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**Z S T U**

**Zhejiang Sci-Tech University**

**跨境电子商务\***

**Cross-border E-commerce**



**How DHgate is Reconfiguring the**

**Cost of Cross-border Trade?**

**—— Analysis Based on Traffic Closure, Smart Splitting and Micro-exemptions**

郑央希 2022333518022

国际经济与贸易(全英文授课班)22(1)

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——基于流量闭环、智能拆单与小额豁免的分析

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**摘 要：**

**关键词：**敦煌网；跨境电商；贸易成本；流量闭环；智能拆单；小额豁免

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**Abstract:**

**Key words:** DHgate; Cross-border E-commerce; Business strategy; International trade strategy; Market competitiveness

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1 Introduction

1.1 Background on the US-China tariff war

Since 2018, the friction between China and the United States around tariffs has continued to escalate, becoming one of the core variables affecting the global economic landscape. As a traditional policy tool in international trade, tariffs should serve normal economic goals such as regulating the balance between imports and exports and protecting domestic industries, but in the economic and trade relations between China and the United States, their political attributes and strategic connotations have become increasingly prominent. In particular, the U.S. has imposed large-scale tariffs on Chinese products in phases on the grounds of the “301 investigation”, and has continued to expand the scope of commodities involved and raise the level of tariffs, showing the trend of trade policy being deeply bound to domestic politics and geopolitical competition. For example, the U.S. imposed 25% tariffs on $34 billion of industrial goods in July 2018, and then imposed 7.5% tariffs on $120 billion of consumer goods in September 2019, and in September 2024, the Biden administration further implemented 100% and 50% special tariffs on $18 billion of goods (e.g., electric cars, solar cells, etc.). At the same time, China responded with reciprocal tariffs, creating an ever-increasing pattern of “tariff wars”.

In 2025, the tariff confrontation has become more intense and extreme. In February, the U.S. government announced that it would impose a 10% “basic tariff” on all Chinese goods, and in March, it added another 10% on the grounds of the “fentanyl issue”. In April, the U.S. and China imposed reciprocal tariffs on each other, with some U.S. tariffs on Chinese goods as high as 125 percent. Although some of the tariffs were suspended in May under the Geneva talks, the overall trade barriers are still at a historically high level. In this process, the tariff measures have not only caused a direct impact on the total bilateral trade volume, industrial chain division of labor and enterprise expectations, but also had a complex impact on the security of the global supply chain, the international economic governance system and even the multilateral trading system.

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| *Figure 1-1 US-China trade war tariffs: An up-to-date chart* |

In order to visualize the stage-by-stage evolution of the tariff war and its impact on trade barriers, Figure 1-1 combs through the major tariff measures and rate changes between 2018 and 2025 in a time-series manner, further highlighting the intensity and complexity of the tariff game between China and the United States. This contest has gone beyond traditional trade friction to become the central battleground for the reconfiguration of the global economic order.

Figure 1-2 illustrates the dramatic changes in the level of tariffs on representative goods in the context of the U.S.-China tariff war. In the case of electric vehicles, solar cells, semiconductors, and textiles, for example, import tariffs on related goods are generally low in 2018, with most not exceeding 10 percent. However, as the tariff war escalates, by April 2025, the tariff rate on electric vehicles soars to more than 120%, the tariff rates on semiconductors and solar cells are more than 100% and 80%, respectively, and the rate on textiles also rises significantly. This extreme tariff barrier not only reflects the focus of the game on high-tech and strategic industries, but also contributes to the destabilization of global value chains. It is worth noting that although the Geneva talks in May 2025 resulted in some tariff reductions on some goods, the overall tariff burden is still much higher than the pre-war level, showing the far-reaching and persistent impact of economic and trade frictions on the international trading environment. The figure visualizes the direct impact of tariff policies on key industries and their strategic significance in global economic competition.

