Shein's latest move will dramatically cut shipping times

Article



The news: Shein plans to make a major investment in the US market by opening large distribution centers and embarking on a hiring spree, per The Wall Street Journal.

 US consumers will eventually receive orders within three or four days, George Chiao, president of Shein's US operations, told the Journal. That would be a major improvement from the fast-fashion retailer's current long shipping times, which range from 10 to 15 days.





The rationale: Months after Shein opened its first US distribution center in Indiana, the retailer is already expanding its footprint 50% to 1.5 million square feet.

- It now plans to open a 1.8-million-square-foot distribution center in California, and another in the Northeast.
- The growth plan comes only a few months after Bloomberg reported that the company's \$100 billion valuation is in question as Shein deals with slowing growth ahead of a potential 2024 IPO.

The big takeaway: One potential growth area for Shein is its premium label MOTF, which launched last year. But shoppers who pay up to \$140 for a silk blazer are unlikely to be willing to wait more than two weeks for items to arrive. That's why Shein's investments are an important part of its growth plan.

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