

Research on the Pinduoduo Product Quality Problem Analysis and Customer Satisfaction Optimization Strategy

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Abstract. As the most popular shopping platform, Pinduoduo has such an advantage not only by its low price but also by the comprehensiveness of its products. But the Achilles heel of Pinduoduo is that the quality of the items it sells is greatly discounted due to the price and the shop. Because of the low entry threshold of Pinduoduo's stores has attracted many dishonest merchants causing the reputation of Pinduoduo's software to plummet. Gradually, the low quality has become the "stereotype" of consumers. Pinduoduo wants to solve this problem and can start to consider setting the quality of goods inspector and the good reviews constantly to the merchants to give rewards and higher traffic promotion. In contrast, those with more bad reviews are to give punishment correction and less traffic. This way promotes Pinduoduo's good quality and low price, while the company's internal members can train slogans or recruit professionals as quality inspectors. But these strategies still have room for modification, such as the timeliness of customer feedback or the coverage rate of the quality check are the problem.

Keywords: Pinduoduo; Product quality; Customer satisfaction; Optimization strategy.

1. Introduction

1.1 Research background

The company reputation generally refers to the interests or equities in the overall reputation of the whole firm. This can be reflected in the confidence of various stakeholders in their relationship with the company. The survey made by Li Kexing and Liang Gang (2022) concluded that Pinduoduo was a mainstream e-commerce enterprise in China, focusing on C2M group shopping [1-2]. C2M model is called Customer to Manufacture, and the factory produces items directly for consumers. Focusing on public opinion, users of Pinduoduo mainly complained about low-quality goods, fake goods, cheating customers, and bad shopping experiences. The poor quality of the products becomes the reason why many people are reluctant to choose Pinduoduo. In the long term, customers will integrate all public opinions to judge a brand, so whether or not customers purchase low-quality goods in Pinduoduo will eventually label bad quality on it, forming stereotypes. Then the reputation of Pinduoduo will be influenced [2].

According to Dong Qi (2022), one of the Pinduoduo strategies is using low prices to attract customers, but in this way, it must lower the barriers to entry for merchants. Otherwise, only a few will offer products at lower prices than those on other e-commerce platforms [3]. For instance, security deposits and brand certificates are not required to enter Pinduoduo. Thus, Pinduoduo quality will have a big problem. And the product quality affects customers' shopping satisfaction greatly, so the long-term quality problem will gradually decrease its reputation [4-5]. Then, it will be hard to keep the main customers for Pinduoduo as they will shift to other e-commerce platforms.

1.2 Research framework

Therefore, Pinduoduo should improve the reputation caused by low-quality goods as quickly as possible because it can help keep mainstream consumers and improve customers' confidence in Pinduoduo. Hence, this paper raises the following research question:

How to improve the reputation of the brand Pinduoduo caused to the low quality of products?

2. Method

The results we expect will first depend on the way we collect data. Our team wants to analyze the questionnaires, collect data on the sale and repurchase of Pinduoduo products, and create graphs to determine whether the problem of the low reputation of Pinduoduo is related to what we think is the quality of the products. Based on the analysis, we can judge whether our initial proposal is effective and whether our proposal can improve the future reputation of Pinduoduo reputation. Then, we will rework or modify our initial proposal to get the final solution. In order to re-judge whether our final proposal is feasible, we will ask people of different age groups and social groups around us through questionnaires and judge whether the new improvement is acceptable through their responses in the questionnaires. The new implementation can attract some consumer groups if the questionnaire results are positive. Finally, we will predict what short-term and long-term effects this solution will bring to the brand and whether it will help the brand reach sustainability, improve the credibility of Pinduoduo and increase future sales.

3. Result

The biggest advantage of Pinduoduo compared to other online shopping platforms is that the prices are affordable and cheap, but often the quality is not fully guaranteed. There is also much news about quality problems, such as cheap diapers but bad quality, and cheap Apple phones, but they are cottage. This paper conducted a user feedback survey to help Pinduoduo with quality improvement.

This paper first asked the gender. Because women's purchasing power is usually stronger than men. This paper thought women had more authority in this area, so the survey was sent to 13 women. Still, to ensure the accuracy of the survey, this paper sent it to 8 more men. This ensures that the survey is more convincing, which is the first question.

The second question is age, and as the development of the times, online shopping becomes younger, more young people will go online shopping. And teenagers (16-18) are half of the total number of online shoppers. And more customers who use Pinduoduo are teenagers because teenagers have limited money and need more low-priced but cost-effective goods. In order to get the most accurate data, this paper looked for other age groups.