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| *Figure 1-2 Changes in tax rates for representative goods* |

1.2 Traditional trade cost structure

Figures 1-3 show the factors influencing the repurchase behavior of DHgate users based on the random forest method. The results show that “first order GMV (buyer's first transaction value)” and “percentage of goods with free shipping” are important variables affecting the repurchase rate, with scores of 0.088 and 0.091, respectively, indicating that the initial consumption experience and logistics services play a significant role in promoting users’ continued purchase intention. In addition, “order logistics time”, “seller’s service quality” and “buyer’s country” also show high importance, reflecting the importance of cross-border e-commerce platforms in responding to the needs of users, reflecting the comprehensive challenges of cross-border e-commerce platforms in terms of service response, logistics guarantee and market segmentation.

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| *Figure 1-3 Influencing factors of repurchase behavior on DHgate* |

Further summarizing from the above influencing factors, it can be found that the core obstacles faced by the current cross-border e-commerce platform to enhance user stickiness and repurchase rate can actually be attributed to three major cost pressures. First, the GMV of the user’s first order and the proportion of parcel post directly point to the high customer acquisition cost of the platform in terms of new customer acquisition and user incentives. Secondly, the prominent impact of logistics time and shipping service reflects the core position of logistics cost in the whole process, especially in the international transportation and the “last mile” delivery link. Finally, the differences in buyers’ countries not only determine market access and consumption preferences, but also directly correlate with the pressure on tax costs brought about by different countries’ tariff policies. Thus, customer acquisition cost, logistics cost and tariff cost have become the three major constraints to the sustainable development of cross-border e-commerce, which need to be emphasized and broken through in the subsequent research and practice.

Google reports the average CPC in the e-commerce category is $2.96, and the average cost per unit of direct mail in the international logistics study is $8.50; furthermore, in a scenario where tariffs are stacked on top of those imposed on each other by the U.S. and China, the tax rate on orders greater than $800 is at least 50 percent. Against the backdrop of the tariff war between China and the U.S. and facing three cost mountains, the situation of cross-border e-commerce is not optimistic.

1.3 General trends in cross-border E-commerce

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| *Figure 1-4 China’s total import and export of cross-border E-commerce* |

Figure 1-4 reflects the trend of China’s total import and export of cross-border E-commerce and its year-on-year growth rate from 2015 to 2025. It can be clearly observed that since 2022, affected by multiple factors such as the tariff war between China and the United States and the intensification of uncertainty in the external environment, China’s cross-border E-commerce import and export growth rate has been negative for the first time and has been in the downturn or even negative range for many years in a row. This macro data not only reveals the severe challenges faced by China’s cross-border E-commerce in the context of global trade friction, but also side by side confirms the direct impact of tariff barriers on platforms going to sea, enterprise profitability and market expansion.

However, against the backdrop of overall industry growth pressure, DHgate, as China’s leading B2B cross-border E-commerce platform, has realized a breakthrough in the North American market against the trend. Specifically, DHgate’s download ranking in the North American Apple App Store once soared from No. 352 to No. 2, second only to ChatGPT, demonstrating strong market adaptability and brand appeal. **This phenomenon prompted us to think: among the many Chinese cross-border E-commerce platforms, why can DHgate stand out? What are the growth logic and operational strategies behind it?**

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| *Figure 1-5 Ranking of downloads of DHgate* |

1.4 Brief introduction of DHgate

DHgate’s symbol is to open up a “21st Century Online Silk Road” to sell Made-in-China to the world. As one of China’s most representative B2B cross-border E-commerce platforms, DHgate has gradually grown to become the world’s TOP3 cross-border B2B E-commerce platform since its founding in 2004, thanks to its globalization layout and digital innovation. According to the latest data from 2024, DHgate has more than 77 million registered buyers, covering 225 countries and regions around the world; the platform’s annual turnover has reached RMB 31.6 billion, and there are more than 2.6 million registered suppliers covering a full range of commodities. During Black Friday 2024, the peak order volume of the platform reached 117,500 orders in a single day, and its growth rate even exceeded that of international giants such as Amazon Business. This series of key indicators not only demonstrates DHgate’s leading position in the global B2B cross-border E-commerce field, but also reflects its strong supply chain integration and market penetration capabilities.

