

# Can Temu replicate last year's success?

## Article

It's been nearly a year since Temu ran its first Super Bowl ad, bursting into the US market as the latest low-price retailer.

While some were **skeptical of Temu's staying power**, the app's low prices and social-first marketing strategy seem to be resonating with consumers. Opening its platform to US sellers could bring competition for Temu at a time when consumer perception is flagging.

Here's a look at Temu's 2023 successes and what may lie ahead for the brand.

**By the numbers:** Temu was one of the fastest-growing websites in the US last year, growing its web and mobile traffic by more than 700% YoY, reaching an average of 92.2 million monthly visits, according to Similarweb data cited by Business Insider.

Customers spent a significant amount of time on the platform, too.

The average **Temu user spent 18 minutes per day** on the app in Q2 2023, nearly double the 10 minutes they spent on Amazon and 11 minutes on AliExpress and eBay, per an Apptopia analysis.

**Social butterfly:** A major driver of Temu's success is the app's investment in paid social media.

- Temu invested 76% of its ad spend on social media, compared with 13% on digital display ads, and less than 5% each on online video, TV, and native formats, per Media Radar.
- Nearly half (46%) of Temu's digital ad spend in 2023 went to Facebook, 22% went to Instagram, and 15% went to YouTube, according to Sensor Tower data cited by The Wall Street Journal.

Gen Xers and baby boomers shopped Temu more frequently and spent more than younger shoppers in 2023, according to research firm Attain as reported by Bloomberg. That trend may be a result of Temu's presence on Facebook, where we forecast consumers ages 55 to 64 spend an average of 25 minutes a day (more than any other age group).

Consumers ages 59 and older were the most loyal, placing about six orders over 12 months, twice as many as Gen Z shoppers ages 18 to 26, per Attain.

**Open season:** Temu will open its marketplace to US sellers next month as it tries to expand beyond Chinese sellers, per Marketplace Pulse.

- This could help the retailer reduce logistics costs as well as cut down on delivery time to US customers.
- It could also help Temu win over users who are wary of buying from Chinese sellers, though it's unlikely Temu will be able to attract established brands, according to Marketplace Pulse.

Temu, which faces competition from marketplaces already open to US sellers—like TikTok Shop, Amazon, and Shein—has already clashed with other platforms over sellers.

**The road ahead:** In hopes of replicating last year's success, Temu will return to the Super Bowl with multiple ads, according to The Wall Street Journal.

But it may be harder to score new customers this year, as the retailer no longer has its air of mystery and many consumers are still wary of its values.

- Perception toward Temu's brand values and trustworthiness fell 2% over the past six months, based on a January 2024 analysis from HundredX.
- Temu's purchase intent fell 14% over the past six months, down across all age groups, but particularly for shoppers over 40, per HundredX.

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