

Research on Corporate Strategy Based on the Long Tail Theory: A Case Study of Pinduoduo

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Abstract: With the rapid development of Internet technology, the business landscape has undergone great changes, and the application of Long-tail theory in corporate strategy is increasingly prominent. This article focuses on the research of enterprise strategy based on the long-tail theory, and takes Pinduoduo, a representative e-commerce platform, as a case for in-depth analysis. By examining Pinduoduo's business model, market positioning, marketing strategies, and other aspects, it reveals how the company leverages the Long Tail theory to tap into niche markets, satisfy numerous minority and personalized demands, and achieve differentiated competition. The study finds that Pinduoduo leverages the advantages of the Internet to reduce the sales costs of niche products, expand market boundaries, and form a unique business ecosystem. An in-depth exploration of Pinduoduo's corporate strategy based on the Long Tail theory not only helps to understand the underlying logic of its success but also provides valuable insights and inspiration for other companies to formulate strategies in a fiercely competitive market environment, possessing significant theoretical and practical implications.

Keywords: Long Tail Theory; Corporate Strategy; Digital Marketing; Lower-Tier Markets; Pinduoduo

1. Introduction

Based on the Long Tail theory, this paper takes Pinduoduo as a case study to conduct an in-depth analysis of how it leverages the advantages of the Internet to tap into the potential of the long-tail market, meet niche and personalized needs, and achieve differentiated competition. Through an examination of Pinduoduo's successful practices, this paper explores the application value of the Long Tail theory in modern corporate strategy and provides valuable insights for other enterprises.

2. Research Background

Against the backdrop of the exponential growth of Internet technology and profound structural changes in the consumer market, the explanatory power of the 80/20 rule, which has long been regarded as a guiding principle in traditional business, is facing unprecedented challenges [1]. In this context, the Long Tail theory has emerged as an innovative new paradigm in business theory and has gradually gained prominence. The theory reveals that in the digital era, consumer demands that have long remained on the margins of the market and are characterized by niche and fragmented features can, through the powerful aggregating capabilities of Internet platforms, be brought together to form a large-scale emerging market with enormous potential.

The widespread adoption of the Internet has constituted a transformative revolution, completely breaking the numerous constraints imposed on traditional business by physical space and time. E-commerce platforms are able to store and display a vast array of products at nearly zero cost, and this groundbreaking transformation has greatly unleashed consumers' diverse and personalized demands [1]. The market for niche products has consequently grown rapidly in scale and has gradually emerged as an important force that cannot be overlooked in the business sector. With the rapid growth of China's economy, consumption upgrading has undoubtedly become a central theme of the country's current consumer market. Through in-depth analysis of the Gini coefficient officially announced over the years, it can be found that the Gini coefficient of China's residents' income has always been above 0.46, which clearly shows that the consumption gap of China's residents has not shown a narrowing trend. Income is a key factor in determining consumption behavior. For low-income groups, seeking cost-effective products is the primary consideration in their consumption decisions. Therefore, even in the context of consumption upgrading, especially in rural markets, low-priced

products that can meet basic needs still show considerable market demand and huge market potential. This phenomenon is highly consistent with the research conclusion of Fan Peng (2021), which shows that the current consumption market in China presents a complex situation of consumption upgrading and consumption downgrade, and the phenomenon of significant differences in the level and uneven distribution of residents' consumption demand still exists.

From the unique perspective of the Long Tail theory, the sources of merchants' profits are not limited to high-value customers at the "head" of the market. Rather, customer groups with a large population and substantial traffic constitute a key source of profit growth. The rapid development of Pinduoduo in China's rural areas demonstrates its ability to accurately capture the consumption needs of these "long-tail users." Benefiting from this precise market positioning, Pinduoduo achieved rapid and transformative growth within just five years, emerging as a prominent enterprise in China's e-commerce market. As a late entrant to the e-commerce sector, Pinduoduo has rapidly distinguished itself in an increasingly competitive market through its distinctive business model and has become a representative case that cannot be overlooked in studies of digital business development. By precisely targeting lower-tier markets and innovatively integrating Long Tail supply chains, Pinduoduo has successfully unlocked the enormous potential of the long-tail market and created substantial business value.