The third question is whether or not users have used Pinduoduo. This question helps the study to know how often the respondents use Pinduoduo and to gather follow-up questions so that this paper can know why they do not use Pinduoduo or do not use Pinduoduo often. From the survey report, this paper came up with 60 percent of people who use Pinduoduo occasionally, 30 percent who use Pinduoduo often, and 10 percent who never use Pinduoduo. (Total 20) The fourth question is how do users think the quality of Pinduoduo is. Through this one question, this paper can get the user's experience, so This paper can analyze further to know how the quality is. Then find out why most people are using Jindo occasionally. Eighty percent of people think the quality is average, and the remaining twenty percent is good and bad (total number of 20).

The remaining 5 questions are where this paper gave some solutions in detail, "How can we go about improving the quality of Pinduoduo?" Let's see if the users think it can be changed. Users prefer Pinduoduo to set a positive rating requirement for stores among these improvement solutions. Users think this method is the most efficient because it allows them to find better stores more intuitively and make transactions with more confidence. Users don't like the "hire a professional inspector to check the products." First of all, the salary of a professional inspector is a big expense, and it may be necessary to hire a professional inspector to reduce expenses in other areas, such as the quality of products, special offers, etc. Secondly, this will increase the unemployment rate of people with low education because the factory needs a high degree of education. A certain cultural base is enough if you join the professional quality control personnel, which will undoubtedly increase the

unemployment rate of people with low education. “Let customers be product supervisors, evaluate them, and set up an incentive mechanism”. This mechanism does not have a clear standard. That is to say, good reviews can be rewarded, and poor reviews can also be rewarded, so there will be a problem for people to get rewarded for writing some perfunctory evaluation. The business can give customers some benefits to confuse the public. In other words, the fairness and authority of this approach are problematic. No one can guarantee that these so-called “customers” have used the product and thought it was good. The purpose of this is to get a benefit, so it does not help improve the quality of the product.

The last two questions are what is the score users give to the current Pinduoduo and what is the score after Pinduoduo improves its quality? This paper compared 60 percent of the users who chose 5-6 points. This is a very reluctant score, which means that most people think that Pinduoduo is average and not very trustworthy. But after improving the quality, 60 percent of people chose a score of 8-10. This is a very stark contrast. That means the quality problem is solved, and Pinduoduo will have more users.

To sum up, Pinduoduo needs to set up a mechanism for good reviews to increase the number of people who use it. To solve the quality problems that Pinduoduo has been having, as well as to add more welfare activities to give users more benefits such as promotions, vouchers, and so on. This paper thinks Pinduoduo needs to find some role models and some companies to imitate. For example, on Taobao, most products have low prices and good quality. Pinduoduo can emulate Taobao’s sellers and buyers with after-sales service. If there is a quality problem with a product, buyers can directly contact the seller and negotiate to solve the problem. The advantage of Pinduoduo is the welfare activities compared to other e-commerce platforms, so we should promote more welfare activities that users like, such as Crazy Monday and Black Friday, and add more holidays to some special days. Integrate foreign holidays with domestic holidays. This way, customers will think that the e-commerce platform has a higher cost performance. In the final analysis, it is still necessary to address the quality of the product after-sales price to ensure that customers choose the platform of Pinduoduo. These methods can directly help Pinduoduo to increase the use of users.

4. Discussion

In addition to the normal means to deal with the enterprise credit crisis, such as optimizing the publicity mode and joint multimedia platform publicity are adopted [4]. This paper examines Pinduoduo’s overall quality and the strategies that the company’s platform has chosen to analyze and discuss the causes of the low quality of goods on social group buying platforms like Pinduoduo. It makes the following recommendations for Pinduoduo to lessen the number of low-quality merchants on the platform and increase the profitability of merchants who profit from social group-buying sales.

4.1 Enhance the quality management and after-sales service system to increase the platform’s brand reputation’s added value

As we all know, honesty is the cornerstone of doing business. A bad reputation will inevitably cause customers to subjectively reduce the quality of the goods they expect, forcing businesses to lower their prices to draw customers and maintain optimal profits—directly harming the platforms and the businesses’ interests. After the sales of goods, Pinduoduo should strengthen the crisis public relations ability, improve the customer service system, open a fast channel for the goods that users are not satisfied with, protect the consumption system, and improve customer satisfaction [6]. In order to achieve this, the platform should be founded on quality management, using big data to conduct irregular quality sampling and evaluation of enterprises, focusing on the quality of fakes for consumers’ daily necessities, and immediately warning, imposing fines, or even forcing them to quit for enterprises with many complaints and negative reviews. In addition, to encourage the stores to attach importance to their product quality, the platforms’ shops can be ranked on the favorable and

negative lists. Publish the shop names and products with the most favorable and negative comments received today on the platform's homepage and update them daily.