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| *Chart 1-1 DHgate’s basic information* |

In particular, DHLink is a self-owned logistics brand of DHgate, which focuses on solving the pain points of small and medium-sized parcels in cross-border B2B. Figure 1-6 shows the business architecture diagram of DHLink. With “overseas warehouse + intelligent order splitting” as the core, DHLink significantly improves customs clearance efficiency and effectively reduces the uncertainty caused by changes in tariff policies through localized and compliant operations.

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| *Figure 1-6 DHLink’s basic information* |

It is worth noting that DHLink’s tariff avoidance rate can reach 68% by virtue of intelligent order splitting, which significantly reduces the tax burden of enterprises and buyers. Meanwhile, relying on the overseas warehouse network, the platform realizes localized distribution and inventory optimization, significantly improving cross-border fulfillment efficiency. At the logistics product level, DHLink has launched two types of core services, namely “Economy Package” and “Priority Express”, to meet the needs of different customers. The “economic package” focuses on cost advantages and can bring about a 30% reduction in logistics costs for users, while the “priority express” emphasizes timeliness and promises a 5-7 day timeframe to meet the demand for high-value, time-sensitive orders. DHLink has become an important tool for DHgate to enhance its international competitiveness.

2 Current Situation

2.1 U.S. Market's Dependence on Made-in-China

American shopping carts have long been inseparable from Chinese manufacturing. An “interesting” phenomenon is that Vice President Vance’s eyeliner is made in China, White House spokeswoman Caroline is wearing two dresses made in China, Chinese and American bloggers have gone to the Trump Tower souvenir store to look for evidence of “Made in the USA”, and found that the labeling of goods such as thermos cups as “Made in China” was deliberately concealed. The “Made in China” labels on thermos cups and other items were deliberately covered up.

Furthermore, from a macro point of view, whether from the perspective of total trade or market share, the United States of America’s high dependence on China’s manufacturing has become an important footnote of global economic integration. This structural dependence not only stems from the scale, cost and industry chain integration advantages of Chinese manufacturing, but also reflects the path dependence of the global division of labor system accumulated over time. In the future, even if geopolitical frictions and policy adjustments push the U.S. to accelerate the diversification of the supply chain, the global competitiveness of China’s manufacturing and its influence on the U.S. market in the short and medium term will still have an important position.

Figure 2-1 shows that China’s total exports to the U.S. have remained consistently high over the 2013-2024 period, stabilizing in the $450 billion to $580 billion range over the years, reflecting China’s central position in the global manufacturing supply chain. Despite the precipitous decline in exports in 2025 under the impact of tariff wars and geopolitical tensions, the emergence of this trend itself is further evidence of the structural characteristics of the US market's insufficient substitution for Chinese manufacturing.

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| *Figure 2-1 China’s export to US (2013-2025)* |

Looking further, Figure 2-2 reveals China’s long-term dominance in terms of U.S. import market share. For more than a decade, China has consistently been the largest source of U.S. imports, with a higher market share than nearshore manufacturing countries such as Mexico. Even in the U.S.-China economic and trade friction and supply chain diversification policies, until 2024, China still occupies an important proportion of the U.S. import market share. 2025 China’s share of the decline in the share of Mexico’s share of the rise, certainly reflects the U.S. “de-Chineseization”, to promote the effectiveness of the policy of supply chain restructuring, but the Chinese manufacturing in the U.S. market is irreplaceable and depth of the Chinese market. The irreplaceability and deep embeddedness of the U.S. market is still a prominent reality in the current global industrial division of labor pattern.

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| *Figure 2-2 U.S. import market share: China vs. Mexico* |

In summary, the U.S. market has long been highly dependent on Chinese manufacturing.

2.2 Made-in-China is deeply embedded in the U.S. consumer

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| *Figure 2-3 Penetration of Chinese products in U.S. market by category* |

From the point of view of the penetration of the Chinese manufacturing category, specifically, in 2023, the market share of Chinese manufacturing in the United States in major consumer product categories is extremely high: 68% for consumer electronics, toys and sporting goods up to 80%, furniture and clothing and home textiles also reached 60% and 45% respectively.

