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Competition and Integration between Traditional and Direct-to-Consumer Cross-Border E-Commerce Platform Models

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Article

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ABSTRACT

Direct-to-consumer (DTC) and traditional cross-border e-commerce models are important components of trade on cross-border platforms, but research on their differences remains limited. In this study, case studies and comparative and data analyses were conducted to compare the differences between the two models. The findings indicate that the two models differ in their primary service targets and supply chains. While traditional cross-border e-commerce models hold a larger market share and cover more countries, the DTC model is experiencing a higher growth rate. Furthermore, after comparing representative platforms of both models, it is evident that users of traditional trade models are mainly Business-to-Business (B2B) buyers, whereas the DTC model primarily targets individual consumers (B2C/C2C). Under traditional trade models, companies typically have lower net profit margins than those in the DTC model. Despite these differences, these two models are not in absolute competition; instead, there is a clear trend toward integration. In the future, each will likely leverage its strengths to achieve synergistic value.

KEYWORDS

cross-border e-commerce platform, B2B model, B2C mode, competition, integration

INTRODUCTION

The global development of cross-border e-commerce has given rise to diverse sales models, forming ecosystems [1] grounded in traditional distribution models but break through with innovative direct connection models. From the comparative theory perspective in cross-border e-commerce, the core differences among various models are reflected in terms of channel levels (e.g., multilevel distribution in Business-to-Business (B2B)/Customer to Customer (B2C) vs. zero-level direct connection in DTC), depth of user interaction (e.g., standardized services on third-party platforms [2] vs. personalized operations through brand-built channels), and value distribution mechanisms (e.g., platform commission models [3] vs. brand self-pricing systems). For example, the regional cross-border e-commerce and logistics integration platform model constructed by Ma and Huang reveals how channel fragmentation in traditional models constrains

efficiency, thus providing a benchmark for channel flattening innovations in DTC models. In B2B/B2C models, companies rely on distributors or third-party platforms to reach users, leading to channel rules constraining brand image transmission [1]. Wu et al. pointed out that the compatibility issues of mobile payment platforms in cross-border B2B ecosystems essentially reflect the "intermediary loss" in brand-user interaction across multiple levels of channels [4]. In contrast, the DTC model allows brands to independently design the entire chain experience from visual identity (e.g., the style of official website UI) to communication strategies (e.g., EDM precision marketing), thus achieving a direct mapping of "brand philosophy-user perception" [5]. The DTC model directly collects user behavior data (e.g., browsing history and purchase frequency) through official websites, apps, and other proprietary channels, combining machine learning (ML) models to achieve demand forecasting. For example, Lalani et al. studied drug pricing and availability in DTC pharmacies [6], confirming the advantages of direct connection models in response speed to user needs. In particular, they find that brand brands can dynamically adjust their SKU structure based on real-time transaction data, reducing the decision-making cycle by over 70% compared to the "quarterly review" of traditional distribution models. Although the DTC model conflicts with traditional models in terms of channels (e.g., differences in pricing systems and competition for traffic), cross-border e-commerce theory emphasizes that the coexistence of different models is essentially a complementarity between "efficiency dimensions" and "experience dimensions."

EXPERIMENTAL

Materials and Methods

Materials

"The 2023 Annual Report of Cross-border E-commerce Industry" and "The 2024 Annual Report of Cross-border E-commerce Industry" published by AMZ123 served as the main data sources. Some data were not mentioned in the 2024 report; thus, a comparative analysis was carried out based on the relevant data in 2023. In addition, we collected data from the "Insight Report on the Growth of Global E-commerce Applications in 2023" published by Sensor Tower China and the public data of Shanghai Academy of Social Sciences, Standard Chartered Bank, Financial Weekly, and the Dun & Bradstreet "Cross-Border Electronic Commerce Development Report in 2023." We also collected data information from two main models that have been publicly disclosed by e-commerce platforms.

Methods

Comparative Analysis Method. First, for comparison, we clearly defined the framework from seven dimensions: operational model, data value, brand building and core capabilities, cost and risk, applicability,

market share, and supply chain [7]. In making comparisons, we combined typical industry cases (e.g., Amazon under traditional models and SHEIN representing the DTC model) to analyze differences in each dimension based on actual operational scenarios, enabling us to summarize their commonalities and characteristics. This method can comprehensively and systematically sort out the differences between the two models, allowing researchers and practitioners to clearly understand the essential features of different models. However, this method is primarily based on qualitative analysis so it lacks precision supported by data and is unable to easily quantify the degree of difference [8].

Data Analysis Methods. During the data collection phase, macro cross-border e-commerce industry data were obtained from official platforms, such as the General Administration of Customs and the Ministry of Commerce. At the same time, transaction volumes, user growth, and category distribution data were collected from representative cross-border e-commerce platform websites, namely, Amazon, AliExpress, and SHEIN's official website. When organizing the data, we used Excel for data cleaning to remove duplicates and invalid data as well as to standardize data formats. We also used tools, such as SPSS and Python, for classification statistics and visualization processing (e.g., creating bar charts comparing traditional and DTC market shares, along with line graphs of supply chain efficiency), allowing us to intuitively present data characteristics and support the analysis of differences between the two models. Through data analysis, quantitative validation can be provided for qualitative conclusions drawn from comparative analysis methods, thus enhancing the scientific rigor and credibility of the research. However, the reliability of data sources poses challenges, with some platform data possibly being embellished or incomplete due to commercial purposes. Furthermore, the statistical criteria of official data may also deviate from actual business needs.

