**IT Alignment Model for Pinduoduo**

**Introduction**

In 2015, Taobao and JD.com two mainstream e-commerce gradually matured, the consumer market gradually saturated, and the domestic e-commerce market basically formed a stable pattern. In this background, Pinduoduo as a young e-commerce platform, has become the largest e-commerce platform for Chinese users in the domestic e-commerce market in six years. Its core competitive advantage is reflected by using innovative business model to provide low-cost but high-quality goods. Pinduoduo integrates the concept of sharing into e-commerce operation. After successfully “Pintuan” with friends, family and neighbors, users can buy goods at a lower price (Qiu 2021). This paper will analyze Pinduoduo from four aspects: business strategy, IT strategy, organization infrastructure and IT infrastructure.

**Business Strategy**

**Business Scope:** Core business of Pinduoduo is to sell goods to consumers. Consumers are mainly located in third and fourth tier cities. Such consumers are highly price sensitive and do not pay much attention to commodity brands, but they also have a huge value. This is the Long Tail theory. The long tail theory was put forward by Chris Anderson (2004). He believes that the long tail composed of "unpopular goods" also has great commercial value. Pinduoduo 's sharing marketing activity is to tap the potential of the tail market through the “Pintuan”.

**Distinct Competences:** Pinduoduo sell products through group buying. Group buying price is much cheaper than normal price, and most consumers are more willing to choose the group buying price. Then, they will share commodity links to social platforms such as Wechat group. This process plays a big publicity effect, so that Pinduoduo can obtain more users and markets, which is also the key reason for the rapid rise of Pinduoduo. At the same time, Pinduoduo chooses the C2M mode, allowing consumers to connect directly with manufacturers, reducing many intermediate links and reducing supply costs.

**Business governance:** Pinduoduo has been plagued by the problem of low quality and fake commodity provided by third-party suppliers. According to Zhang and Xu (2019), Social group buying aims to attract more consumers to “Pintuan” at a low price, but suppliers making profits at a low price will inevitably reduce the quality of goods.

**Organisational infrastructure and processes**

**Administrative infrastructure:** Pinduoduo mainly provides a platform for businesses and users to conduct transactions. As a platform, Pinduoduo promotes transactions between buyers and sellers through the concept of social theme, that is, organizing group buying.

**Processes:** Business activities mainly operate on the web pages or mobile app produced by Pinduoduo. The cooperation between technicians and product consultants.

**Skills:** HR should understand the technical work. Technicians are a group of people who have strong logical thinking but are not good at communication. If HR do not know how to communicate with technicians, it is difficult to understand the real ideas of technicians.

**IT strategy**

**Technology scope:** Recommend products with big data and algorithms. Pinduoduo understands consumers through group buying and purchase habits, classifies big data with refined standards, constantly updates the platform standard library and information, and recommends commodities based on customers’ needs through intelligent machine algorithms.

**Systematic competencies:** Pinduoduo studies the possible consumer needs through the technology known as "distributed AI", which divided consumers into groups to mine the association law between consumers and commodities by strengthening the in-depth learning model and personalized recommendation algorithm to achieve accurate push and high transaction rate.

At the same time, relying on the "prophet system" and "pilot system", the platform will connect the suspected counterfeit commodity information with the complaint information, select the commodities with more complaints, and automatically mark them as key monitoring targets.

**IT governance:** In cooperation with Tencent, most of people use Wechat as a communication tool. People used Wechat will certainly know the function of Wechat Pay, and Pinduoduo attracts a large number of uses in the Wechat based on all kinds of activities and discount.

The platform is connected to the identity verification information system of the public security department to ensure that the collected portrait is consistent with the bottom image of the public security system through intelligent image recognition.

For the businesses authorized by the brand owner to settle in, the platform verifies the authenticity of the authorization certificate from the owner. If there is no real authorization certificate, it is prohibited to settle in.

**IT infrastructure**

**Architecture:** Pinduoduo has developed framing scanning technology, voiceprint fluctuation comparison technology and semantic context emotion analysis model. Once the anchor sells infringing and counterfeit goods, the platform will immediately stop broadcasting.

Through face recognition, Pinduoduo has set up an intelligent merchant entry system to realize the interaction of face acquisition actions and confirm the intention to enter the platform through face acquisition.

**Processes:** Pinduoduo provides desktop web pages and mobile apps for users. Pinduoduo cooperates with Wechat through web pages and apps, and people can use Wechat pay to pay for goods

**Skills:** Pinduoduo attracts skilled IT technicians through high wages and benefits.

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**Illustrate:** Alignment exists, which is a technology transformation alignment perspective. Driver is the marketing model, that is, through group buying and social sharing to promote selling commodity. IT is used to serve Pinduoduo 's marketing strategy.

**Consulting Firm**

Pinduoduo can choose the service Chinese mainland financial report of Deloitte. Chinese mainland has made significant progress in Chinese accounting standards and international financial reporting standards convergence. In this process, Deloitte has been acting as a consultant to assist the Ministry of Finance in formulating a Chinese accounting standard system in line with international accounting and financial reporting practices. Due to the rapid development, Pinduoduo has been listed in the United States. Choosing Deloitte to provide financial help can make Pinduoduo develop better. It can help Pinduoduo clarify the development direction and avoid missing development opportunities. It also can assist Pinduoduo in formulating practical business plans to achieve business performance. Because Pinduoduo is an IT company with little experience in accounting and auditing, choosing Deloitte can provide more professional help and Pinduoduo can pay more attention on the company's core business.

**References**

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