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From Douyin Shop to TikTok Shop: The Platformized Supply Chain, Spatialized Business Model, and Regional Partnership in Cross-Border e-Commerce

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ABSTRACT

This article investigates how TikTok Shop reproduces the e-commerce model of Douyin Shop against a backdrop of divergent regulatory challenges and geopolitical distrust. One of the strategic changes we observe in TikTok Shop is the shift of consumer goods suppliers from local merchants to China-based sellers. The Chinese supply chain is thereby platformized into TikTok's global e-commerce ecosystem through partnerships with local shipping, warehousing, and international settlements providers. Building on the paradigm shift from location analysis to spatial analysis, as proposed in existing scholarship, we argue that an analytical approach centered on the national origin of platforms obscures the corporate-led, cross-border deployment of resources, which scopes value spatially. Although transnational platforms may appear subordinate to state power under which they operate, there is a generative interplay between border-bound components and borderless intangible assets such as data-based digital intelligence. This interplay extends digital platforms both geographically and spatially by incorporating territory-bound business actors into a reconfigured transnational space in pursuit of global profit.

1 | Introduction

"Europe's energy disruption causes heating crisis... China-made heating products are set to rise! TikTok Shop cross-border e-commerce now launches #TikTokgetyouwarm campaign, sellers participating in the campaign will receive free traffic, price subsidies, spend-and-save offers, and shipping subsidies... Join TikTok Shop to send warmth to users in Europe!" This is the English translation of a short video published on Douyin in November 2022 by TikTok Shop Cross-border E-commerce. Starting in 2022, opening a shop on TikTok became a new business in a very unlikely market: China. Despite being owned by a Chinese company, ByteDance, the app is not available to China-based sellers due to the Great Firewall. Nevertheless,

ByteDance has created two business development accounts on Douyin: TikTok Shop Cross-border E-commerce and TikTok Shop Cross-border E-commerce for Southeast Asia, providing livestreams, short videos, and web-based courses to coach China's export-oriented suppliers in selling products abroad.

In January 2024, China's Ministry of Commerce pledged to train at least 100,000 people in cross-border e-commerce. Action plans include establishing overseas warehouses, transforming traditional international trade entities into cross-border e-commerce agents, and partnering with the Chinese supply chain with cross-border e-commerce platforms (Sun and Yu 2022). However, as the Chinese original of TikTok has become a central concern in news narratives and policymaking,

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as represented by the US and India (Tobin 2025), questions remain as to the actual operation of cross-border e-commerce due to regulatory obstacles and infrastructural barriers. On the one hand, there is a geographic separation between the Chinese and global Internet: accessing TikTok remains a challenge for China-based sellers. As the Chinese ownership of the app provokes distrust, anxiety, and scrutiny, it has led to a precarious e-commerce market for TikTok. This precarity has been further exacerbated as the Trump administration has made cheap Chinese goods – the major advantage for Chinese cross-border e-commerce platforms – a target of sanctions in the ongoing US-China tariff disputes (Carroll 2025). On the other hand, without owning a physical shop in the markets they sell, issues such as language barriers, local demand, global shipping, and international settlements present additional obstacles to Chinese sellers.

This article takes up these issues by examining TikTok's cross-border e-commerce. It investigates how its parent company, ByteDance, creates a spatial infrastructure that connects the goods supply chain, consumer demands, warehousing, global shipping, and transnational settlements in the geographic markets where TikTok operates. Our starting point does not see cross-border e-commerce as yet another example of Chinese media's global expansion (see Sun 2015). Instead, we follow Lianrui Jia (2025), who argues "Chinese or not, capitalist platform companies engineer a composite geography to guarantee maximum flexibility and mobility for the accumulation of private wealth" (p.1). As she (2025) continues, it is problematic to assume that the origins of Chinese or American platform companies represent their respective national interests.

Following this, we argue that attempting to understand transnational platform companies through the lens of their national origin plays into the hands of their owners by stoking platform nationalism while obscuring their exploitative value-capture practices. It is important to examine how transnational platforms strategically embed themselves within, and disembed themselves from, nation-states for legal status, value capture, and profit gains (Jia 2025). Combining scholarship of global platform studies and comparative media studies that problematize the nation-state as a primary analytical unit (Livingstone 2012; Picard and Russi 2012), we decenter the nation-state as the primary analytical unit by highlighting the generative interplay that configures "composite geography" between nation-states and transnational platforms. Although the nation-state remains a useful analytical category – particularly in the current context of tariff turmoil initiated by the Trump administration, where national borders are regaining power in regulating global trade – placing the nation at the center of analysis oversimplifies corporate-led spatial expansion that scopes value and accumulates capital both within and across national borders.

Our research data include 1 year of observations of livestreams from TikTok Shop Cross-border E-commerce and TikTok Shop Cross-border E-commerce for Southeast Asia, as well as their published short videos. The article unfolds as follows: first, we review literature on platforms as a spatial economic actor and problematize the nation-state as a primary analytical unit in global platform studies. After explaining our method, we divide our analysis into three parts. First, we discuss the legal organization of TikTok Shop cross-border e-commerce in the

context of a divergent regulatory environment and geopolitical distrust. Then we analyze how TikTok Shop deploys border-defined resources spatially, focusing on goods supply chains, global shipping, and overseas warehousing. The final analytical section examines how Douyin's e-commerce model – the borderless asset – is transferred to TikTok through the company's spatial operations, with particular attention to two key components: the merchandising strategy and the creator marketplace.

2 | Platform Spatialization: From Location Analysis to Spatial Analysis

Despite concerns over deglobalization in the wake of ongoing economic decoupling and tariff disputes between the US and China (Altman and Bastian 2023), transnational platforms have emerged as key globalizing agents that disrupt nation-state-led international trade (Jin 2021; Kath et al. 2023; Weymouth 2023). This disruption often manifests in digital platforms transforming the manufacturing industry and trade services in both spatial and physical ways across transnational, regional, and local levels (Luo 2021). Proposing a theoretical approach of "the spatialization of digital platforms," Jia (2025) argues, "Platform companies are agentic capitalist institutions that draw on existing networks of power, elites, and protection of nation-states to engineer and operate a composite geography" (p.1). This calls into question the nation-state as a primary unit of analysis in global platform studies.