RESULTS AND DISCUSSION

Core Mode Comparison

The DTC mode of cross-border e-commerce platform (facing consumers directly) and the traditional trade modes of cross-border e-commerce platforms, including the B2B and B2C modes, are different in many aspects, including target users, trading chains, channel control rights, and so on. Table 1 presents a more detailed comparison.

Table 1. Comparison between the traditional trade and DTC modes of cross-border e-commerce platforms

Dimension	DTC mode	Traditional trade model
Target user	End consumer (C-end)	Middlemen (B-end, such as wholesalers and retailers)
Trading chain	Brand to consumer (shorten the link)	Brand → middleman → consumer (multi-level distribution)
Channel control right	Brands have direct control over channels and user data	Rely on middlemen or third-party platforms
Distribution of profits	Higher profits (remove middlemen)	Profits are split among middlemen
Typical representatives	SHEIN, Anker, and Glossier	Traditional foreign trade enterprises and Amazon third-party sellers

Core Difference Comparison

Significant differences have also been pointed out between traditional cross-border e-commerce platforms (TCEP) and DTC in other core areas, such as data value, brand building and premium ability, cost and risk, and applicable scenarios, mainly in the following aspects:

Data Value

In the traditional trade model, it is difficult to obtain user data directly from platforms, such as Amazon and Alibaba. DTC mode, user portrait, purchase behavior, and other data can be used for precision marketing and product iteration (e.g., SHEIN adjusts the design through real-time data).

Brand Building and Premium Ability

The traditional trade model focuses on price competition in which middlemen pay more attention to cost. However, this can easily dilute brand value and lead to homogenization risk, wherein products need to meet the standards set by middlemen, limiting the space for brand innovation [9]. The DTC mode is capable of creating strong branding power, building brand awareness through content marketing and social media planting (e.g., Dyson's evaluation through YouTube), fostering high premium space. It can also provide personalized experiences and customized products (e.g., Warby Parker's online trial) can also enhance user stickiness [10].

Cost and Risk

In the traditional trade mode, brands focus on production, while the middlemen are responsible for the storage, logistics, and after-sales of products. Furthermore, brands produce based on the order quantity, which has low inventory risk. In comparison, the DTC mode requires more investments in the early stage, self-built independent stations, logistics channels and customer service, and digital marketing requiring more funds. In the DTC mode, companies bear the pressure of inventory, logistics, and after-sales individually, resulting in high-risk products with high return rates [11].

Applicable Scenarios

The traditional trade model also has several advantages. For example, it is suitable for low-priced and fast-moving products and bulk products; it is ideal for small and medium-sized enterprises (SMEs) with limited resources; products can be shipped quickly through the powerful traffic of existing platforms; and enjoys core competitiveness due to its cost advantage and scale effect [12]. In comparison, the DTC mode is suitable for products with high added value, such as electronic products, beauty cosmetics, etc. It is also suitable for enterprises that want to improve customers' brand loyalty and establish long-term user assets. However, because it requires sophisticated social media operation and data analysis, it needs a team with stronger digital technology and ability [13].

Overall Global Cross-border E-commerce Sales

Data from eMarketer estimated global e-commerce sales of up to US$6.3 trillion in 2024, up 8.76% year on year. From 2024 to 2027, global e-commerce sales are expected to continue to climb at a compound annual growth rate of 7.8% and eventually reach US$8 trillion by 2027.

Market Competition Status of Different Modes

Overall Ranking

Based on the "2023 Cross-border E-commerce Development Report" published by the Shanghai Academy of Social Sciences, Standard Chartered Bank, Financial Weekly, and Dun & Bradstreet, the global ranking of e-commerce platforms' overall strength has been released. The SHEIN platform ranks 17th in overall strength, placing it behind many traditional trade cross-border e-commerce platforms. Table 2 lists the names of the top 20 cross-border e-commerce platforms based on overall strength.

Table 2. The top 20 cross-border e-commerce platforms based on comprehensive strength

Ranking	Company name	Ranking	Company name
1	Walmart	11	Wayfair
2	Amazon	12	Zalando
3	Home Depot	13	Mercado liber
4	Alibaba Group	14	eBay
5	JD.com	15	Next.co.uk
6	Target	16	Magalu
7	Best Buy	17	SHEIN
8	Coupang	18	ASOS
9	Otto Group	19	Wildberries
10	Rakuten	20	Shopee

GMV Indicators

In the gross merchandise volume (GMV), a frequently employed indicator in the cross-border e-commerce field, platform commissions, taxes, and other costs are not deducted, resulting in the accurate representation of the sales scale and market influence of a platform or merchant within a specific period of time [10]. GMV can also be used to evaluate the business scale and market competitiveness of different cross-border e-commerce platforms [11]. As shown in the Annual Report of Cross-border E-commerce Industry in 2024, which is based on GMV index data of cross-border e-commerce platforms in the first three quarters of 2024, only one typical cross-border e-commerce platform with DTC mode is on the list among the top 12 platforms. This singular platform (Shopify, ranked 10th) provides website building tools that enable brands to build their own independent stations to realize the DTC mode and help businesses complete DTC business. The other 11 platforms on the list are cross-border e-commerce platforms with traditional modes. Among them, Amazon has various sales modes, including 1P (suppliers of wholesale products to Amazon for which the latter is responsible for sales), 2P (sellers responsible for product sales and logistics, such as FBA mode), and 3P (sellers using the Amazon platform to sell products while handling product fulfillment and pricing independently). Consumers mainly buy goods through the Amazon platform, and Amazon acts as the intermediary. Etsy belongs to the traditional C2C and B2C modes, Shopee is mainly B2C mode, and eBay platform has both C2C and B2C modes. Figure 1 presents the specific GMV rankings.