3. Research Objectives

With the help of the Long-Tail theory, this study conducts an in-depth analysis of Pinduoduo's corporate strategy, and sorts out the unique path of the platform to explore and use the Long Tail market, so as to explain the inherent logic that it can achieve rapid expansion and sustainable growth. Through the study of the typical case of Pinduoduo, this article tries to clarify the core mechanism of the role of the long-tail theory in the formulation and implementation of enterprise strategies, and at the same time examine the suitability and innovation space of this theory in various market environments. In addition, relying on the long tail theory, the research summarizes the successful experience accumulated by Pinduoduo's strategic practice, and also sorts out the actual challenges it is currently facing. It is hoped that it can provide certain theoretical

reference and practical reference for other enterprises in the digital transformation stage when formulating market strategies.

4. Research Significance

4.1 Theoretical Significance

Expanding the Application Boundaries of the Long Tail Theory: Empirical research on Long Tail theory in the e-commerce sector remains relatively limited, particularly in in-depth analyses of emerging e-commerce enterprises in China. By taking Pinduoduo as a case study, this research can further examine and refine the applicability of the Long Tail theory to the e-commerce industry, providing new empirical evidence and support for the further development of the theory.

Promote cross-theoretical integration: By analyzing Pinduoduo's enterprise strategy through the lens of long-tail theory, this study deepens understanding of how enterprises can use the long-tail effect to identify new market opportunities and optimize resource allocation at the strategic level. This not only enriches the theoretical framework of enterprise strategy but also provides a new perspective and theoretical framework for enterprise strategic decision-making.

4.2 Practical Significance

This study outlines a strategic framework for e-commerce enterprises. Competition in the e-commerce market is becoming increasingly fierce, and Pinduoduo's success offers a new perspective for other enterprises in the same industry. This article breaks down Pinduoduo's strategic framework based on long-tail theory, including not only precise market positioning but also innovative supply chain management models. These conclusions can provide practical reference and inspiration for peer enterprises seeking to build differentiated competitive advantages and expand their market share.

Facilitating the Digital Transformation of Traditional Enterprises: Against the broader backdrop of the global digital transformation, traditional enterprises are facing unprecedented pressure to transform. Examining how Pinduoduo leverages the Long Tail theory to explore market potential can inspire traditional enterprises to reassess their existing business models and market positioning. By leveraging Internet technologies to establish deeper connections with

long-tail markets, traditional enterprises can enhance their competitiveness and adaptability to changing market conditions.

5. Literature Review

5.1 Long Tail Theory

The Long Tail theory was proposed by Chris Anderson, editor-in-chief of the American magazine *Wired*, to describe the business models of websites such as Google, Amazon, and iTunes. Anderson argues that when product storage capacity and distribution channels are sufficiently large, products with relatively weak demand and low sales volumes can generate a market share and economic value comparable to, or even greater than, those of mainstream products [2]. In other words, numerous niche markets can be aggregated through Internet technologies to form a market force capable of competing with that of the mainstream market. The Long Tail has two key characteristics: it is “thin” and “long.” The “thin” characteristic refers to markets with relatively small market shares that have historically been overlooked. The “long” characteristic indicates that although the demand for individual products or niche markets may be relatively small, the large number of such markets allows their aggregate demand to exceed that of the popular market through the Internet [3].

The Long Tail theory has three main conclusions. First, the long tail is ubiquitous, and the range of products constituting the long tail is far greater than commonly imagined [4]. Second, the long tail can be developed almost without limit through new Internet technologies [5]. Third, aggregating niche products can create substantial market opportunities. When convenient access makes all products readily available, the bottlenecks between supply and demand are eliminated, allowing niche products to gain greater visibility and giving rise to long-tail markets. This process can further generate a positive feedback loop and reshape the industrial and cultural landscape.

