

Sizing up Shein: How it fared in 2023 and what 2024 has in store

Article



Shein is moving ahead with its public debut, taking on some competitors (like Amazon and Temu) while teaming up with others (like Forever 21). Though a brick-and-mortar footprint doesn't seem to be a part of Shein's plan yet, it could take a cue from other fast-fashion brands, like H&M and Zara, and establish a physical presence to engage with offline shoppers.

Battle of the marketplaces: Last week, **Amazon announced it would reduce seller fees** on clothing under \$20, a move clearly intended to undercut fast-fashion companies like Shein.

But Amazon isn't just competing with Shein in the apparel category—earlier this year, **Shein added home appliances, electronics, and kitchen utensils** to its platform, which sounds a lot like what Amazon's marketplace has to offer.

It also sounds similar to Temu, **which gained steady popularity throughout 2023** due to its ultra-low prices.

- Shein filed a lawsuit against Temu in December 2022, alleging that Temu told social media influencers to make “disparaging remarks” about Shein, **per Reuters**.
- Temu filed its own suit against Shein, accusing the company of violating US antitrust law in its interactions with clothing manufacturers.
- Both companies dropped their court cases in October, but **Temu has recently filed a new suit against Shein**, citing it uses a "mafia-style intimidation" on suppliers and infringed on Temu's intellectual property rights.

If you can't beat 'em: Shein **teamed up** with fellow fast-fashion brand Forever 21, launching a co-branded clothing line that will be sold primarily online via Shein's website.

- The tie-up also enables Shein to sell its apparel at Forever 21's brick-and-mortar stores.
- The brands kicked off their partnership with a **pop-up event in Los Angeles** in October, which had customers across generations lining up to shop Shein in person.

From URL to IRL: Shein's partnership with Forever 21 could hint at a brick-and-mortar footprint for Shein in the future, potentially taking a page out of H&M's or Zara's playbook as the clothing retailers **re-invest in brick-and-mortar** to try to reach shoppers offline.

- These reimagined stores are bigger and offer services like beauty salons, repairs, and coffee shops, while also integrating with apps that allow shoppers to search the storeroom on their phones, according to The Wall Street Journal.
- While ecommerce sales of apparel and accessories will grow faster than traditional brick-and-mortar sales in 2024 (9.9% growth versus 5.1%, per our forecasts), physical retail is still important, giving consumers a chance to touch and feel products.

Going public: In November, **Shein confidentially filed to go public** in the US, per CNBC.

- The retailer was last valued at \$66 billion and could begin trading as soon as 2024.
- **However, even though** the company is not headquartered in China, Shein may have to get permission from Chinese regulators, which could throw a wrench into its IPO plans.

While an IPO may not massively change the current fast-fashion landscape, it would help to legitimize Shein, which could help quell **consumer and investor fears over labor and sustainability practices**.

This was originally featured in the Retail Daily newsletter. For more retail insights, statistics, and trends, [subscribe here](#).