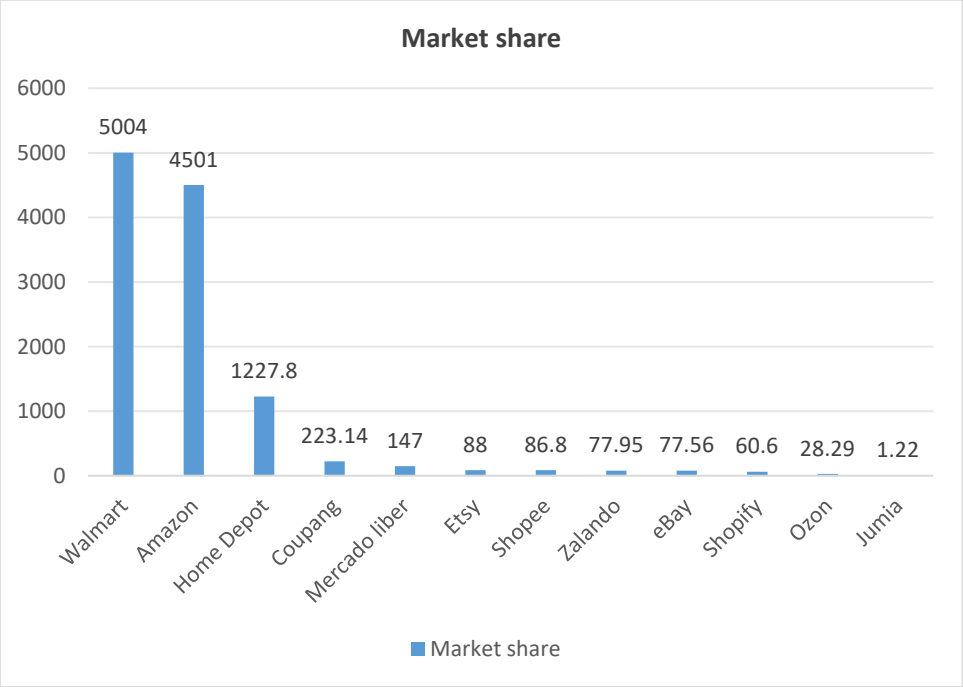

Figure 1. Revenues and global rankings of the top 12 cross-border e-commerce platforms based on GMV in 2024. Note: GMV = Gross Merchandise Volume, a metric reflecting total transaction value without deducting platform commissions or taxes

Market Size and Growth

Figure 2 shows the market sizes and growth rates of the traditional and DTC modes of cross-border e-commerce platforms in 2023.

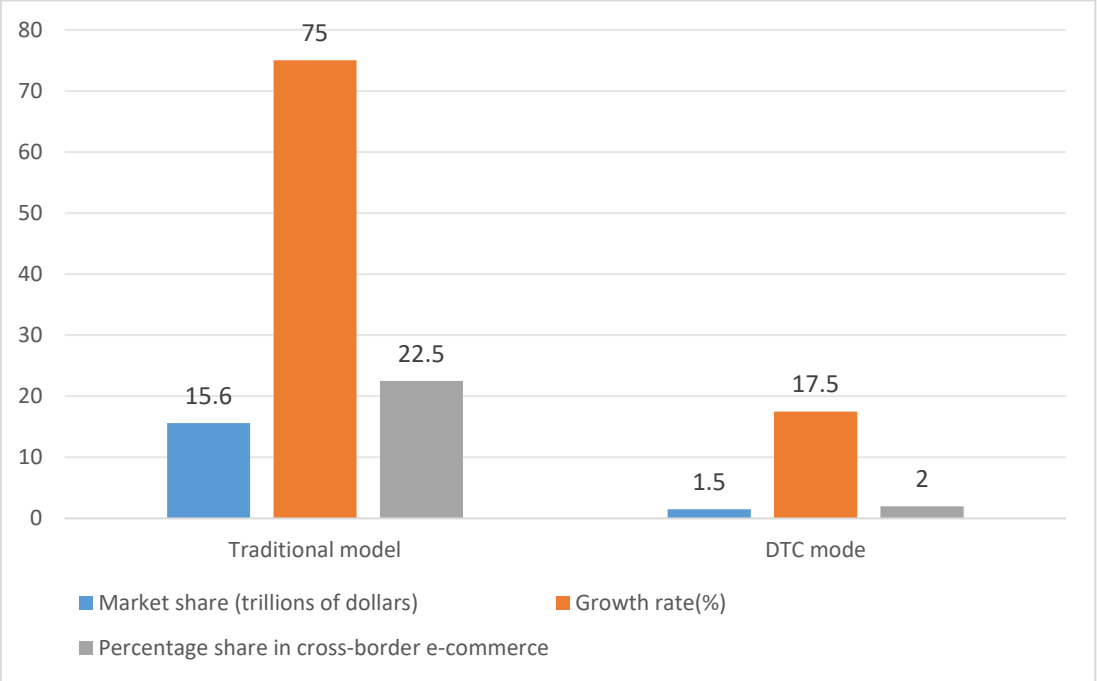

Figure 2. Comparative market size and growth rate of traditional trade and DTC cross-border e-commerce models in 2023. Note: DTC = Direct-to-Consumer. Market size is based on transaction volume across global platforms

