quantity" is closely adhered to the brand. This makes SHEIN have no autonomy in the pricing of high-end products, and the price is always lower than other high-end platform businesses. SHEIN should continue to optimize its product structure, adopt the experience and lessons of M&A brands in the high-end market, continue to develop the high-end brand series currently launched (such as MOTF Premium), shape high-end brands, build high-premium product lines, enhance brand image through sustainable materials and environmental protection concepts, and further subdivide consumer groups, so as to get rid of the "low price attraction". Although there has never been a precedent for fast fashion brands to

successfully turn to high-end luxury brands, it can still be expected with the layout of SHEIN's multi-brand strategy.

5.2.2 Strengthen localization and compliance.

Facing the market environment and laws and regulations of different countries, SHEIN needs to strengthen its localization operation ability and ensure the compliance of the supply chain to cope with possible trade policy risks and intellectual property disputes. Political and economic factors such as Sino-Indian conflict and Sino-US trade barriers will also have a great impact on the development of SHEIN. In particular, SHEIN's business and listing plan in the United States, as a Chinese-funded enterprise, is likely to face political repression and fierce market competition in the implementation process. Although SHEIN has repeatedly said that most of the corporate capital structure has been transferred overseas, and it seems that it is going to be a Singapore company, it is not an easy task and needs to be constrained by domestic and even global regulatory authorities.

5.2.3 Deepening digitalization and technological innovation

SHEIN should continue to make use of big data and artificial intelligence technology to improve the ability of user portrait analysis and personalized recommendation, and at the same time strengthen the intelligent construction of logistics system to improve operational efficiency. Give full play to the supply chain advantages of its global layout, empower with numbers, grasp the cross-border e-commerce traffic dividends at all stages outside the station, and obtain traffic at low cost and through multiple channels; In the station, win users' minds through differentiated platform experience, improve customer stickiness, and enhance the international influence of SHEIN brand through linkage inside and outside the station.

References

- [1] SHEIN's internationalization journey: The gorgeous turn of independent brands and the power of industrial empowerment. (2024, April 8). Taiyuan Daily.
- [2] Qiu, S. (2022). Research on brand internationalization of cross-border e-commerce enterprises in China [Master's thesis, Institute of International Trade and Economic Cooperation, Ministry of Commerce]. <https://doi.org/10.27054/d.cnki.ggjms.20206.000000000000005>.
- [3] Google & Kantar. (2021–2024). Google x Kantar BrandZ China global brand report [Data set and report].
- [4] Deng, T. (2022). Research on the strategy of fashion clothing brands in China—Taking SHEIN as an example. *Western Leather*, 44(14), 25–27.
- [5] Dong, J. (2023, April 23). SHEIN increases the localization investment in Brazil's supply chain and copies the “small order and quick return” model. *21st Century Business Herald*.
- [6] Yang, R., & Ma, C. (2023, December 26). SHEIN: Great voices and great voices [Fast fashion cross-border e-commerce securities research report]. Guohai Securities.
- [7] Behind Shein's IPO in the United States: Xu Yangtian and his “mysterious team”. (2023, November 28). *Financial Investment News*.
- [8] Wang, C. (2024). SHEIN: The overseas marketing of DTC fast fashion brands. *International Brand Watch*, (Z2), 52–58.
- [9] SHEIN opened its first offline store, and Adidas' sales in Greater China continued to decline—Textile and apparel & cosmetics industry weekly. (2022, November 13). *Cinda Securities*.
- [10] Zhang, L., & Gou, Y. (2021). Nanjing SHEIN's value creation strategy. *International Journal of Sociology Frontiers*, 3(20), 89–94. <https://doi.org/10.25236/IJFS.2021.032016>.
- [11] Zhang, B., & Yu, X. (2023). SHEIN digital transformation: Research on motivation, path and enlightenment. *Practice in Foreign Economic Relations and Trade*, (3), 49–54.
- [12] Du, Y., & Hu, Z. (2024). Digital drive to accelerate internationalization: Taking SHEIN as an example. *Tsinghua Management Review*, (1), 110–118.
- [13] Zhang, P., Jin, M., Li, Q., & Ma, Y. (2023). Behind the rapid rise of SHEIN [Case study]. *Management Case Study Center, Guanghua School of Management*. (Case No. STR-2-20231010-311)