Anderson also proposed that to grasp the long tail of the product, we need to pay attention to three links: the production link, the Bit network popularizes production tools to reduce costs, enhance the diversity of long-tail products, and extend the tail; the communication link, the Internet and platform assemblers spread long-tail products, and broaden the channels of consumers' knowledge; and the supply and demand links, big

data records and filter group selection wisdom, provide suggestions for consumers, and promote the transfer of demand from the head to the tail [6].

5.2 Conditions for the Realization of Long-Tail Markets

The Long Tail theory can play a significant role in Internet marketing, but its effective application is strictly premised on the elimination of supply-and-demand bottlenecks. This also explains why it is difficult for traditional industries to fully realize the potential of the long tail. The formation of a long-tail market first requires diverse customer demands, thereby ensuring a sufficiently large volume of sales. As society develops, consumers increasingly pursue personalized products and services. However, during wartime or under a fully planned economic system, personalized demands are largely suppressed by basic subsistence needs. As a result, it is difficult to generate a large number of niche markets and, consequently, to aggregate them into a long-tail market.

Second, enterprises need to provide a rich and diverse range of products to meet these personalized demands. The development of Internet technologies has enabled the marginal cost of products to decline under certain conditions, and in some cases, even approach zero. This has allowed greater attention to be directed toward products beyond those at the head of the market, including products that were previously considered less important or less commercially viable.

Many e-commerce companies have business models that can be explained through the Long Tail theory. Employees at Amazon have noted that books that previously experienced low sales can now achieve sales volumes far exceeding those of books that were once bestsellers. In fact, Internet-driven e-commerce can bring together geographically dispersed consumers who share common interests, thereby breaking away from the traditional model of market segmentation based on geographical location. Taking regional bookstores as an example, certain niche books may have only a small number of potential readers within a particular region, placing their demand in the long tail [7]. Under the Internet-based, interest-oriented model, however, demand for niche books can move from the long tail toward the head of the market, thereby acquiring greater commercial value.

In the Internet era, with the rapid development of technology, the cost of reaching and serving products in the tail has declined substantially. As a result, the total revenue generated by long-tail products may even exceed that generated by products at the head of the market. In other words, as long as product storage capacity and distribution channels are sufficiently large, less popular products in the long-tail market may account for a larger market share and may even exceed the proportion held by popular products in traditional markets. A niche market composed of a large number of less popular products can accumulate a market share comparable to, or even greater than, that of the mainstream market.

Therefore, in the era of the Internet economy, enterprises should not focus solely on popular products at the head of the demand curve, but should also pay greater attention to less popular products represented by the tail of the curve. The Long Tail theory reveals a profound shift: on the Internet, as consumers are presented with an almost unlimited range of product choices, the products that best match their individual needs and the channels through which they can access them have undergone fundamental changes.

In addition, a theoretical long-tail market is not enough. Only by reconstructing the long tail can we truly tap into its innovative business value. This is not just to focus on the long tail part, but to use new rules to transfer the individuals at the tail under the traditional operating concept to the head with the help of new technological means and business operation methods. While deeply exploring customers' potential needs and providing more products and services, the enterprise must also transform sales channels, transactions, and customer service models to successfully create a valuable long-tail market [8].

6. Case Analysis

Data shows that in 2020, more than 65% of Pinduoduo's user base came from third-tier cities and below, which is in stark contrast to traditional e-commerce platforms [9]. The main target customers of traditional e-commerce platforms are concentrated in first- and second-tier cities, and the consumption threshold is relatively high, which makes it difficult to meet the increasingly diversified product needs of consumers in rural areas. Digital e-commerce platforms such as Pinduoduo, however, quickly identified the gap in this tail market and actively expanded into rural

markets, thereby enriching the competitive landscape of the tail segment of China's e-commerce market.

Meanwhile, the widespread application of blockchain and intelligent technologies in the logistics sector has significantly reduced the cost of distributing domestic goods across different regions. This has created favorable conditions for meeting the demands of long-tail users and has further promoted the rapid development of the tail market.

