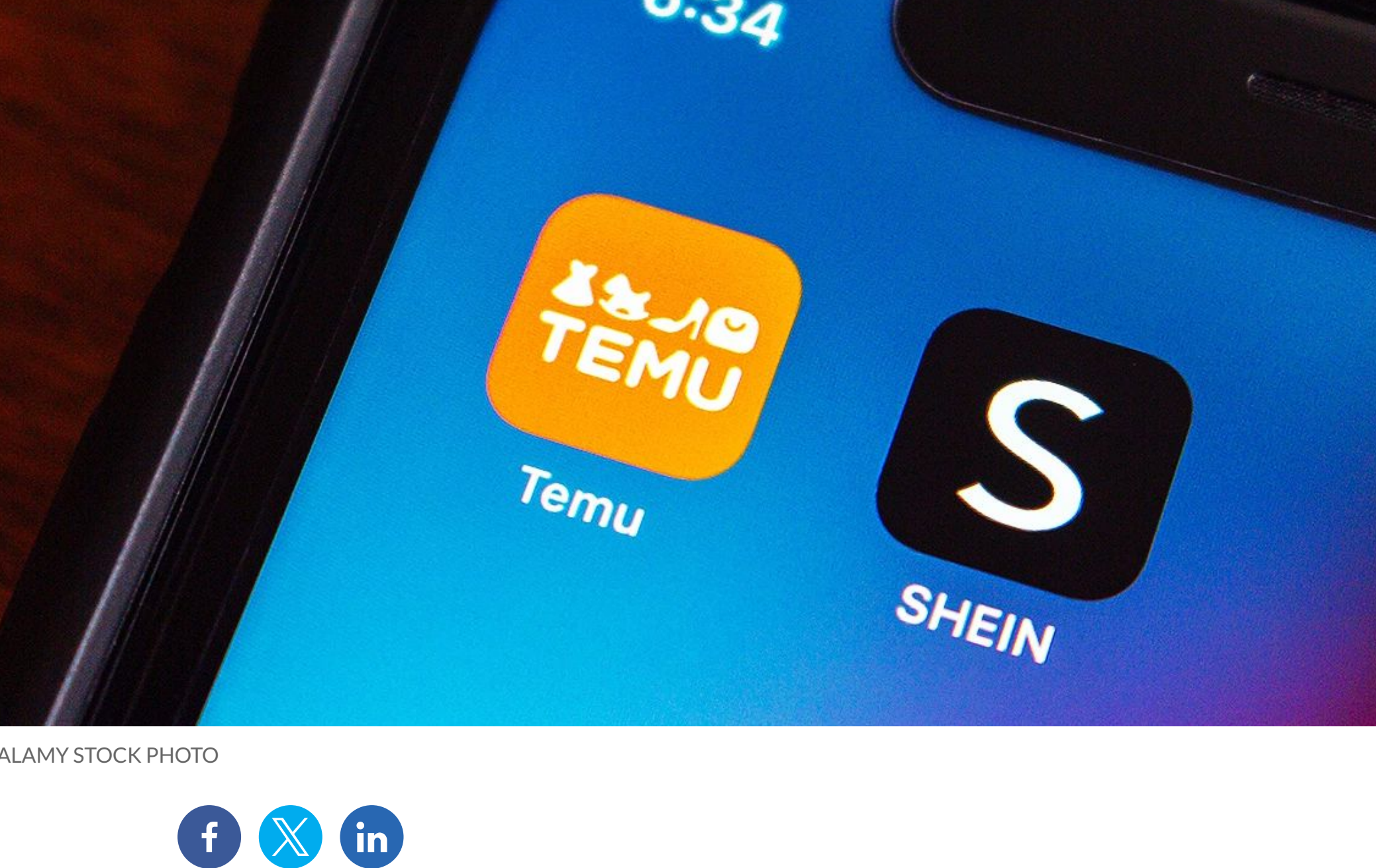


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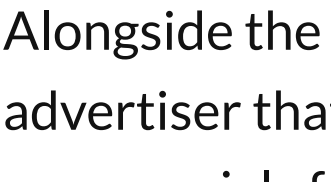
Temu vs. Shein: What Online Shoppers Need to Know

Both low-cost retailers ship from China, but there are differences

By Beth Braverman, AARP | 69 Comments
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Alongside the many celebrity-laden Super Bowl ads this year was another advertiser that purchased multiple spots throughout the big game...