From the data shown in Figure 2, the market share of the traditional trade mode is obviously larger than that of the DTC mode, which also accounts for greater cross-border e-commerce volume. However, the market scale growth rate of the DTC mode is higher than that of the traditional trade mode, indicating that the former has a strong development trend. Next, taking the countries covered by representative cross-border e-commerce platforms with different trade modes as examples, the market size differences were further analyzed. The SHEIN platform with DTC mode is more representative, while the coverage is compared with that of the Temu, TikTok Shop, and AliExpress platforms using the traditional mode in China. The relevant data shown in Figure 3 reveal that AliExpress has the widest coverage, followed by SHEIN, Temu, and TikTok Shop, with relatively few countries and regions covered.

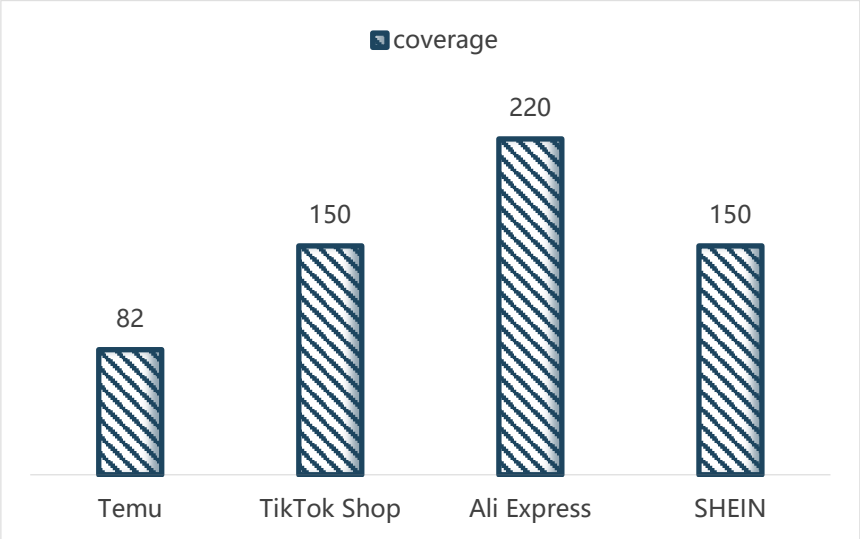

Figure 3. Geographic coverage of major cross-border e-commerce platforms by trade model (DTC vs. traditional) in 2023. Note: Data reflects number of countries/regions served by each platform

Market Share and Competition Pattern

In the present study, we compare the traditional trade and DTC modes, represented by Amazon and platforms enabled by Shopify, respectively, in terms proportion, brand concentration and main distribution areas. The results are shown in Figure 4.

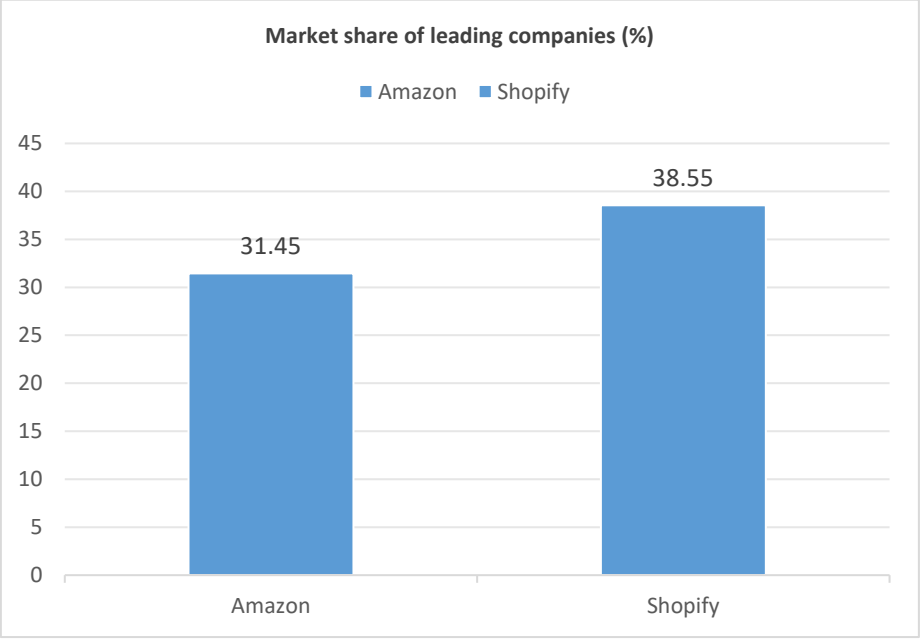

Figure 4. Competitive landscape comparison between traditional trade and DTC models in cross-border e-commerce platforms. Note: Brand concentration and market distribution are derived from analysis of representative platforms (e.g., Amazon, Shopify)

In terms of brand concentration, traditional model platforms, such as Amazon, have dispersed brands, mainly consisting of SMEs located in Asia (China's supply chain) and Europe and America (demand side). In contrast, the DTC model features concentrated brands dominated by top-tier brands. For example, the fast-fashion brand SHEIN holds 40% of the global fast fashion DTC market. The main markets for these DTC brands are in Europe and America (60% of DTC consumption), while Southeast Asia and the Middle East also show rapid sales growth as new emergent markets.