The reason why Pinduoduo was selected as the subject of in-depth study in this paper is mainly attributable to the following key factors:

First, Pinduoduo aligns closely with the goal of this study. Against the backdrop of China's online shopping market dominated by Taobao, JD.com, and other major e-commerce platforms, Pinduoduo, as a distinctive e-commerce platform, cleverly uses digital platform technology to closely connect consumers, complementary merchants, suppliers, and other parties, and adopts a strategy of "differentiated competition". Pinduoduo did not directly compete with industry giants in the mainstream market, but accurately targeted the long-tail market ignored by Taobao and JD.com, including small cities and vast rural areas in the fourth- and fifth-tier areas. This strategic positioning closely matches the key long-tail market studied in this article.

Second, Pinduoduo's uniqueness and motivation in the e-commerce sector stand out. As a platform organization, Pinduoduo is under strong competitive pressure from major platforms such as Taobao and JD.com because of their strong network effects, which will form a substantial barrier to a new platform. However, Pinduoduo has successfully broken this deadlock through its innovative strategy. By the end of 2020, its annual number of active buyers had reached 788.4 million, exceeding Alibaba's 779 million and JD.com's 472 million in the same period.

This not only made Pinduoduo the agricultural products and interactive commerce platform with the largest user base in China, but also demonstrated its remarkable rise in the e-commerce sector.

Pinduoduo achieved disruptive innovation as a late entrant to the e-commerce market, eventually forming a tripartite competitive structure in the industry together with Alibaba and JD.com. The development model and underlying theory behind its rapid growth provide valuable insights into how latecomer enterprises can achieve

competitive catch-up by targeting lower-end markets.

Finally, from the perspective of the accessibility of research materials, Pinduoduo, as a prominent enterprise in the industry, has established a comprehensive and readily accessible information disclosure mechanism since its successful listing on the NASDAQ in the United States in July 2018. This provides researchers with abundant and detailed sources of data, thereby providing strong support for the smooth implementation and in-depth development of this study.

7. Application of the Long Tail Theory in Pinduoduo

7.1 Proactively Adapting to Market Changes and Responding to the Demands of Lower-Tier Markets

After years of rapid development in China's e-commerce economy, competition among e-commerce enterprises has become increasingly intense. Industry giants such as Taobao and JD.com, benefiting from their first-mover advantages and strong overall capabilities, have established relatively dominant positions in the e-commerce market, resulting in a relatively stable competitive structure. Throughout the development of traditional e-commerce, marketing strategies have long focused on meeting the consumption needs of elite groups at the top of the consumption pyramid. These groups primarily included knowledge elites who were among the early adopters of the Internet during the PC Internet era, as well as the middle class and urban white-collar workers.

However, as this user base has gradually approached market saturation, the traffic dividend on which traditional e-commerce platforms have relied has also begun to diminish. Consequently, their growth momentum has slowed significantly, while the bottleneck effect has become increasingly pronounced.

It is worth noting that China's vast third- and fourth-tier cities and township areas are home to a large number of lower-income consumers. For a long time, lower-tier markets have faced a serious shortage of high-quality product supply, leaving the consumption needs of local residents far from fully satisfied. For example, in the course of its development, Taobao has increasingly shifted its focus toward high-end products, resulting in the elimination of a large number of

merchants selling lower-end products. These merchants, once eliminated, were in urgent need of new e-commerce platforms through which they could continue their business development.

With keen market insight, Pinduoduo accurately identified the enormous potential of lower-tier markets, particularly in third- and fourth-tier cities and vast rural areas. Consumers in these markets are highly sensitive to price changes while also exhibiting diverse and differentiated consumption needs. In the past, the segmented demands of these lower-tier markets, which were located in the long tail of the demand curve and often marginalized by traditional e-commerce platforms, were largely overlooked. These consumers included residents of third-tier and lower-tier cities, consumers living outside Beijing's Fifth Ring Road, and the increasingly prominent group of "young consumers in small towns." Today, through its innovative approach, Pinduoduo is gradually awakening and meeting these long-underestimated market demands, thereby creating a new blue ocean of consumer demand.