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| *Chart 2-1 Representative brands and products* |

In these categories, not only are there Chinese brands such as Xiaomi and Anker directly entering the U.S. market, but there are also international brands such as Shein, Amazon's own home, LEGO OEM, and IKEA supply chain that are deeply dependent on the Chinese manufacturing system.

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| *Figure 2-4 U.S. consumer purchases of Chinese products* |

At the consumer level, the survey shows that 86% of Americans have purchased a product made in China in the past year, and 73% of respondents believe that “Made in China” products are cost-effective. This percentage significantly exceeds that of “Made in Vietnam” (52%) and “Made in Mexico” (38%), reflecting the unique position of Made in China in the minds of American consumers. Whether it's smartphones and headphones, or home furnishings, toys and clothing, Made in China products have become an integral part of American families' daily lives.

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| *Chart 2-2 U.S. consumers’ attitudes toward Made-in-China* |

Made-in-China has penetrated into the U.S. consumer market, and its advantages are not only reflected in the price level, but also the formation of stable consumption habits and supply chain inertia. We can say that, for Americans, “attacking Made in China is work, enjoying Made in China is life”.

2.3 Who’s rushing to log on to DHgate?

**The objective fact that the U.S. relies on Chinese manufacturing is the basis and premise for the still huge volume of cross-border e-commerce between the U.S. and China, but, going back to our first question before, why does DHgate stand out among the many Chinese cross-border e-commerce platforms? Who is rushing to log on to DHgate?**

In 2022, DHgate, along with many other Chinese cross-border E-commerce platforms, was added to the US list of “notorious markets for counterfeiting and piracy”, but this policy has not dampened the enthusiasm of US consumers for cost-effective “replica” goods. On social platforms such as TikTok, videos labeled with “Reps” (imitations) have been viewed up to 2.1 billion times, covering detailed tips such as “how to select high-quality imitations” and “how to avoid customs inspection. The videos have accumulated 2.1 billion views, covering detailed tips such as “how to choose quality replicas” and “how to avoid customs inspection. A TikTok webcomic put it bluntly, “We just know how to be smart with our money.” The user group depicted in these contents is mainly young people with limited budgets, and female users call themselves “DH girls” with a distinct image. Observers of the domestic E-commerce industry have also pointed out that this group is mostly college students, with a distinctive “loser” style, and is the “carrot silk among losers.

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| *Figure 2-5 Videos on social platforms such as TikTok* |

In the United States continued inflation, rising tariffs and increased financial pressure on the residents of the macro-environment, more and more young people will buy imitations and substitution as a rational choice. A survey of 15-24 year olds shows that the percentage of those who have purchased a knockoff at least once within 2024 has risen to 37% from 14% in 2019. What’s more, the trend of “frugal bragging” has emerged on social media - who can buy quality products at a lower price has become a capital worth sharing and bragging about. This phenomenon mirrors China’s recent trend of “consumer downgrading”, where young people are competing with each other to see who can find more cost-effective alternative

It is these consumer groups that form the basis for DHgate’s popularity in the U.S.

market. DHgate phenomenon also inspired the U.S. society on the global supply chain mechanism of re-understanding. As analyzed by industry experts, the traditional foreign trade chain usually includes Chinese factories, exporters, overseas importers, wholesalers, retailers, and finally to the end consumer. Multiple intermediate links lead to the price of goods layer by layer, and the rise of cross-border E-commerce platforms for the first time for U.S. buyers to intuitively feel the industrial price of the “bottom price”, but also re-recognize that China’s manufacturing not only has a cost advantage, product quality is also comparable to the international big brands.

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| *Figure 2-6 Six-step traditional trade process flow* |

3 Analysis

**In this section, the second question mentioned before, what are the worthwhile growth logics and operational strategies behind DHgate’s standing out this time?** In the previous analysis, we pointed out that it is no accident that DHgate can stand out in the fierce cross-border E-commerce competition. The deep logic of its success and sustainable growth is centered on the deep restructuring and innovative breakthroughs of the three major trade costs: customer acquisition costs, logistics costs and tariff costs. Next, from the perspective of trade cost reconstruction, we will systematically analyze DHgate’s core growth logic and operation strategy, in order to provide new inspiration for industry practice and theoretical research.