In digital globalization, the digital value chain produced by platform companies increasingly defines international trade because of their spatial operations that transcend national borders. In contrast to the goods value chain, the digital value chain serves as the central mechanism for monetization through digital intelligence derived from non-physical resources such as data and data-based services, including algorithms (Weymouth 2023). Due to the lack of established property rights over data, the value derived from data presents challenges for the nation-state to regulate. However, their analytical outcomes or algorithmic outputs, as digital intelligence, are often protected and traded as intellectual property, but they are difficult to value and tax compared to goods and services produced through traditional value chains (Weymouth 2023). In a way, this type of digital intelligence can travel across national borders without tariffs. Despite being intangible, it provides core assets for platform companies to locate affordable supply chains, forecast demand, and influence consumer decisions (Luo 2021).

The digital value chain renders the empirical relevance of geographic markets increasingly inadequate in explaining the processes and mechanisms of cross-border e-commerce, due to the tangible trade of goods, services and capital being more mediated through intangible flows of data, information, ideas, and knowledge (Luo 2021). Particularly in the Chinese market, policymakers have suggested restoring the vitality of traditional international trade entities by partnering with cross-border e-commerce platforms (Sun and Yu 2022). This shift is accompanied by the consumer goods manufacturing industry developing a platform dependency to reach customers in the markets where these platforms operate (Luo 2021; van der Vlist and Helmond 2021; van Doorn et al. 2021).

To account for both mobile actors (e.g., platform companies) and immobile ones (e.g., locations and geographically confined local sellers) in spatially dispersed international business, scholars have proposed a paradigm shift from “location analysis” to “spatial analysis” (Cano-Kollmann et al. 2016). In contrast to a “place,” which is an ordered, static location defined by laws, authorities, and power, a “space” is a more dynamic and practiced place that affords transformation (De Certeau 1984). This analytical shift considers borderless dimensions alongside territorial borders (e.g., place and organization) to enable a spatial analysis of digitally intertwined global trade (Cano-Kollmann et al. 2016).

3 | The Generative Interplay Between the Nation-State and Transnational Platforms

The comparative media studies scholarship has problematized the nation-state as the dominant unit of comparison in media production, market, and systems (Hepp and Couldry 2009), because the analytical differences draw on “national stereotypes, overstates internal homogeneity” and underestimates “the degree of local variation in meanings, practices or contexts” (Livingstone 2012, pp. 420–421). By mapping out a more complex horizon, scholars hope to amend the tendency that “essentializes the relation between national origin (and its associated political media system) and media into binary comparison;” instead, it attends to “the possibility of understanding territorialization, and deterritorialization, as contested practices” (Hepp and Couldry 2009, pp.37–38). As Qiu et al. (2022) point out, the existing theoretical approach conceptualizes “Chinese internets” as a single system: a unitary and statist monolith controlled by the central government. Empirically, Chinese Internets are internally diverse, fragmented, and externally border-crossing, involving multiple stakeholders both within China and beyond. These qualities make Chinese platforms multilayered and pluralist.

Although Chinese platform companies split their apps into overseas and domestic versions, as exemplified by Douyin and TikTok, and Pinduoduo and Temu, the two-version strategy is not a simplistic separation as it appears. While it creates a “parallel universe” between the two versions (Kaye et al. 2021), studies show that there are cross-border content transfer – viral content and music exchanged, remixed, and recreated between Douyin and TikTok – from popular markets (e.g., China, the US, Japan, and South Korea) to regional markets (e.g., Southeast Asia) (Su and Kaye 2023). Similarly, integrating into K-pop culture has been argued to be critical for TikTok to downplay its Chinese origin by adapting to local norms and mores when expanding into South Korea. This process has been described as “platformed globalization,” as part of strategies for achieving globalization through localization (Abidin and Lee 2023).

This body of scholarship suggests that, unlike physical borders, digital borders are malleable, characterized by a constant state of flux influenced by both emerging cultural practices and geopolitical relations. We thus contextualize platform spatialization and composite geography through the generative interplay between border-bound components and borderless intangible assets. In the case of TikTok Shop cross-border e-commerce, its transnational operational space emerges

through the convergence of physical, border-defined components (including supply chains, logistics, and warehousing) with intangible, spatial capabilities represented by business models (e.g., livestreaming- and short video-based e-commerce) and experiences (e.g., merchandising strategies and the creator marketplace). This dynamic spatial formation allows transnational platforms to operate as “agentic capitalist institutions” for spatial value capture (Jia 2025). By the generative interplay, transnational platforms continually reconfigure their geographic operational space in the context of nation-specific regulations. We have drawn a conceptual model (Figure 1) to illustrate this dynamic spatial formation.

In light of the spatiality of transnational platforms, analyzing their business models and practices under data sovereignty and security frameworks is both theoretically inadequate and empirically misleading. Neither the obsession with the location of data storage nor the geographic origin of the app can fully explain the ongoing dispute and distrust surrounding TikTok. If anything, it perpetuates colonial thoughts that naturalize the West’s digital domination of the “other” (Bhambra 2014). The underlying coloniality deprives non-Western platforms of agency in knowledge production about globalization by defining them based on their national origins within the global hierarchy of the “West” and the “Other.” This evokes as well as extends what Mignolo (2002) succinctly calls “the colonial difference” into the digital domain by consolidating hegemonic knowledge production dominated by Western platforms.