User Behavior and Conversion Efficiency

In traditional trade models, the user profiles of cross-border e-commerce platforms consist of B2B buyers who value cost-effectiveness. The user conversion path is long, often involving inquiries and negotiations In comparison, the DTC model targets C2C consumers aged 18–35 years, who focus on personalized needs and brand experience, with a short conversion path.

Figure 5 illustrates these differences. For example, Alibaba International Station, a traditional B2B platform, indicates an average conversion period of 30–60 days with a customer repurchase rate of 25%–30%. In contrast, a leading DTC brand like SHEIN has an average decision-making time of just 3 days. Illustrating the potential for high loyalty in this model, the DTC beauty brand Glossier boasts an annual repurchase rate of 45%.

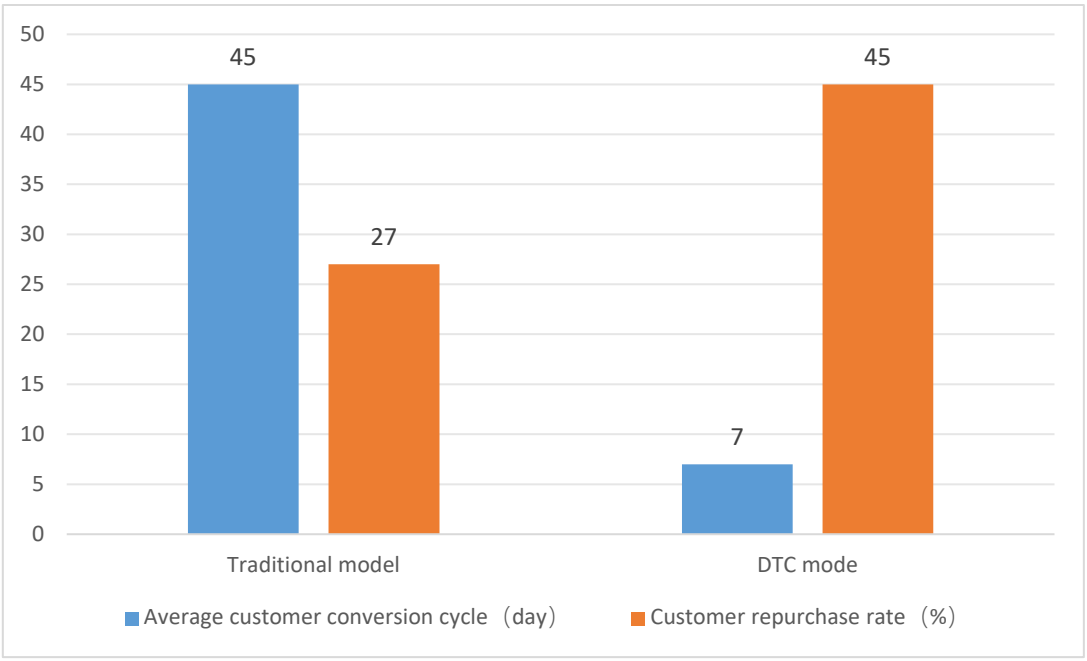

Figure 5. Comparison of User Behavior and Conversion Efficiency. Note: Traditional = Alibaba International; DTC = SHEIN, Glossier.

Cost Structure Comparison

In traditional trade models, platform commissions must be paid, and logistics costs are mainly shared by intermediaries and brand owners [13]. In the DTC model, advertising is the primary channel cost, with self-built logistics channels or third-party logistics companies handling deliveries. There are also differences in channel costs and logistics costs between the two models, as shown in Figure 6.

