

The Application of Pinduoduo Platform Shopping Marketing Strategy in the Regional E-commerce Industry

-- Taking Shouxian as an Example

Wenwen Fan

School of Finance, Anhui University of Finance and Economics, Bengbu, China

2544894512@qq.com

Abstract

With the help of weChat and other traffic platforms, traditional E-commerce has a new point of strength - social E-commerce, a more efficient, low-cost, high-viscosity traffic source model on the basis of the original, how to drive the development of regional retail industry in the new model of social E-commerce, how to make the traditional E-commerce industry transform and upgrade, how to establish its own brand advantages in the process of transformation and upgrading, this project aims to conduct in-depth research on the social E-commerce of the shopping class, and to analyze the marketing strategy of the new model with the typical representative Pinduoduo as an example. At the same time, the application of the shopping marketing model in the small and medium-sized E-commerce industry in Shouxian area is analyzed, and it is concluded how the innovative development of social E-commerce in large-scale online shopping platforms can be applied to the construction of the regional new retail industry and affect the regional economic development.

Keywords

The Marketing Strategy; Pinduoduo; Regional Application.

1. Introduction to Pinduoduo Marketing Model

As a new type of shopping platform, Pinduoduo opens up a new online shopping model based on low- and medium-sized consumer groups, adopts C2B and low-cost group models for traffic fission, and builds a private domain traffic pool. Pinduoduo's small profit and high-sales group system, WeChat marketing, brand upgrading and multi-level and multi-dimensional induction of social sharing methods, the application of pinduoduomarketing strategies in Shouxian E-commerce industry, the impact on Shouxian ecological business chain and the economic development of Shouxian have played an important role in promoting.

China's current social consumption level is very diverse, the demand for low-end consumption in third-tier cities is still very huge, and some families in first- and second-tier cities are mainly pragmatic, and the principle of purchasing goods is still enough. Relevant data show that 65% of Pinduoduo's users come from third- and fourth-tier cities, and only 7.56% come from first-tier cities. Correspondingly, 15.68% of JD.com's users are from first-tier cities and 50.1% from third- and fourth-tier cities. It can be seen that Pinduoduo has achieved rapid development precisely because it has grasped the users of third- and fourth-tier cities. As the main low-end consumption of the population, the living standards and living convenience of the third and fourth-tier cities are far less than the first-tier developed cities, and the consumer group's demand for consumer goods is not as good as that of the first-tier cities, so the purchasing power of the purchasing group with the purchase as the inducement is becoming increasingly large, and Pinduoduo first launched the main group marketing, taking the purchase as the first

step to induce the consumer group, taking the low price as the second step in the hearts of consumers, at this time the quality and excellence of the goods are not so important in the face of price. Pinduoduo launched tens of billions of subsidy activities, in the form of small profits and high sales, suppress the price of merchants to bring a large number of orders, on the one hand, so that some merchants can get a place in the huge competition system, on the other hand, can give Pinduoduo a price advantage that is different from Taobao and Jingdong platforms, consumers sometimes do not have very clear consumer needs and motivations, often need an external factor to stimulate their deep inner potential demand. Commercial advertising is one of the external factors affecting consumer psychology, which mainly has the psychological functions of cognitive information, guiding consumption, thinking orientation, helping decision-making and aesthetic entertainment. Pinduoduo uses this advertising and public relations strategy to stimulate demand through a series of media such as television, the Internet, and social software.