4 | Methods

Our data are drawn from videos ($n = 713$) published by TikTok Shop Cross-border E-commerce ($n = 494$) and TikTok Shop Cross-border E-commerce for Southeast Asia ($n = 219$), the only two accounts created by ByteDance on Douyin to acquire China-based sellers. Before scraping data from these two accounts, the first author spent a year beginning in February 2024 observing their livestreams and videos, taking handwritten notes and screenshots to document cross-border e-commerce trajectories laid out by the company. The topics of the observed livestream videos often appeared repetitive and consistent. This process allowed us to conduct initial open coding of emerging themes and compile a glossary of terms related to cross-border e-commerce. Based on this preliminary research, we developed our data collection process and analytical protocols following

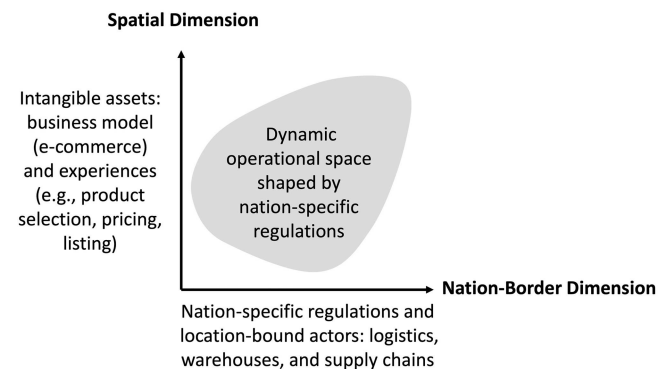


FIGURE 1 | The generative interplay between national borders and spatial extension.

six steps: (1) scraping videos and captions (including hashtags); (2) extracting audio from videos; (3) transcribing audio to texts using OpenAI Whisper; (4) Initial AI-assisted correction with Deepseek-R1, followed by human verification; (5) organizing transcripts into a Python Dictionary; and (6) manually develop themes, calculate frequency by a program, and perform a qualitative analysis. We detail each step below.

On 9 February 2025, we used the DouZhencang plugin (douzhencang.com/install) to scrape all videos from the two accounts, with each video assigned an ID number. A custom web crawler was developed to retrieve each video's caption. These captions were then organized by their video IDs, and for each scraped video, the audio was extracted for transcription. All audio files were transcribed into text using OpenAI Whisper, a speech-to-text (STT) model trained on 680,000 h of multilingual, multitask data, which has demonstrated robustness across diverse environments and approaches human-level accuracy in transcription (Radford et al. 2023). Considering that even high-performing STT models occasionally mis-transcribe industry terms or fail to segment rapid speech, we applied a second step of AI-assisted correction. The raw transcripts were processed with Deepseek-R1, a large language model prompted to perform minimal, surface-level edits only (e.g., punctuation, spacing, obvious STT artifacts) while preserving meaning. Following the best practice that underscores transparency and human oversight to ensure reliability in the use of AI tools in academic research (Hayes 2025), all three

authors reviewed the transcripts line by line, correcting errors and resolving ambiguous segments by consulting the original videos.

Next, all data were organized and merged according to the video IDs. For each video ID, we stored the video's link, its captions (including hashtags), original transcript texts, and human-corrected transcript texts. Then, we conducted a qualitative analysis of themes by situating them back in the context (i.e., the human-corrected transcript texts and their original videos) from which they emerged. Coding was initiated based on the glossary that we had developed through a year-long observation. As the analysis progressed, additional themes emerged that were not captured in the original list. In this process, captions and hashtags were used as cues, as they function as keywords by design in Douyin's content labeling system. Each video transcript was manually labeled with a set of themes (stored as an array in the Python dictionary). The third author conducted a final review of all transcripts, codes, and themes to ensure consistency and accuracy. To count occurrences, a program was created to iterate over all video entries in the Python dictionary. This produced a tally of video counts associated with each theme (Figure 2).

However, as the authors read the transcripts, containing 313,798 words and 150,160 words respectively, we found equating theme frequency to importance or relevance in analysis was misleading. For instance, some crucial components in