The name Temu (pronounced teh-moo) may already be familiar to folks who spend a lot of time shopping online, where the retailer was 2023's largest advertiser with Meta...

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"It's not a coincidence that Temu is taking out Super Bowl ads and advertising on Facebook rather than Instagram," says Amanda Lee McCarty, host of the slow-fashion podcast Clotheshouse...

What's it like to shop on Temu and Shein?

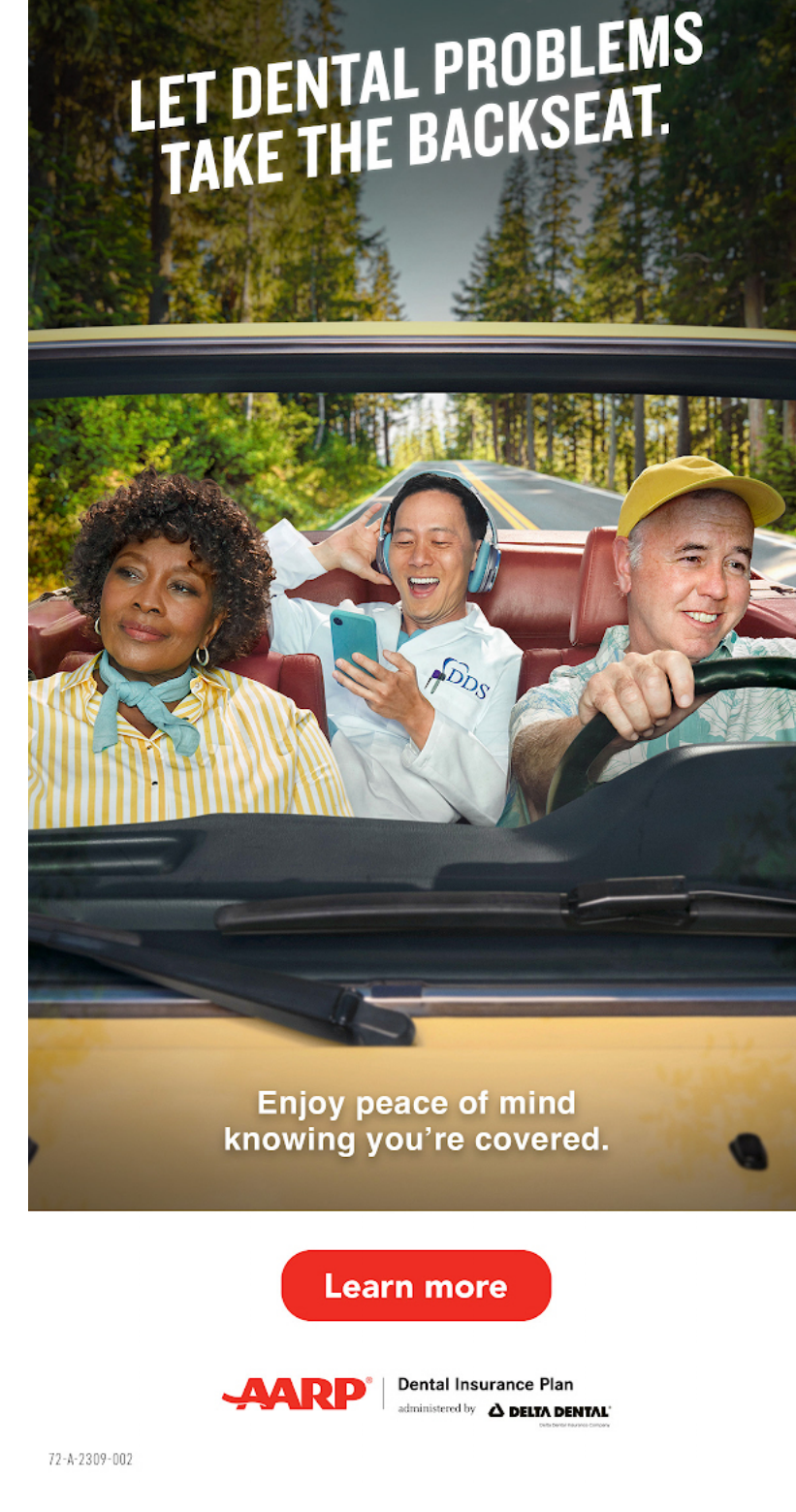
Shein specializes in "fast fashion" - that is, the ability to offer the latest fashion trends more quickly than most retailers. Temu has a similar strategy with more broad-based product offerings that range from dresses to drills...