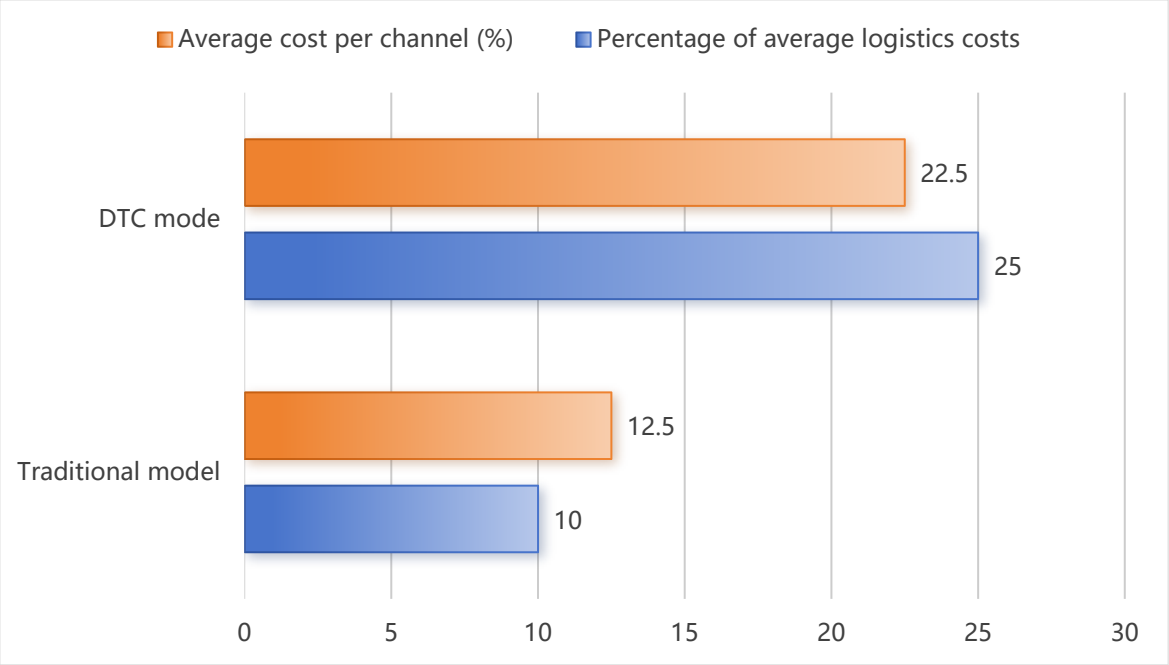

Figure 6. Structural breakdown of primary cost components in traditional trade vs. DTC cross-border e-commerce models. Note: Includes channel, logistics, and customer acquisition costs

Profit Margin Comparison

The profit margins obtained by brands on cross-border e-commerce platforms with different trade models also vary significantly. On the one hand, in traditional trade model platforms, intermediaries take a share of the profits, resulting in lower profits for the brand. On the other hand, in DTC models, brands achieve higher profit margins. Additionally, the net profit rate of companies under the traditional trade model is generally lower than that under the DTC model, as illustrated in Figure 7.

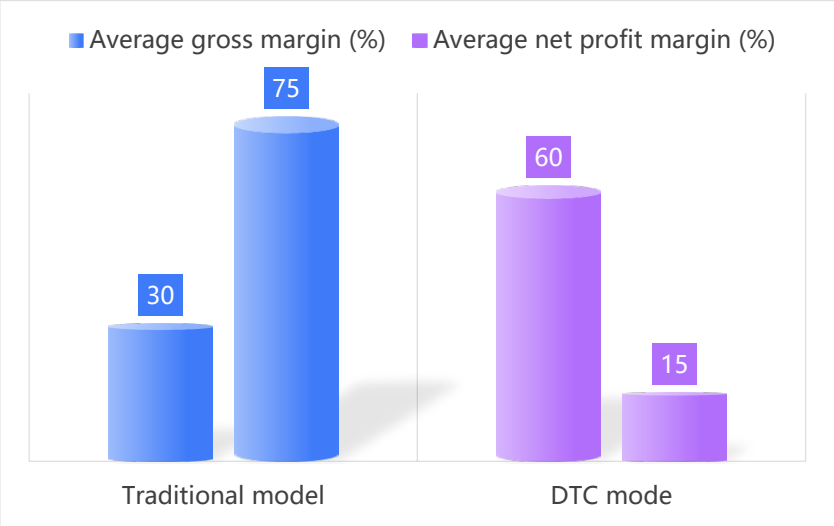

Figure 7. Net profit margin comparison of brands operating on traditional and DTC cross-border e-commerce platforms. Note: Based on platform-level average profitability indicators

Forecasts on the Market Share Trends of the Traditional Trade and DTC Cross-border E-commerce Platform Models

The International Post Corporation (IPC) conducted a survey involving 31,000 cross-border e-commerce consumers from 37 countries and regions across the Americas, Europe, Asia, and Oceania [14]. The survey report indicates new changes in the market shares of various e-commerce platforms. For example, in 2024, Amazon remains the primary, holding a 24% share. Temu follows closely, with its market share increasing from 7% in 2023 to 21% in 2024. AliExpress holds the third position with a 10% market share, while SHEIN ranks fourth with a 9% share. The specific distributions are shown in Figure 8.

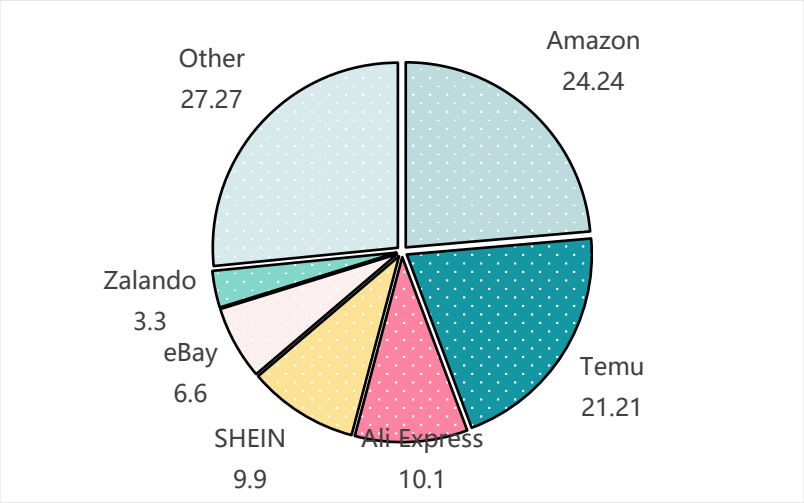

Figure 8. Market share distribution of leading global cross-border e-commerce platforms in 2024. Note: Market share figures reflect consumer survey data from 37 countries