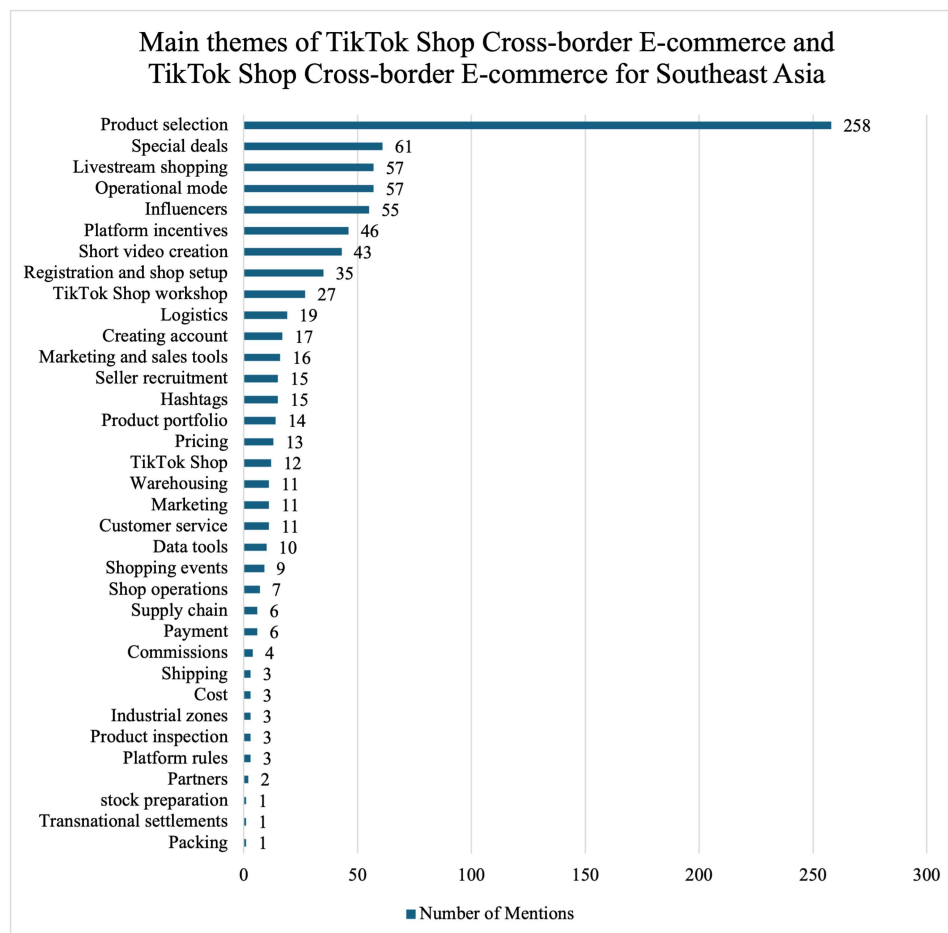


FIGURE 2 | Main themes of TikTok Shop Cross-border E-commerce and TikTok Shop Cross-border E-commerce for Southeast Asia.

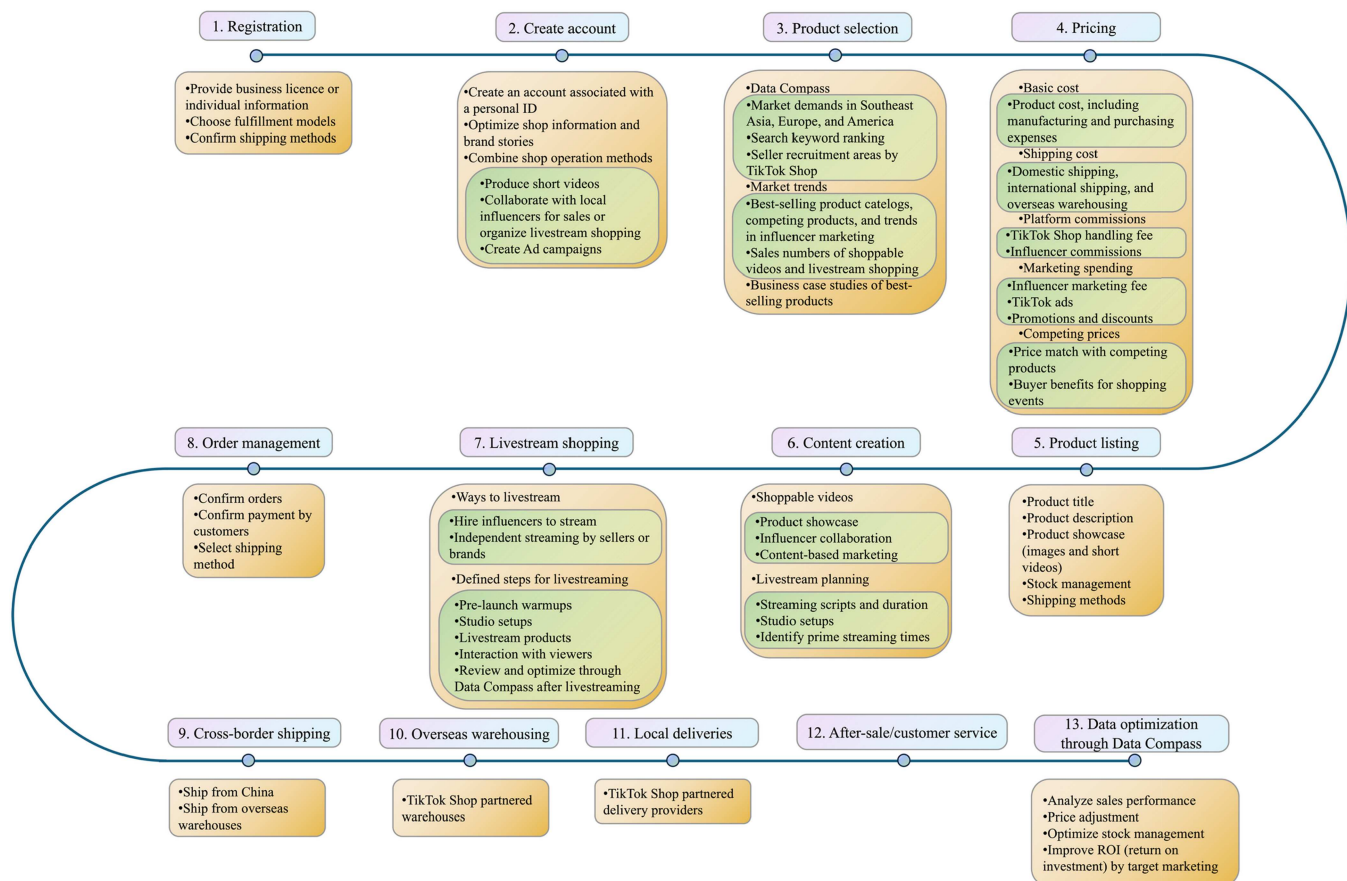


FIGURE 3 | Flowchart of cross-border e-commerce for China-based sellers (Source: created by the authors).

cross-border e-commerce, such as warehousing, global shipping, and transnational financial settlement, were less mentioned in comparison to themes associated with business operations, such as product selection, special deals, and livestream shopping. This is because ByteDance has successfully established a network of partners, including (overseas) warehouses, shipping, and financial services. These were, however, frequently asked questions during livestreams by these two accounts. The company's streamers often manually sketched their logistics and warehousing arrangements as a flow chart on a whiteboard, while explaining the procedure and answering questions from interested sellers. These crucial links are rarely highlighted in our scraped videos, which focus more on spatial dimensions manifested through shop operations and merchandising strategies. For this reason, we consulted our handwritten notes alongside the scraped videos to provide a more comprehensive view of TikTok Shop's cross-border e-commerce in our second analytical section, which focuses on border-defined components. We have created a flowchart (Figure 3) to outline how TikTok Shop converges border-defined components with spatial capabilities represented by business models and experiences in cross-border e-commerce.