To better meet the demands of this market segment, Pinduoduo actively innovated its business model. On the one hand, Pinduoduo established direct partnerships with manufacturers and adopted a "group buying + low-price" model, successfully eliminating intermediary links and enabling large-scale production, thereby substantially reducing product costs. On the other hand, through its distinctive "team purchase" model, Pinduoduo enables users to purchase desired products at lower prices, which has greatly stimulated consumers' willingness to make purchases. Data show that 70% of Pinduoduo's users come from third- and fourth-tier cities and rural areas, and that the average consumption frequency of this group is 40% higher than that of Alibaba users.

Against the new market environment created by the mobile Internet era, Pinduoduo, as a late entrant to the e-commerce industry, successfully seized the opportunities available to it and distinguished itself from the intensely competitive "red ocean" of traditional e-commerce. Although Pinduoduo entered the market later than its veteran competitors, Pinduoduo has used its advantages in the long-tail market to achieve remarkable competitive catch-up. This not only creates substantial space for Pinduoduo's own development, but also provides valuable insights for other enterprises to seek new

growth paths in the fiercely competitive market.

7.2 Adopting a Differentiated Competition Strategy to Establish a Competitive Advantage in Niche Markets

According to Maslow's hierarchy of needs, human needs progress from physiological needs to safety needs, social needs, esteem needs, and self-actualization needs, from bottom to top. In the long-tail part of the sinking market, Pinduoduo's audience is mainly price-sensitive consumers. These consumers are resource-constrained and focus more on commodity prices. They have low expectations for brands and the symbolic value of commodities. Their needs mainly fall within the lower levels of physiological and safety. Previously, traditional e-commerce ignored this audience segment. The emergence of Pinduoduo filled this supply gap, allowing consumers long neglected at the end of the consumption demand curve to access online shopping and effectively solving the problems they faced when consuming online.

As Pinduoduo continues to develop, its business environment has changed significantly. The state vigorously implements the policy of helping farmers. It increases investment in the development of rural agriculture, but attention to traditional e-commerce in the field of agricultural products is obviously insufficient. At the same time, Alibaba, JD.com, and other e-commerce giants have also entered the sinking market. The competitive pressure faced by Pinduoduo has increased sharply, and it is urgent to achieve breakthroughs and transformation.

Against this backdrop, after taking over as CEO, Chen Lei led Pinduoduo to focus on agriculture. Although Pinduoduo has successfully entered the sinking market and built a large user base, it still needs further innovation to improve traffic stickiness and attract users from mainstream markets.

The personalized needs of consumers in the sinking market are prominent, especially in terms of price, brand preferences, etc. Based on this, Pinduoduo has built a new model of poverty alleviation in industry, academia, and research.

In terms of value proposition, Pinduoduo actively responds to the national poverty alleviation policy and focuses on the field of agricultural products. By introducing high-end brands and carrying out the "10 billion subsidy" activity, we can improve user stickiness and improve the low-end and fake image of the platform that has been previously

criticized.

In terms of value creation, Pinduoduo has launched special projects such as "Duoduo Orchard" and "Duoduo Vegetable Garden" to expand its layout and investment in agriculture. Vigorously promote the new brand plan, build a multi-subject collaborative ecological network system dominated by suppliers, and form a dynamic and diversified value creation model of "user-platform-producer", which provides strong support for the development of the technological economy.

In terms of value acquisition, Pinduoduo provides customers with differentiated products and services with the help of distributed AI. It uses big data to deeply integrate manufacturing, agriculture, and e-commerce platforms, establish a win-win relationship with all parties, fully leverage the network effect, and achieve multi-channel revenue and diversified profits. By fully leveraging network effects, the platform has expanded its sources of revenue and diversified its profit model.

