**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 context, Pinduoduo, as a young e-commerce platform, has become the largest e-commerce platform for Chinese users in the domestic e-commerce market in just six years. Its core competitive advantage is reflected in the use of innovative business model to provide low-cost and high-quality goods. Pinduoduo integrates the concept of sharing into e-commerce operation. After successfully competing with friends, family and neighbors, users can buy goods at a lower price. This paper will analyze Pinduoduo from four aspects: business strategy, it strategy, organization infrastructure and it infrastructure.

**Business Strategy**

**Business scope:** Pinduoduo 's key business 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. This is the so-called "long tail theory". The long tail theory was put forward by Chris Anderson. 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 Pinduoduo model.

**Distinct competences:** selling products through "shopping". The group price is much cheaper than the single purchase price, and most consumers will choose the group price. After consumers choose to group together, they will share commodity links to social platforms such as circle of friends and Wechat group. This process will play a publicity effect to a large extent, 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 chose 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 goods provided by third-party suppliers. Social group buying aims to attract more consumers to share the group at a low price, but businesses 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 shopping and group buying.

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

**Skills:** HR understand the technical work and the characteristics of technicians. Technicians are a group of people who have strong logical thinking ability and are not good at communication. If they 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 intelligent algorithms. Pinduoduo understands consumers through order matching and purchase habits, classifies big data with refined standards, constantly upgrades and updates the platform standard library and Thesaurus information, and recommends goods to users' needs through intelligent machine algorithms.

The platform 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 and other measures.

Through face recognition and other technologies, Pinduoduo has set up an intelligent merchant entry system to realize the interaction of face acquisition actions and confirm my intention to enter the platform through face acquisition and living body detection;

**Systematic competencies:** Pinduoduo studies the possible consumer needs of users through the technology internally known as "distributed AI", which can help consumer divided into groups to mine the association law between users and commodities by strengthening the in-depth learning model and personalized recommendation algorithm, so as 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 with Wechat will certainly know the function of Wechat payment, and Pinduoduo uses the advantage of a large number of Wechat people to drain themselves.

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 provides desktop web pages and mobile apps for users

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

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

**Illustrate:** Alignment exists, which is a technology transformation alignment perspective. Pinduoduo starts its business according to its marketing model, that is, through group competition and social sharing. IT is used to serve Pinduoduo 's marketing strategy.

**Consulting Firm**

Due to the rapid development of Pinduoduo, it has also been listed in the United States. Choosing Deloitte to provide financial help can make Pinduoduo develop better. He can help Pinduoduo clarify the development direction and avoid detours and missed development opportunities; Assist Pinduoduo in formulating practical business plans, key business indicators, and the path and specific methods to achieve business performance; Assist Pinduoduo to stand out in the industry competition and become the leader of the industry and the maker of industry rules; Because Pinduoduo is an IT company with little experience in accounting and auditing, choosing Deloitte can provide more professional help. Pinduoduo can focus more on the company's core business.