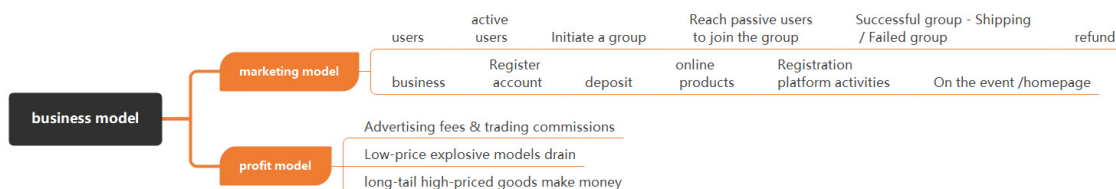


Figure 1. Marketing model analysis chart

2. Marketing Strategy Analysis

Compared with Alibaba and JD.com, Pinduoduo is a new force in China's E-commerce industry and has more incentives to explore the field of innovative supply chain. Pinduoduo's predecessor was Topin Good Goods, and its earliest was to jump out of the intermediate links of the traditional agricultural product supply chain, cooperate with the upstream agricultural product industry belt, and successfully realize the entry of E-commerce business. After that, for a long time, Pinduoduo solved the bottleneck of upstream suppliers through supply chain innovation.

2.1. Policy Implementation Reasons

Based on the above analysis of Pinduoduo, this kind of shopping marketing model in the shopping social E-commerce to the daily necessities, clothing and other high consumption frequency, wide audience of the public circulation of goods, most of the goods price does not exceed 100 yuan, low prices are the key to the purchase of social E-commerce to attract users to share and spread, and the main reason why the social E-commerce can achieve low prices is reflected in the following three aspects:

Guide users to share through grouping, reduce customer acquisition costs, and increase user stickiness through game-like methods;

The shopping class social reflects the characteristics of "discovery" shopping, and even the search box is not set on the home page of Pinduoduo, and the platform collects a large amount of traffic to a small number of explosive products through the reverse recommendation algorithm, and reduces the cost of the production side through scale.

2.2. Application of Marketing Strategy in Shouxian County

The platform concentrates a large number of orders through the group to obtain premium rights to the upstream. At the same time, the merchants stationed on the platform are mainly factory stores, which greatly shortens the supply chain and reduces intermediate costs.

The application in Shouxian area is mainly divided into two aspects: the external development of E-commerce within the city and the region, these two applications work together to facilitate the lives of residents in the city and drive the development of pinduoduo users in the region, adding bricks and tiles to the economic development of the region. Its content is mainly as follows:

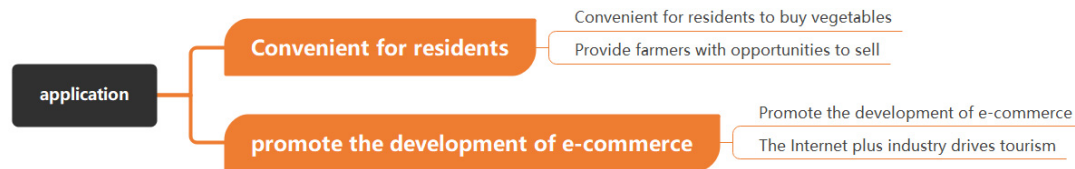


Figure 2. Application analysis chart

2.2.1. Intra-city Group Marketing

With Pinduoduo breaking into people's vision, cheap necessities gifts, clothing and appliances are not all people's life needs, vegetables and fruits these products that may be consumed at any time in the transportation process have gradually become the needs of consumers, Pinduoduo continues to follow the strategy of buying, launched a multi-buy platform, still take the group as the marketing starting point, promote the next day to reach the vegetables, melons, fruits, daily necessities, etc., of which vegetables are the main marketing commodities, users only need to group orders, the goods will arrive at the selected extraction point the next day , greatly convenient for people's lives, Shou County inside and outside the city have a large number of extraction points, around the community around the set of suitable extraction points, convenient for people to live at the same time to drive the surrounding vegetable and fruit vendors business, from the overall improvement of residents' living standards, Successfully grasp the psychology of users. For buyers, the same goods are of course the cheaper the better, and the price provided by Duoduoduo is almost the lowest market price, so it can successfully attract customers to buy. When the number of group purchases does not reach the minimum, users will take the initiative to invite friends around them to buy together in order to purchase the goods they want to increase the number of people. In this way, the initiative of the market has been reversed, the original seller increased efforts to promote the goods to attract customers, and now the customers themselves bring people over, and it is completely free of introduction fees!