3.1 Customer acquisition cost reconfiguration: TikTok flow closed-loop

First of all, DHgate successfully realized the reconstruction of customer acquisition costs through the deep integration with TikTok. Specifically, DHgate utilizes the closed-loop flow of the TikTok short video platform to open up the entire chain of content seeding, interest stimulation and transaction conversion, forming a unique “content-driven” customer acquisition model. Data shows that the conversion rate of DHgate+TikTok mode is as high as 18.7%, significantly higher than the industry average (9.2%) and Google Ads (6.5%), and the cost per click (CPC) is only $0.32, which is much lower than the $0.60 of Google Ads. In addition, the average length of user stay reached 4.2 minutes, indicating its outstanding advantages in content stickiness and deep user engagement.

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| *Chart 3-1 Tiktok traffic conversion performance* |
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| *Figure 3-1 Tiktok traffic conversion performance* |

The essence of this closed-loop traffic is that DHgate not only uses TikTok’s

algorithmic distribution and social fission mechanism to accurately reach target users, but also synergizes with branded content through celebrity marketing, user-generated content (UGC) and branded content to enhance the trust endorsement and conversion efficiency of the content. Compared with the traditional high-cost, low-efficiency advertising model, DHgate has greatly reduced the marginal cost of acquiring new customers, realizing the scale, low-cost, high-conversion “quality and efficiency” growth paradigm. This innovative model provides replicable experience for cross-border e-commerce platforms to optimize traffic structure and improve ROI in the global market environment, and also lays a solid foundation for subsequent analysis of its strategic innovation in logistics and tariff cost reconstruction.

In this way, under the tariff storm, some Chinese suppliers and manufacturers in order to “self-help”, began to produce TikTok video, explaining to Americans the global luxury goods, big brand OEM model, and revealed the cost, ”38,000 U.S. dollars of Hermes bags, the cost of as little as 1,400 U.S. dollars! ”38,000 dollars Hermes bag, the cost of only 1,400 U.S. dollars,” and through Dunhuang.com and other platforms can be bought from China, ‘the source of the good goods’. Many videos also provide links to websites and contact information.

3.2 Logistics cost reconfiguration: intelligent split order + overseas warehouse

Secondly, DHgate has realized the essential reconstruction of logistics costs through the synergy of the intelligent order-splitting system and the overseas warehousing network. The intelligent order-splitting mechanism can automatically split packages according to the amount of the order, for example, splitting a large order of $3,000 into three sub-orders of $1,000, effectively circumventing the high tariff threshold and dramatically improving customs clearance efficiency. In conjunction with the overseas warehouses laid out in strategic nodes such as the U.S. West and Mexico, DHgate has reduced the logistics cost of a single piece from $12.4 to $6.8 under the traditional model, and shortened the delivery timeframe to less than 48 hours. At the same time, through this set of digital logistics solutions, the platform is able to avoid about 65% of the tariff costs, which greatly alleviates the pressure brought about by the escalation of tariffs in the United States.

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| *Figure 3-2 Logistics performance comparison* |

From the perspective of logistics performance indicators (Chart 3-2), DHgate excels in the dimensions of unit cost, timeliness and inventory turnover, with some indicators approaching the industry headline level. Compared with major competitors and industry benchmarks (such as SHEIN and FBA), DHgate’s logistics cost advantage is obvious, and its service coverage ability continues to improve. The deep integration of intelligent sub-ordering and overseas warehousing has not only brought DHgate higher logistics efficiency and flexibility, but also enhanced user experience and satisfaction. This innovative model of logistics has become the core competitiveness of China's cross-border E-commerce platforms to cope with the increasingly complex international trade environment and a key support point for sustainable growth.