5 | Tiktok Cross-Border E-Commerce Amid Geopolitical Distrust

TikTok began its e-commerce transformation in early 2020 by partnering with established shopping platforms such as Shopify

and Walmart. This partnership allowed external shop links to be embedded in short videos on TikTok. Interested shoppers were redirected to external sites to complete a purchase. In early 2021, TikTok introduced TikTok Shop in Indonesia and the UK. Unlike the partnership model, TikTok started to establish its own seller and shop networks. This strategic move echoes Douyin, which first partnered with e-commerce platforms such as Taobao and JD. com and then introduced its own Douyin Shop by attracting sellers from other sites (Wang 2025a).

To expand its seller base, the China-based TikTok Shop team started to provide livestreams on Douyin in October 2023, extending the Chinese playbooks of livestream shopping to TikTok Shop. China-based sellers refer to this as the "information gap" model, presuming that best-selling products and e-commerce experiences that have proven successful in China can achieve similar success in markets where such products and operations are yet to be seen. Following this thought, not only do China-based sellers replicate their business experiences to reach global consumers, but Chinese e-commerce platforms are also reproducing their domestic business model in Southeast Asia, Europe, and America to capitalize on this information gap. Despite the separation of the two apps, information, ideas, and knowledge that inform their business models travel across geographic borders. This can be further seen in ByteDance's recent replacement of US-hired staff near Seattle with e-commerce managers from China, as sales in the US market fell short of expectations (Bloomberg 2025). This shared digital intelligence illustrates that the two-version approach forges a

differentiated yet interconnected spatial ecosystem, rather than reflecting a simple geographical segregation.

According to TikTok Business Help Center (2025), China-based sellers can open a TikTok Shop in markets in Indonesia, the Philippines, Malaysia, Thailand, Vietnam, Singapore, Spain, Ireland, the UK, the US, and Mexico. Following the path of its Chinese competitors like Shein and Temu, TikTok shifted its suppliers from overseas back to China for a cheap, diverse, and dependable consumer goods supply. TikTok Seller Center offers web-based portals in the Chinese language to help sellers to set up shops, curate product displays, monitor sales, collaborate with influencers, and organize livestream shopping. This is how China-based sellers access TikTok, with shop operations in China and shopfronts on TikTok.

The transcripts of our scraped videos show that the affordances of web-based seller dashboards resemble those for Douyin, providing data analytical tools (known as Data Compass, *shuju luopan*), consumer market trends, and demonstrations of best-selling products organized by regions and countries (Wang 2025a). Data Compass provides data analytics about trending product catalogs, product comparisons, influencer branding, sales figures, and interactive time analysis of short videos and livestreams represented by CTR (click-through rate) and CVR (conversion rate, a metric that measures the percentage of viewers that places an order or add to cart). For consumer market trends, it lists demands from Southeastern and Euro-American markets, ranking keywords used in search queries in each geographic market.

TikTok Shop Cross-border E-commerce and TikTok Shop Cross-border E-commerce for Southeast Asia regularly publish consumer trends on Douyin to inform Chinese sellers about product selection. The video introduced in the opening of this article on selling small heating and warmer products by transforming the European energy crisis into consumer demand is a case in point. Our scraped videos show that consumer trends in the UK and Southeast Asian markets are more frequently mentioned than others. The two official accounts publish consumer trends reports in these two markets regularly, indicating that TikTok Shop has a strong foothold in the UK and Southeast Asia. For example, a video published in November 2022 shows that in the Malaysian market, best-selling categories included Islamic clothing, oil control and whitening facials, kitchen gadgets, home gym equipment, workout accessories, and robot vacuums.

However, platformizing the cheap Chinese supply chain into TikTok's global value capture is fraught with geopolitical distrust and economic sanctions. On 29 June 2020, the Indian government banned TikTok along with another 58 Chinese apps following a border skirmish (BBC 2020). In September 2023, Indonesia tightened its social media regulations and banned TikTok due to declining sales of domestic merchants caused by an influx of cheap imported goods. To normalize its e-commerce operations, TikTok Shop builds partnerships with local businesses. In Indonesia, for instance, TikTok acquired the majority of Tokopedia – the e-commerce unit of Indonesia's tech conglomerate GoTo – for USD 840 million (Reuters 2023). These region-specific cases demonstrate how ByteDance extends a spatial field of operation that stretches beyond territorial boundaries while embedding itself locally, thereby

reconfiguring the geographical conditions of its operations across both spatial and national dimensions.

The situation in the US is more disordered. TikTok currently operates under the Trump administration's repeated extensions of a ban (The White House 2025). The geopolitical distrust is centered on data security. TikTok has given assurances that its user data is stored outside China (mainly in Singapore, Malaysia, and the US) and is in no way shared with the Chinese government (TikTok 2023). However, such a statement is more of a response to data sovereignty, which has become a central concern in research, news narratives, and policymaking (Su and Tang 2023; Borgogno and Savini Zangrandi 2024). The assumption is that if personal data is stored and protected within national territories, geopolitical distrust surrounding national security might ease (Su and Tang 2023). As international business scholarship has pointed out, however, location-bound businesses and digital platforms co-evolve as flows of goods and services become more mediated through ideas and knowledge that do not necessarily take on the form of data but their algorithmic outputs (Cano-Kollmann et al. 2016; Luo 2021). Consequently, international goods flows become more spatially and legally organized by business models derived from data-based digital intelligence, whose individual property rights have not yet been well established (Weymouth 2023; Jia 2025).