With the continued promotion of national policies supporting poverty alleviation and agricultural development, the agricultural sector has become a key area of competition among e-commerce enterprises. Industry giants such as Alibaba, JD.com, and Tencent, as well as emerging players such as Dingdong Maicai, MissFresh, and Meituan Select, have entered the sector in succession, engaging in intense competition with Pinduoduo. However, the e-commerce agricultural sector faces numerous challenges, including lengthy agricultural product supply chains and high rates of product loss. To address these challenges, Pinduoduo has established in-depth partnerships with multiple agricultural research institutions and jointly promoted the integration of industry, academia, and research, thereby providing strong impetus for innovation in agricultural technologies.

To address the issue of one-way empty transportation caused by disparities between urban and rural logistics, Pinduoduo innovatively developed a logistics computing system to reorganize and optimize the delivery and logistics information of agricultural products. By cooperating with major logistics enterprises to establish dedicated transportation routes for agricultural products, Pinduoduo enabled the two-way circulation of goods, with industrial products flowing to rural areas and agricultural products flowing to urban markets. This

significantly improved logistics efficiency and enhanced the user experience. The establishment of this new logistics system has provided strong support for the development of a platform ecosystem in which Pinduoduo and its suppliers can achieve mutually beneficial outcomes.

Driven by the internal and external environment, Pinduoduo has promoted the establishment of a new logistics computing system by focusing on agricultural products and building a new model of industry-academia-research poverty alleviation, providing consumers with high-quality products and optimizing the shopping experience. At the same time, by vigorously promoting the "10 billion subsidies" and the "new brand plan", Pinduoduo has successfully penetrated the mainstream market on the basis of maintaining user stickiness in the sinking market, and finally achieved subversive innovation, stood out in the fierce market competition, and established a competitive advantage in the niche market.

7.3 Leveraging the Advantages of C2B and WeChat-Based Social Commerce to Reduce Platform Operating Costs

The long-tail market covers a large number of goods and brands. For consumers in the sinking market, the variety of goods can make the long-tail market chaotic. This not only increases the cost of consumers screening goods, but also raises the operating costs of enterprises to a certain extent. Pinduoduo has effectively reduced these costs and improved operational efficiency through unique strategies.

Leveraging WeChat-Based Social Commerce for Low-Cost Customer Acquisition: Pinduoduo has fully leveraged Tencent's strong advantages in the social networking sector and adopted a social marketing strategy to attract users. Through marketing mechanisms such as group buying and bargaining, Pinduoduo has developed a WeChat-based promotional model centered on individual users, using their interpersonal networks as the channels of dissemination and personal credibility as a form of endorsement. This model is characterized by low costs and rapid viral expansion, enabling Pinduoduo and the long-tail products sold on its platform to reach target consumers at extremely low cost.

Leveraging the C2B Model to Optimize Supply Chain Costs: With the help of the C2B model, Pinduoduo gives full play to the advantages of socializing and sharing, completely subverting the production and sales mode of traditional e-

commerce grouping [10]. Users can intuitively see the preferential price after the success of grouping, collect the common needs of similar users in advance, and lock in advance payments, which reduces the financial pressure of merchants. The platform will focus on large-scale orders and customization from merchants, which greatly reduces the intermediate links and reduces merchants' involvement in raw material procurement, commodity production, inventory logistics, etc.

In this mode, some products don't even require physical inventory. Merchants only need to display digital product information on the website, such as videos, images, and text descriptions. This lets Pinduoduo leverage social network characteristics to customize and brand less popular long-tail products at low cost, helping it control and optimize supply chain costs.

7.4 Enhancing User Stickiness and Improving the Demand Guidance System

Innovative marketing activities to improve user participation and loyalty: The traffic obtained by Pinduoduo with the help of social communication has low user loyalty and dependence in the early stage. These new users often do not spend frequently on the platform, and the connection with the platform is not close enough, making it difficult to become long-term stable users. In order to change this situation, Pinduoduo has carefully planned a series of innovative marketing activities such as "Zero Yuan Purchase" and "Duoduo Orchard". In "Duoduo Orchard", by completing interesting tasks such as watering and fertilizing, users can not only gain an in-depth understanding of the rules and various functions of the platform, but also exchange real goods after harvesting virtual fruits. This process effectively improves users' participation in the platform.