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| *Chart 3-2 Logistics performance comparison* |

3.3 Tariff cost reconfiguration: exploiting policy gaps

Thirdly, DHgate has successfully rebuilt its tariff costs by flexibly utilizing the gaps in international tariff policies. Taking the U.S. market as an example, according to the terms of Section 321, a single parcel with a value of less than 800 U.S. dollars is exempt from import duties. DHgate combined with its own intelligent order-splitting system to automatically split a large number of orders into small parcels that meet the tax-free threshold, so that 68% of the orders on the platform in 2023 realized “zero-tariff” customs clearance. This strategy not only significantly reduces the tax burden on enterprises and consumers, but also largely resists the policy risk of frequent tariff increases in the United States.

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| *Figure 3-3 Order distribution by tax status* |

As shown in Chart 3-3, the vast majority of transactions in the platform’s order structure are effectively controlled within the duty-free amount, which greatly enhances the overall price competitiveness. In contrast, the duty-free thresholds for Europe and Mexico are 150 euros and 50 U.S. dollars, respectively, and the proportion of applicable orders is significantly lower than that of the U.S. However, DHgate is still able to further optimize the tariff cost structure through regional policy tools such as RCEP. It is worth noting that although the high proportion of duty-free in the U.S. market is accompanied by a higher risk of inspection, the platform is able to achieve cost optimization on the basis of risk control through digitalization and compliance operations.

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| *Chart 3-3 Order distribution by tax status* |

Overall, DHgate’s efficient utilization of tariff policy space has driven the platform’s rapid expansion in overseas markets. This tariff cost reconstruction model not only provides a realistic path for Chinese cross-border E-commerce enterprises to cope with global trade protectionism, but also further consolidates DHgate’s price advantage and sustained growth in the international market.

3.4 Comprehensive benefits and industry benchmarking

In terms of cost structure comparison, Dhgate’s comprehensive competitive advantage in the cross-border E-commerce industry is particularly prominent. Figures 3-4 show the comparison of DHgate’s core cost indicators with those of the industry’s TOP3 platforms. First, in terms of customer acquisition costs, DHgate relies on the closed loop of TikTok traffic to achieve relatively lower customer acquisition costs, an advantage significantly better than the industry average, reflecting its innovative ability in content E-commerce and social media traffic conversion. Secondly, in terms of logistics costs, although Dhgate network through the intelligent sub-order and overseas warehouse layout to make the logistics cost of a single piece with a certain degree of competitiveness, but the warehouse network coverage ability there is still room for improvement, compared to the industry's head enterprises such as SHEIN, Amazon, etc., the breadth and depth of the logistics network is still the direction of its further optimization. Third, Dhgate performed particularly well in terms of tariff exemption rates. By flexibly utilizing the policy window and digital order splitting system, the platform achieved a higher percentage of orders exempt from duty, significantly better than the industry average. This not only enhances the platform’s overall price advantage, but also strengthens its ability to respond sensitively to changes in trade policy, making it an important support for Dhgate to maintain its competitiveness in the international market. However, this high tariff exemption rate also means that the platform has a higher sensitivity to policy changes and needs to continuously optimize its response strategy to compliance risks and policy adjustments.

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| *Figure 3-4 Cost stucture comparison* |

In summary, Dhgate has shown significant innovation and cost advantages in traffic acquisition and tariff strategy, but there is still room for improvement in the construction of globalized logistics network. Its cost structure optimization logic and differentiation advantages provide valuable practical experience and strategic reference for Chinese cross-border E-commerce enterprises.

4 Conclusion

4.1 Sustainability of the DHgate phenomenon and model

Unfortunately, Trump recently announced the elimination of the duty-free policy for small packages. In response to this situation, dhgate innovatively adopted the “U.S.-Mexico Intermodal Re-Export” model, which successfully reduced the overall cost by 7% and optimized supply chain efficiency through value-added processing in Mexico and USMCA duty-free policy. This incident can’t help but make us reflect on the sustainability of the DHgate phenomenon and its business model. The industry is divided this question. Some argue that DHgate’s explosion is fortuitous because the platform has attracted a great deal of attention due to the current superimposition of traffic dividends and public opinion effects, but its model faces many structural challenges in the context of tightening global regulations and the growing importance of cross-border trade compliance.