With its multiple platforms in traditional trade models, Amazon stands as a global e-commerce giant, leveraging its vast user base, comprehensive logistics system, and diverse business layout, and is expected to continue dominating the global e-commerce market in the future. Driven by value-added services like cloud computing (AWS), e-commerce business is poised to achieve sustained growth in the coming years. However, it also faces challenges, such as regulatory scrutiny (e.g., antitrust investigations) and intensified market competition (e.g., from emerging e-commerce platforms). For example, Temu initially gained rapid customer acquisition through social media viral marketing and low-price strategies. However, the long-term sustainability of relying on a low-price growth model remains questionable. Meanwhile, AliExpress has deep roots in markets like Europe, Russia, and South Korea, which means that consistent efforts can solidify its advantages. In the DTC model, SHEIN's core competitiveness lies in its digital, on-demand, flexible supply chain. Thus, increased investments in building an intelligent supply chain can maintain its product cost-effectiveness and the rapid production of new products.

Forecasting the Trend of Integration between Traditional Trade and DTC Cross-border E-commerce Platform Models

After predicting the market shares of different models of cross-border e-commerce platforms, the results reveal that each model has its core competitiveness while simultaneously facing certain limitations. For example, while traditional trade models will continue to hold a dominant position in the future, they still need to introduce new models to consolidate their core advantages. Meanwhile, the DTC model should strengthen the construction of smart supply chains and strive to attract third-party brands and merchants to join. Under the support of the 'cross-border e-commerce + industrial belt' model, the market size is expected to expand. Specific trends of integration are reflected in multiple aspects, as discussed below.

Traditional Trade Giants are Transitioning to the DTC model

Retail giants like Walmart and IKEA leverage their offline warehousing and brand influence to build their own cross-border e-commerce platforms or enhance their online business layouts. While retaining traditional wholesale and retail operations, they are capable of directly reaching consumers through online channels and engaging in DTC business. To date, Walmart has continued to vigorously develop its online platform, digitizing its extensive offline product offerings, and continuously optimizing user experience and website functions. By leveraging big data technology to analyze consumer purchasing behavior and optimizing product recommendation algorithms, the company has improved the efficiency and accuracy of finding products [15]. Using the advantages of its offline warehousing and logistics system, Walmart has also achieved seamless integration and collaborative management of online and offline inventory. Online orders can be flexibly allocated to nearby physical stores for shipping, thus enhancing delivery speed and reducing logistics costs. Meanwhile, to adapt to the trend of e-commerce, IKEA has established an online shopping platform that comprehensively showcases its home furnishings series. Using VR technology and 3D modeling,

it allows consumers to intuitively experience different home products in real-life scenarios. Sharing different contents, such as home decor inspiration and renovation cases on social media, also helps attract attention and guides consumers while shopping on its online platforms or physical stores. The collected consumer feedback data, including online reviews and offline store surveys, are fed back to the product design team. Furthermore, customer information is integrated and analyzed through a data management system, allowing the company to record consumer purchase history, preferences, complaints, and suggestions. Customer service then provides personalized services based on the collected consumer messages [16].

Supply Chain Integration

First, TCEP have a deep foundation in supply chain management. Take Amazon as an example. Through years of operation, it has built a vast global supplier network, developed mature processes, and accumulated extensive experience in product procurement, quality control, and warehouse management. Many traditional manufacturing companies rely on these platforms to sell their products worldwide. In comparison, DTC platforms like Shein, while initially focusing on direct consumer engagement, have also gradually recognized the importance of traditional supply chain resources as their business expands. Moreover, DTC platforms actively integrate traditional supply chain resources and establish close partnerships with traditional manufacturers, leveraging their large-scale production capabilities to ensure timely and stable product supply. For instance, SHEIN has formed deep collaborations with numerous domestic clothing manufacturers that possess advanced production equipment and mature manufacturing techniques, enabling them to quickly produce large quantities in accordance with SHEIN's rapidly changing design requirements. Meanwhile, TCEP are also adopting the flexibility of DTC models in supply chain management. In recent years, these platforms are beginning to focus on consumer personalized needs and introducing small-batch, multirun production models [17].

Second, in terms of logistics cooperation, platforms have also been expanding their global delivery coverage. For example, DTC brands collaborate with traditional logistics giants like DHL and FedEx, leveraging their global logistics networks to efficiently deliver products worldwide. In particular, DHL has business outlets in over 220 countries and regions, while FedEx boasts a vast fleet of transport vehicles and aircraft, enabling global cargo transportation. DTC platforms can leverage these convenient logistics networks to deliver products more quickly to consumers in different regions, breaking geographical logistics barriers, expanding market reach, and allowing global consumers to conveniently purchase their products [18].

Logistics giants also have storage facilities in key cities around the world, and DTC brands can collaborate with them to achieve local storage of goods. For example, after placing an order on the DTC platform, consumers can have their packages shipped from the nearest warehouse, significantly reducing delivery time. DHL and FedEx continuously invest in logistics technology research and development, ultimately benefiting DTC brands. By utilizing the logistics information tracking systems of these giants, consumers can monitor

the status of their packages in real-time, from shipment to transit and delivery, thus gaining full control over the entire process and reducing concerns about package transportation [19].