Cost advantage. For sellers, there are two ways to make a large profit. One is to sell a single item at a high price for a high profit. The other is to make small profits and sell high, each product only makes a little profit, but the number of sales is huge, and it can also obtain high profits. Buying more vegetables is to take advantage of this principle. So why would a seller agree to buy more vegetables at a lower market price? This involves the cost of the goods. The high prices of many commodities on the market today are not directly proportional to the production costs, but the costs of advertising and transportation storage are at work, in fact, many times, these costs are far lower than the cost of goods. When Meituan takes the goods directly from the merchant, it saves a large amount of fees in the middle, so the seller will agree to give the lowest discount.

In this way, the model of buying more vegetables has played an extraordinary role in promoting the economy of the Shouxian area.

2.2.2. Development of E-commerce in Shouxian Area

In today's Internet age, online shopping has become an indispensable part of people's lives. The increasing improvement of network technology and the development of logistics services have

created suitable conditions for E-commerce companies to provide online shopping. The online shopping environment brings more choices and contrasts to consumers in the consumption decision-making process, and consumers have enough free space to easily search for a lot of auxiliary information to make better consumption decisions. In the face of the increasing rise of online shopping, how will consumer behavior change? What are the new challenges of marketing strategy? It is worth thinking about and analyzing.

Pinduoduo's social group model can effectively connect hundreds of millions of consumer needs with hundreds of millions of scattered farmers and a large number of small and medium-sized manufacturing factories, which can more effectively help manufacturing enterprises quickly understand and meet consumer needs and launch more accurate products, thus changing the "push" operation based on "planning, production and sales" in the traditional enterprise model, and shifting to "pull" operation based on user needs, which greatly improves operational efficiency.

During the epidemic in 2020 is the period of the rise of major E-commerce, especially local small-scale E-commerce, because the online shopping opportunities brought by staying at home quickly contributed to the price war with Pinduoduo as the main body, daily necessities and other necessities have become the most purchased commodities during the epidemic period, Pinduoduo is slightly better than its low price, which leads to many places seizing the opportunity to start a business, in the Pinduoduo platform to create their own business with a low margin, taking Shouxian as an example, before as a poor county, in 2020 because of the epidemic, The rise of two major E-commerce companies in Shouxian County, one of which is the elite E-commerce company's agent Libai, Blue Moon and other products in the country's sales first, the other clothing E-commerce company to achieve tens of millions of profits, which is not an opportunity and challenge given by Pinduoduo to the E-commerce industry.

Pinduoduo's promotion of Shouxian's Internet + industry has led to the economic and tourism development of the entire area of Shouxian County, and helped Shouxian to overcome poverty from the basis. Driven by the Internet + industry, the overall economy of Shouxian has gradually developed, under the overall planning of Huainan City and Shouxian County, Shouxian has begun to publicize its own traditional characteristics, export history and culture, create characteristic brands, including filming propaganda films, creating tourist attractions in surrounding areas such as Anfengtang, shifting the economic focus outside the city, building high-speed rail stations, bus stations, Internet + industrial parks and introducing various cooperation, while promoting the discovery, preservation and display of ancient cultural relics, and striving to promote the local cultural characteristics of Shouxian County. Internet + for the economic promotion of Shouxian mainly contribute to the Internet + agriculture and Internet + E-commerce poverty alleviation, The promotion of Internet + agriculture is mainly in the economic aspect and rural construction, Shouxian Internet + agriculture model will be directly transported agricultural and sideline products to the city, to promote the normal and rapid development of the rural economy.

3. Conclusion

In summary, pinduoduo's marketing strategy in the application of Shouxian area helps residents improve their living standards from the inside, opens the E-commerce channel from Shouxian to the outside, and helps the Internet + industry in Shouxian to further develop.

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