This process can be best understood as knowledge transfer based on regional user data analytical outcomes. But the link between the spatiality of business models and territory-bound personal data is far from straightforward. It is exactly the conflation of personal data and digital intelligence that has caused geopolitical distrust towards transnational platform companies based on their national origins. Thus, the demarcation between the Chinese market and others, between an app's Chinese version and its global edition, is at best performative, reflecting digital platforms' strategic embedding in and disembedding from the nation-state for spatial value capture.

6 | The Platformized Supply Chain, Global Shipping, and Overseas Warehousing: Spatial Deployment of Resources

Platformized supply chain means the emerging transactional process by which the location-bound manufacturing industry – particularly in consumer goods – is integrated into the spatial expansion of platforms. It entails two integral processes: business expansion into other industrial domains (e.g., manufacturing, retail, shipping, and warehousing) and market expansion into other geographies. For ByteDance, the cheap Chinese supply chain is platformized into TikTok's global e-commerce ecosystem through its worldwide partner networks and spatial deployment of both physical resources and intangible digital intelligence. These include both location-bound (immobile) actors – such as manufacturing, shipping, and warehousing – and spatially mobile actors, as seen in the transfer of business models and experiences. In what has been termed “actually existing platformization,” van Doorn et al. (2021) succinctly point out that, by forming partnerships with pre-existing business organizations and actors leading in other geographic markets and industries – a strategy they refer to as

“the technique of partnership” (p. 716) – digital platforms create an extended operational space through the dynamic deployment of resources to the advantage of platform companies. In the case of TikTok shop cross-border e-commerce, this spatial field of operation stretches beyond national boundaries while embedding locally.

However, divergent regulatory environments and geopolitical tensions give rise to configurations of “practiced place” that afford differing degrees of spatiality (De Certeau 1984). In Southeast Asia, where policy is more permissive and easier to navigate thanks to geographic proximity to China, TikTok Shop allows sellers to manage their own shops. In these markets, TikTok Shop has adopted strategic mergers and partnerships with local logistics providers – such as J&T Express and Ninja Van – to facilitate order fulfilment (TikTok Shop Academy 2023). The platform has also implemented strict logistics performance metrics, including Order Processing Time and Valid Tracking Rate (VTR), to enhance operational efficiency and customer satisfaction (TikTok Shop Academy 2025).

In Indonesia, although TikTok Shop has obtained legal status by acquiring a local e-commerce platform, local laws require a business license that only Indonesian nationals are eligible to apply for. This has created a grey market for trading local ID documents to integrate Chinese suppliers into the Indonesian market. In our observation of livestreams from TikTok Cross-border E-commerce for Southeast Asia, ByteDance’s streamers allude to this workaround without giving explicit instructions, instead signposting comments that indicate the practice. Pragmatic arrangements of skirting around local laws are a norm in TikTok Shop’s global expansion. As national borders, defined by laws and authorities, remain powerful actors, transnational platforms operate through dynamic spatial practices by embedding themselves within vast networks of territory-bound partners to generate business presence and operations spatially (De Certeau 1984; van Doorn et al. 2021).

In the US, following Fulfillment by Amazon (FBA), TikTok Shop has established its own warehousing and logistics network called “Fulfillment by TikTok (FBT).” The localized approach is a response to the requirement that orders placed in the US must be shipped from US-based warehouses. In addition to storing, picking, packing, and shipping consumer goods on behalf of sellers, FBT also oversees customs clearance. Before 2025, TikTok Shop and other Chinese shopping platforms such as Shein and Temu had thrived thanks to the “de minimis” exemption that allowed low-valued imported goods under USD 800 to enter the US without customs duties or tariffs (Carroll 2025). However, the Trump administration ended this provision, meaning that TikTok Shop may lose its competitive pricing in the US market (D’Innocenzio and Tang 2025). In response, the US TikTok Shop has been shifting to a local-to-local business model in anticipation of escalating geopolitical tensions (Feng 2024) and has begun transferring e-commerce talent from Beijing to its US office to meet its sales goals (Bloomberg 2025). This demonstrates that when a nation-state reinstates border controls, it creates environmental dynamics that render transnational platforms as inherently unstable globalizing agents, subject to continuous policy changes (Helmond et al. 2019).

Nevertheless, in other Western markets, TikTok Shop continues to partner with local warehousing providers such as ShipBob to

reduce access barriers for China-based sellers. By outsourcing key operations – including inventory storage, order picking, and product distribution – sellers send parcels to partnered warehouses, where TikTok Shop and its logistics partners together manage inventory, logistics, and after-sales service. This outsourced model reduces warehousing investment while enhancing TikTok’s fulfilment capacity.

To scale up seller recruitment, TikTok Shop offers a “fully managed by TikTok” (*quan tuo guan*) model, in addition to independently operated shops. Regardless of geographic markets, this model allows sellers to focus solely on product supply and business growth while relieving them of responsibilities such as warehousing, packing, and shipping. It reduces operational burdens for sellers and enables TikTok Shop to tap into economies of scale in marketing and logistics across geographic markets.

In China, TikTok Shop’s global logistics system is organized through four overseas-facing warehouses in Shanghai, Yiwu, Quanzhou, and Dongguan. According to both observed livestreams and scraped videos, the four warehouses are known as connecting warehouses, meaning they are stopovers for packages shipping from China to their destination countries. Each facility manages deliveries from nearby manufacturing zones. The shipment consists of three legs, including domestic transport and international delivery. Using terms from TikTok Shop Cross-border E-commerce: Leg A is from sellers to the connecting warehouse. Leg B is from the domestic warehouse to the overseas warehouse, including customs clearance. Leg C is local delivery to shoppers. TikTok Shop offers free pickups in major industrial regions such as Shanghai, Zhejiang, Guangdong, and Fujian – areas known for industrial clusters of consumer goods manufacturers and suppliers.