Digital Technology Integration at the Application Level

TCEP have accumulated massive transaction data, covering various aspects such as consumer purchasing behavior and product sales trends [20]. Such data provide market insights for merchants, aiding in product selection, pricing, and other decision-making processes. In contrast, DTC model platforms leverage their direct connection with consumers to obtain more detailed personal information and preference data, which are then used for precise marketing and product development. As different models of cross-border e-commerce platforms integrate, they all enhance the sharing and integration of data. Furthermore, TCEP are opening up more data permissions to merchants, encouraging them to collect off-site data, such as those from DTC operations, and integrate them with traditional cross-border e-commerce platform data to achieve comprehensive market demand analysis. The DTC model is also beginning to recognize the value of platform-level data, with platforms collaborating with their traditional cross-border counterparts to obtain industry-wide and market trend data, integrating these into their own microconsumer and industry data, and continuously expanding their market perspectives, ultimately allowing them to refine their brand development strategies.

Integration at the Marketing Promotion Level

TCEP have long relied on internal traffic and conventional marketing methods. For example, on eBay, merchants primarily acquire traffic by optimizing product keywords and participating in platform promotions. In contrast, DTC platforms excel at leveraging emerging channels, such as social media and influencer marketing to precisely reach consumers [21]. For instance, DTC fashion brands often collaborate with influencers on platforms like Instagram and TikTok, attracting large numbers of young consumers through influencer fashion displays and product recommendations.

Nowadays, the two models are gradually merging, leading to an integrated marketing promotional approach, TCEP are beginning to emphasize social media marketing, encouraging merchants to promote their brands on external social media platforms, which, in turn, channel external traffic back to the platform. For example, Amazon has launched tools to help merchants place ads on social platforms like Facebook, effectively connecting external traffic with platform stores. At the same time, the platform itself promotes on social media to enhance its visibility and influence. DTC platforms are also leveraging the brand effect and traffic base of TCEP [22]. For example, some DTC brands choose to open official flagship stores on traditional platforms, thus capitalizing on the massive user base to quickly increase brand exposure.

Integration at the User Experience Level

TCEP have relatively complete systems in terms of logistics and after-sales service, providing certain guarantees for consumers. For example, JD Global Purchase has a well-established self-built logistics network and cooperative logistics, enabling fast delivery in some regions, and professional after-sales customer service to help consumers resolve sales-related issues [23]. Meanwhile, the DTC model places greater emphasis on making direct communication with consumers, comprehensively understanding consumer needs, and providing personalized services. Under the trend of integration, traditional platforms focus on interactive communication with consumers, setting up user feedback channels to collect opinions on services and products. The DTC model is also continuously improving after-sales service and logistics channels, often collaborating with professional logistics service providers to enhance the efficiency and quality of logistics delivery. For instance, some DTC brands partner with international logistics giants, such as DHL and FedEx, to achieve rapid global delivery. In terms of after-sales service, DTC platforms establish professional customer service teams to promptly respond to consumer needs, thus offering services, such as returns and exchanges, that help enhance consumer satisfaction [24].

CONCLUSION

This study analyzed the competitive landscape and integration trends between traditional and DTC cross-border e-commerce models by synthesizing data from industry reports and public sources. The analysis confirms that traditional platforms like Amazon and Alibaba still dominate the market in terms of overall share and country coverage. However, the DTC model demonstrates significant potential, characterized by a higher market growth rate and stronger customer loyalty, as exemplified by the high repurchase rates of leading DTC brands.

Our findings highlight a key distinction: traditional models primarily serve B2B clients, whereas DTC models cater directly to end consumers. This leads to different cost structures and profit margins, with DTC brands generally facing higher channel and logistics costs but also achieving higher net profit rates by eliminating intermediaries. Crucially, the relationship between these two models is evolving from pure competition toward strategic integration. This is evidenced by traditional giants like Walmart adopting DTC strategies and DTC brands leveraging the established logistics networks and platform traffic of their traditional counterparts.

Based on these conclusions, we propose the following recommendations for stakeholders: For Traditional Platforms, Consider integrating DTC brands by outsourcing the manufacturing of non-core product lines to them, which can reduce self-development costs. Open up established warehousing and logistics networks to smaller DTC brands on a fee-for-service basis. This can create new revenue streams and enhance asset utilization, similar to how JD International provides services to other brands. For DTC Brands, adopt a hybrid channel strategy. While maintaining the official website as the core, establish flagship stores on one or two

major traditional platforms (e.g., Anker on Amazon) to leverage public domain traffic and reduce customer acquisition costs. Develop and offer DTC solutions (e.g., website building, digital marketing) to traditional enterprises looking to transition, thereby creating a B2B service revenue stream. For Policymakers, support the integrated development of both models by facilitating the creation of demonstration parks that merge the resources of traditional platforms with the flexible supply chains of DTC brands. Establish special funds to encourage technological R&D for model integration, such as cross-platform data sharing systems and intelligent warehouse distribution solutions, to improve overall industry efficiency.

Author Contributions

Fang Liu designed, collected and analyzed the data, and drafted the manuscript. Fang Liu conducted the study, critically revised the manuscript for important intellectual content, and gave final approval of the version to be published. Fang Liu participated fully in the work, take public responsibility for appropriate portions of the content, and agreed to be accountable for all aspects of the work in ensuring that questions related to the accuracy or integrity of any part of the work are appropriately investigated and resolved.

Conflicts of Interest

The author declares no conflict of interest.

Funding

Not applicable.

Availability of Data and Materials

The datasets used and/or analysed during the current study were available from the corresponding author on reasonable request.

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Not applicable.

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