"There are a lot of little games with spinning wheels and things like that," says Inès Durand, senior market insights manager at Similarweb. "That's what will make it different than if you go on Amazon ... they're going to suggest you play around with a lot of features and try to make you excited when you get a credit, so you spend more."

Since the products are coming directly from manufacturers in China, expect orders to take a week or more to arrive at your door, which could be an adjustment if you're used to the two-day shipping that has become common among many American retailers.

In terms of quality, experts say to expect a level commensurate with the low prices that you're paying. "Obviously, you get what you pay for," says John Deighton, a professor at Harvard Business School...

In a statement, Temu said that its affordable prices are not a reflection on their quality and that the company employs "stringent quality control measures." Shein pointed to a study that found its customers wear its products an average 10 times or more.



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If an item arrives that's broken or doesn't match its website description, both Temu and Shein have return processes and customer service departments. However, some customers decide that the products cost so little that returning them isn't worth the expense or hassle...

How do they keep price so low?

Shein maintains that its low prices also reflect its "on-demand" production model, in which it manufactures items in small batches of just a few hundred items at once. That means the company does not have to store or manage unsold inventory in the same way that many competitors do.

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But there are other factors as well that put a lid on costs. Shipping directly to consumers from the manufacturers means that the sites don't have to pay for warehousing costs in the United States.

However, in addition to passing the tax savings along to consumers, skipping customs also means that the manufacturers don't face the same regulatory scrutiny into the safety of their products or their manufacturing practices.

"There are a lot of questions around the labor that goes into the manufacturers that they select," says Melissa Minkow, director of retail strategy at e-commerce technology vendor CI&T. "There's definitely a lack of transparency around the vendors they have relationships with."

In an emailed statement, a Temu spokesperson said that Temu is committed to ethical labor practices and requires all partners and suppliers to comply with local labor laws. In response to a request for comment, a Shein spokesperson shared a July statement from the company that said that it supported a reform of the de minimis policy.

Where did Shein and Temu originate?

In a word, China.

While Temu's website says it was founded in Boston in 2022, its parent company Pinduoduo has operated in China since 2015. The company maintains a network of thousands of Chinese suppliers who ship items directly to U.S. consumers. The site's inventory is largely unbranded and ranges from electronics and housewares to fashion items.

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Shein, on the other hand, launched in China in 2008 before moving to Singapore in 2019. Unlike Temu, Shein focuses primarily on fashion merchandise. However, it is similar to its competitor in that it typically ships items directly to American consumers from its Chinese manufacturing facilities.

Both companies have exploded in the U.S. market over the past two years. A June 2023 report found that the companies combined sent nearly 600,000 packages per day to the United States, a figure that likely went up significantly in the past nine months.

Is it safe to shop at these companies?

Both sites claim to follow security best practices with customer information at checkout. But the U.S.-China Economic and Security Review Commission has raised concerns about data risks associated with the sites.

If you're worried but still want to shop with them, one way to protect yourself is to opt not to save your financial information on the site and to use a disposable virtual credit card to pay for your purchase.

Available through most credit card issuers, disposable virtual cards are single-use numbers that are different from the ones on your credit card.

Beth Braverman is a contributing writer who has covered shopping and personal finance for more than a decade. Her work has appeared in Consumer Reports, CNNMoney.com, CNBC.com, and dozens of other outlets.



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