To strengthen its supply chain, TikTok Shop has launched the “Industry Belt 100 Initiative” (*chanyedai 100 jihua*), aiming to collaborate with 100 key industrial zones in China (TikTok Shop Cross-Border E-commerce 2024). The initiative seeks to support their global deployment of China’s massive manufacturing capacity through cross-border e-commerce infrastructure. Examples include Shenzhen (Guangdong Province) for consumer electronics, Wenling (Zhejiang Province) for women’s shoes, and Zhongshan (Guangdong Province) for home appliances. This model integrates traditional industrial zones into a digitally connected space in global trade. In this way, not only do transnational platforms function as “hybrid entities” that merge functions traditionally attributed to the market and the state (van Doorn et al. 2021, p.728), but as agentic capitalistic institutions, they also operate “composite geographies” (Jia 2025) by deploying resources and allocating assets spatially to build a competitive edge. It is in this sense that digital platforms are not merely reshaping globalization; they are forging a new horizon of ingenuity for global trade by platformizing cheap supply chains and their regional logistics partners with platform companies at the center of transactions.

Taken together, the above shows that the Chinese cheap supply chain is platformized into TikTok’s e-commerce system through the technique of partnership (van Doorn et al. 2021). In doing so, TikTok digitally integrates location-bound goods manufacturers and service providers into its spatial operations, extending them across territorial scopes and embedding geographically situated

actors within its transnational commercial network. In the next section, we analyze how the platformization of the supply chain is orchestrated by global flows of data, information, and knowledge, which, in turn, transforms the traditional mode of global trade as defined by cross-border flows of goods, capital, services, and investment (Luo 2021; Weymouth 2023). This fundamental shift gives rise to a digital value chain based on the conversion of data into digital intelligence about products and services, in contrast to the traditional international trade's goods value chain, focused on the production of goods and services and economic resources such as capital and labor (Weymouth 2023).

7 | Product Selection and the Creator Marketplace: The Spatialization of Business Model

Although business models are built upon intelligence derived from intangible assets, including consumer data, online behaviors, transactional data, and regional spending data, individual ownership rights scarcely extend to these digital resources. This allows the spatial adoption of digital intelligence by transnational platforms, which convert the absence of defined individual ownership into proprietary intellectual assets through predatory means. TikTok Shop offers web-based online courses and webinars, as well as livestreams and short videos on Douyin, to coach region-specific shop operations (e.g., the UK, Vietnam, Malaysia). The tutorial content covers areas ranging from merchandising strategies, including product selection, product listing, pricing, livestreaming scripts, and the creator marketplace, to warehousing, global shipping, local deliveries, and transnational settlements. Once the theme of “cross-border e-commerce” takes hold among sellers, platform support (including shop-operation training and subsidies), policy momentum (see the action plans by China's Ministry of Commerce discussed at the beginning of this article), and resources (as outlined in the previous section) surge in tandem, resulting in the rapid global scaling of its e-commerce model. This spatial adoption of business model attests to another practiced site of composite geography in parallel with the spatial deployment of territory-bound resources, such as Chinese supply chains and regional business partners.

In our scraped videos, the most frequently mentioned theme was product selection ($n = 258$), followed by special deals ($n = 61$), operational/fulfilment mode ($n = 57$, meaning self-running/independent shop or Fulfilment by TikTok), live-stream shopping ($n = 57$), and influencers ($n = 55$). Apart from the operational/fulfilment mode, which is contingent on the varying affordances of global logistics, TikTok Shop mirrors Douyin Shop across all other thematic domains, which are listed as core areas of investment (Wang 2025a). This shows that ByteDance adopts the same business model – with a few region-specific modifications – for both Douyin Shop and TikTok Shop. The recent replacement of US-hired staff with Beijing-originating e-commerce managers in Bellevue, Washington, along with the shift in work language from English to Mandarin during meetings on Feishu – ByteDance's internal Slack-like platform (Bloomberg 2025) – further attests to the transfer of business experience and practices from Douyin to TikTok through both digital intelligence and the flow of talent.

For product selection, both official accounts for cross-border e-commerce recommend a product portfolio that combines

traffic-generating items (i.e., products designed to attract attention and traffic rather than drive sales), bestsellers, and trending items. To inform product selection, TikTok Shop uses content engagement data to produce high-traffic keywords associated with product categories and buying intent, a strategy borrowed from Douyin Shop (Wang 2025b). Once this data-informed product selection is established, sellers are advised to organize their merchandise into five groups to optimize shop performance and sales.

The first category is “teaser products” (*ju tou kuan*), which refers to items introduced prior to a livestream to generate interest and build anticipation. The second is “good value for money” (*chong fen kuan*), referring to featured products used to keep viewers engaged during the livestream. The third is “bestsellers” (*bao kuan*), trending items with the highest sales figures. The fourth is “high-margin products” (*li run kuan*), meaning the most profitable items that contribute significantly to revenue. The fifth is “exclusive offers” (*zhuan gong kuan*), which refers to products sold exclusively through TikTok Shop. This merchandising strategy, similar to those employed by Douyin Shop, seeks to scaffold product categories in alignment with specific campaign objectives in order to maintain viewer traffic and drive sales.

Based on this generic product portfolio, TikTok Shop adopts a region-specific approach according to consumer preferences. In Southeast Asia, our scraped data show that best-selling products generally fall into two broad categories: everyday essentials and beauty products. Consumer preferences vary across the region. For instance, Filipino consumers show a preference for head-to-toe fashion ensembles. In contrast, Thai consumers prioritize everyday essentials, with family-related queries dominating keyword rankings in e-commerce. In the UK, TikTok Shop transforms the challenges of cold weather and rising electricity bills into opportunities by promoting affordable, compact heating products (i.e., good value for money items). By launching the #TikTokGetYouWarm hashtag challenge, TikTok Shop featured a wide range of China-made heating and warming products, such as rechargeable belts, hot water bottles, and electric foot warmers.