Although these marketing activities increase the operating costs of the platform and merchants in the short term, they significantly enhance the stickiness and loyalty of new users to the platform in the long run. More importantly, while participating in these activities, new users are often driven by their entertainment value and potential benefits to voluntarily share information about the activities on social platforms such as WeChat. This has led to a new round of viral transmission, which has continuously brought new attention and traffic to the platform and further expanded the user base of the platform.

Relying on technological advantages, accurately guide user needs: According to the long-tail theory, consumers need a long-tail product with affinity as a guide, so as to position the tail product that is more in line with their personalized needs. In marketing practice, Pinduoduo attaches great importance to the application of artificial intelligence and big data technology, and accurately depicts user portraits through continuous optimization of algorithms.

The platform first attracts new users through popular products. Once the user enters the platform, its big data system will analyze the user's browsing history, search keywords, time spent on a specific page, and other information in real time. Based on these analyses, Pinduoduo can intelligently recommend personalized products that are closer to the needs of users. For example, if users have browsed sports equipment, the platform may recommend niche but high-quality sports brands or sports accessories with distinctive features.

Through this strategy, Pinduoduo cleverly guides users' attention from popular, high-demand, and relatively high-priced products in the long-tail market to less popular, more personalized, and affordable products. This process is thanks to the highly trusted recommendation mechanism of Pinduoduo, which relies on in-depth user insights to achieve accurate matching of user needs and products. In this way, the platform not only helps consumers find products that closely match their needs, but also significantly improves consumers' shopping experience and willingness to repeat purchases.

7.5 Establishing a Credit Evaluation System to Reduce Users' Trust Costs

In the online shopping scenario, when users face a wide range of unpopular products, the commodity rating and user evaluation system of the shopping platform play an important role in assisting them in making the best consumption decisions. For e-commerce enterprises, in the fiercely competitive market environment, if they want to stand firm, they must attach great importance to the construction of a consumer communication and evaluation system, so as to reduce the cost of trust when users shop online. As a leader in the field of social mobile e-commerce, Pinduoduo has significant advantages in this regard.

The unique feature of social e-commerce is that its information dissemination relies on

interpersonal networks. Pinduoduo uses the social relationships between users to carry out credit endorsement, which has greatly improved the recognition of the relevant audience of the authenticity of commodity information. In daily life, consumers are often more inclined to believe in recommendations from relatives and friends, and Pinduoduo cleverly uses this psychology to allow users to naturally share shopping experiences in social interactions, making product information more credible.

In addition, Pinduoduo has achieved deep integration with WeChat, especially in the private and closed social environment of WeChat groups, creating a shopping environment with a strong sense of security and high trust. Such an environment is suitable for highly trusted consumption decisions, providing users with an enhanced shopping experience. In this private social space, users can freely exchange their shopping experiences, discuss the advantages and disadvantages of products, and strengthen their confidence in purchasing decisions.

The third-party instant information service provided by WeChat also brings great convenience for Pinduoduo users to communicate with sellers. The two sides do not need to switch back and forth between different platforms or channels, which effectively avoids the troubles and potential risks faced by the conversion communication platform, makes communication smoother and more efficient, and further improves trust in the user's shopping experience. Through the above-mentioned multi-faceted measures, Pinduoduo has gradually built a perfect credit evaluation system, which provides a reliable basis for users to make decisions when facing a large number of tail goods, and greatly reduces the cost of trust for users.

8. Conclusion

Pinduoduo's practice provides rich empirical support for the long-tail theory and extends it to some extent. It proves that long-tail theory also applies in the field of non-digital products, such as daily consumer goods and agricultural products. Through innovative business models, the scattered niche needs are aggregated to create huge commercial value. At the same time, Pinduoduo's innovative practice in supply chain integration, marketing, and promotion has provided new ideas and methods for the specific application of the long-tail theory in the implementation of enterprise strategy, and

enriched the practical connotation of the long-tail theory.

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