First, from the content side, DHgate and similar platforms may involve intellectual property risks as they undertake brand “pingtai” and some OEM products. Part of the content in the publicity process touches Nike and other major international brands of OEM resources, if it involves OEM products without brand authorization, easy to trigger legal disputes. The United States and Europe and other major markets on counterfeiting and intellectual property protection efforts continue to strengthen the platform and sellers once recognized as infringement, will face high claims and even prohibited from entering the market and other sanctions, the platform overall compliance operation pressure increased significantly.

Secondly, DHgate is essentially a B2B cross-border E-commerce platform, mainly serving small and medium-sized wholesalers and overseas distributors, the platform did not design a full chain of services for C-end consumers. The current fire phenomenon is more due to the spread of content and spontaneous “grass” formed by the user traffic spillover. In contrast, Temu, SHEIN and other emerging B2C model can rely on the DTC (factory direct-to-consumer) model, in-depth integration of the supply chain, optimize the user experience, more suitable for the U.S. and European markets on the quality of the product, after-sales service and logistics of the high demand. If DHgate transition to do B2C direct marketing, whether in the IT system, warehousing and logistics or customer service system, need large-scale reconstruction, which is a huge challenge to the existing organizational capacity and cost structure.

However, there is also the view that as long as China’s manufacturing has a sustained supply chain integration capabilities and cost-effective advantage, despite the tightening of the external environment (such as rising tariffs, regulatory tightening), the United States and the world’s consumers rigid demand for “good quality and low price” goods is difficult to suppress. DHgate and similar platforms in the channel, supply chain digitization, flexible use of policy space and other aspects of innovation, for China’s manufacturing to open up a more diversified traffic entrances and sales channels. Even in the face of policy, compliance and market restructuring, the platform can still meet the challenge through product innovation, service upgrades and market diversification.

From the perspective of the industry as a whole, the sustainability of the DHgate model depends on several core variables: first, the direction of global trade policy and intellectual property regulation, second, the platform’s ability to comply with regulations and business transformation, and third, the comprehensive competitiveness of China’s supply chain. If you can continue to innovate in the digital supply chain, compliance and risk control, cross-border fulfillment, etc., the DHgate model still has a certain vitality and reference value. But if the response to changes in the external environment is slow or the compliance short board is prominent, the fire phenomenon may be difficult to sustain in the long term. In the future, the platform is more likely to explore a more sustainable globalization growth path based on the integration of B2B and B2C, diversified market strategies and efficient supply chain synergy.

4.2 Significance of the phenomenon for foreign trade enterprises

The DHgate phenomenon and the model innovation behind it have important practical significance and revelation value for Chinese foreign trade enterprises.

First of all, through digital means and platform operation, DHgate reshaped the traditional foreign trade of the three core cost structure of customer acquisition, logistics and tariffs, providing small and medium-sized enterprises with a low-cost, high-efficiency, cross-border direct access to the new path to the sea. This model not only reduces the threshold for enterprises to enter the international market, but also greatly improves the ability to reach global traffic and end consumers.

Secondly, relying on social media content marketing and intelligent supply chain, foreign trade enterprises can bypass the multiple intermediaries and high operating costs in the traditional foreign trade chain, realize “factory direct to global buyers”, and significantly improve profit margins and market response speed. This change provides the soil for foreign trade enterprises to realize independent branding, product differentiation and customer data precipitation, and helps promote the transformation of foreign trade enterprises from “price competition” to “value creation”.

Thirdly, flexible response to changes in overseas trade policies, especially digital innovation in tariffs, compliance and intellectual property rights, enables foreign trade enterprises to better avoid risks, improve returns and enhance their risk-resistant capabilities in the complex international environment. The enhancement of platformization and intelligent capabilities also lays the foundation for enterprises to expand diversified markets and achieve sustainable growth in the future.

In summary, the DHgate model not only provides a new paradigm for Chinese foreign trade enterprises to reduce costs and increase efficiency, but also provides a practical path and strategic inspiration for them to cope with the uncertainty of the global trade environment and realize high-quality overseas.

5 MIND MAP

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