The production of high-traffic keywords with buying intent has become a viable e-commerce strategy for Douyin Shop (Wang 2025b). While generating e-commerce keywords based on users' engagement data, our scraped videos reveal a pattern of turning major events and holidays into buying-intent keywords as a means of localizing the keyword-based e-commerce approach. For example, during the World Cup, sales of match-related items tend to increase in markets such as the UK and Southeast Asia. Products associated with the World Cup theme – such as games, laser tag equipment, and even stress-relief items – often trend during the tournament. To tap into events and holidays worldwide, TikTok Shop creates a shopping calendar aligned with local festivals, cultural events, and consumer preferences across different geographic regions. This calendar allows China-based sellers to plan seasonal products and sales campaigns in advance. For instance, in Western markets, campaigns can be tailored to specific occasions such as spring deals and Christmas sales. In Thailand, waterproof clothing and flip-flops are promoted before and during the Songkran Festival. To motivate China-based sellers, TikTok Shop offered traffic rewards (i.e., audience reach) and shipping subsidies.

To retain viewers and transform them into buyers, TikTok Shop adopts the same content production strategy used by Douyin Shop: shoppable videos and livestream shopping (see step six in Figure 3). Shoppable videos include product showcases, influencer collaboration, and content-based marketing. The platform recommends that the length of a short video should not exceed ten seconds, with the first 3 s dedicated to capturing audience attention by presenting core product information. As a music-driven platform, sounds that evoke emotional engagement are recommended to accompany videos showcasing the product. It is also advised to use the same music track for consistency. For captions, the two official accounts recommend that words used in the product title correspond with high-traffic keywords and product categories generated by TikTok Shop to improve searchability. Regarding livestream shopping, three areas of investment are highlighted: scripts and streaming duration, studio setups, and peak time windows for user engagement.

Product campaign goals are advised to align with target advertising placements and pre-identified audience segments with potential interest. They should not focus on the completion of the campaigns but rather allow for immediate adjustments based on real-time traffic fluctuations. For this purpose, the two official accounts recommend collaborations with the platform's creators for their content expertise, engagement skills, and well-defined audience groups. Following Douyin Shop's influencer platform *Juliang Xingtu* (<https://www.xingtu.cn/>), TikTok Shop released a similar Creator Marketplace platform (<https://ads.tiktok.com/creative/creatormarketplace>). The TikTok Creator Marketplace monitors collaboration between influencers and sellers/brands in marketing and sales. Sellers and brands are offered access to a creator's e-commerce performance, including their specialization in particular product categories, follower demographics, content engagement, and past sales over a 28-day period. This allows sellers and brands to select creators whose expertise aligns with their campaign objectives.

Altogether, it shows that business experience and digital intelligence from Douyin, along with the talents embodying this knowledge, have been transferred to TikTok Shop in expanding its territorial scope of operations. The spatialization of the business model has been understood as "the platformization from China," referring to platform logics developed in China that bear Chinese techno-political-economic governance but have traveled globally to disrupt the US-dominated digital landscape (Lin and de Kloet 2023). This has somewhat reinforced the nation-state as an analytical framework through which transnational platforms are examined and regulated. Dwelling on the Chineseness or the national origin of a platform fosters an othering process that overlooks the spatial networks that platform companies develop to expand their businesses and geographic boundaries (see also van der Vlist and Helmond 2021; van Doorn et al. 2021).

8 | Conclusion

This article has problematized the nation-state as the primary analytical framework for transnational platform governance in the context of cross-border e-commerce. Building on the paradigm shift from location analysis to spatial analysis – as proposed in existing scholarship – we extend this framework by

highlighting a generative interplay between border-defined business actors (e.g., supply chains, logistics, and warehousing) and borderless assets embodied in business models (e.g., livestream shopping and the creator marketplace) and experiences (e.g., merchandising strategies) of transnational platform companies. This interplay extends digital platforms both geographically and spatially by incorporating territory-bound business actors into a reconfigured transnational space in pursuit of global profit. This operational space is continually shaped by nation-specific regulatory practices, which themselves are in constant flux, producing dynamic spatial formations that may lean toward the border-defined or the spatial end, as illustrated in our conceptual model (Figure 1). However, this stretching does not produce absolute power for either the nation-state or the platform company; rather, their power remains relational, unfolding through a continuous negotiation in this stretched spatial configuration.

In the case of TikTok Shop cross-border e-commerce, we have examined how TikTok Shop replicates the e-commerce model of Douyin Shop in expanding its territorial scope of adoption. In this process, business models based on massive data analytics from the Chinese market obtain a spatial form through the platformized, cost-effective supply chain and a partnership network involving regional e-commerce actors, as well as shipping, warehousing, delivery, and financial settlement providers. We have analyzed the spatial transfer of business model as digital intelligence, which is underpinned by the digital value chain based on data processing and algorithmic outcomes, alongside the goods value chain, which is territorially bound and characterized by the production of goods and services as well as economic resources such as capital and labor (Weymouth 2023).

The shared digital intelligence between TikTok Shop and Douyin Shop, as represented by the business model – more colloquially referred to as the "information gap" through the two-version strategy reveals an unresolved paradox. While user data may be secured within territorial borders, the digital intelligence (e.g., business model and experiences) derived from that data can flow across borders without altering platform data ownership, thereby evading platform actors' accountability to data sovereignty. This allows platform companies to operate as "agentic capitalist institutions" that are simultaneously embedded in and dis-embedded from nation-states to their own advantage for exploiting space and spatial relations (Jia 2025, p.1).

Inherent instability and susceptibility to regulatory changes define the development of transnational platforms. It is precisely this process that allows transnational platforms to derive power from their ability to create platform dependencies through the technique of partnership involving a multitude of local actors and external stakeholders (Helmond et al. 2019; van Doorn et al. 2021). Placing the nation-state at the center of analysis risks oversimplifying the platform's spatial operations, in which the platform company is not the sole actor but is embedded within a transnational web of economic networks and reciprocal partnerships.

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Conflicts of Interest

The authors declare no conflicts of interest.

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