4.2 Create a system of fair competition where only high-quality products are worth the traffic delivered by the platform and optimize the profit extraction and traffic ranking policy

According to what we know, Pinduoduo is all about collecting a defined proportion of profit from businesses. However, this approach has the drawback of favoring high-quality businesses over low-quality ones, making it difficult for high-quality businesses to make a sufficient profit. As a result, the platform should establish a phased profit extraction policy based on platform quality sampling and user feedback as metrics [4]. A low draw and high traffic policy should be implemented for businesses with a higher percentage of positive reviews and successful quality sampling results to increase profits. To reduce profits, a high draw and low traffic strategy should be implemented for businesses with a higher percentage of negative reviews and unsuccessful quality sampling.

4.3 Actively seek out premium brand businesses to broaden and improve the consumer market

Pinduoduo's "barbaric" early growth attracted many low-quality businesses, leading to the platform's creation of "false" consumer bias [7]. We think the first step in resolving this issue is actively enticing high-quality brand businesses to the platform. Pinduoduo needs to broaden and stabilize the consumer market. Pinduoduo should do a good job of sinking the market in small and medium-sized cities while also floating to the big cities to expand the initial customer scale and lower price elasticity. In China, the state further promotes constructing a rural circulation network system. With the support of policies, rural logistics and information flow have developed rapidly, the penetration rate of social platforms and mobile payment in rural areas has increased, and the rural market has become the growth point of the social e-commerce industry. Pinduoduo can greatly expand the market in rural areas with the support of policies and the name of low price and high quality. An effective questionnaire survey results with an effective rate of 79.12% show that Pinduoduo rural users' use behavior has internal differences, transition, social exchange, plasticity, and dependence [8-9]. "In the past few quarters, we invested more resources and energy in digital technology, agricultural science and technology, and agricultural product logistics. "Chen Lei, chairman, and CEO of Pinduoduo, said that heavy warehouse technology and agriculture have gradually achieved results, strengthening the company's commitment to long-term agricultural digitization. Pinduoduo has further increased its investment in infrastructures such as agricultural product transportation, logistics, and storage in the past few quarters, greatly improving the scale and efficiency of agricultural products. As of March 31, 2022, nearly 40000 high-quality agricultural products have been launched on Pinduoduo 100 million subsidized channels [10].

4.4 Change the enterprise's positioning and take the quality of platform goods seriously

When the products have not been started to sell. The first potential method is improving the awareness of quality control of employees within the enterprises. Starting from the source, enterprises need to pay attention to the product quality of platform stores first. Enterprise should establish the image slogan that internal employees should strictly control the quality of goods and do ideological work for them. Let employees first have the awareness that the enterprise attaches great importance to good quality. Secondly, raising the threshold of stores entering the platform is also important. Check the production qualification certificate of the stores willing to enter the platform to ensure that the products produced by the stores are compliant and qualified.

After the stores have entered and the products have started to sell. There are different methods to help the enterprise to improve customer trust. First, the enterprise should establish a round and platform to check product quality randomly by hiring a professional quality inspection team [2]. Professionals independent of third parties other than enterprises and stores detect that the quality of goods will be considered more real and reliable. They are second regarding the supervision by users

highly. Pinduoduo can set rewards for the real complaints raised by users and real feedback. This can encourage users to be the best product quality inspectors to help enterprises control the product quality of platform stores.

5. Conclusion

This paper examines Pinduoduo's overall quality and the strategies that the company's platform has chosen to analyze and discuss the causes of the low quality of goods on social group buying platforms like Pinduoduo. Also, it makes (1) Enhance the quality management and after-sales service system to increase the platform's brand reputation's added value. (2) Create a system of fair competition where only high-quality products are worth the traffic delivered by the platform and optimize the profit extraction and traffic ranking policy. (3) Actively seek out premium brand businesses to broaden and improve the consumer market. (4) Four recommendations for Pinduoduo to change the enterprise's positioning and take the quality of platform goods seriously. These four recommendations lessen the number of low-quality merchants on the platform and increase the profitability of merchants who profit from social group-buying sales.

5.1 Findings

This paper found that Pinduoduo company has a user reputation crisis caused by the low-quality products on the company's shopping platform. This paper puts forward four feasible measures that may achieve good results, and the respondents have recognized these four measures in our questionnaire. This paper provides a solution for Pinduoduo enterprises to solve the user reputation crisis caused by inferior products and provides ideas for transforming Pinduoduo enterprises. The dissatisfaction from buyers due to product quality problems is a problem that almost all shopping platforms on the market have and need to be concerned about. Therefore, this paper also provides suggestions on how to control and improve the product quality of the shopping platform industry, expand the customer market, change the enterprise positioning, and so on. This provides consumers with a way to buy safe, high-quality goods and promotes enterprises to improve user credibility and achieve better development.

5.2 Limitations and Future studies

However, there are still deficiencies in this paper. Although this article contains first-hand survey data, the scope of the surveyed population is small, and this article also uses second-hand data obtained from online surveys. The universality of the data and the content it reflects is not high enough. In the future, it is planned to carry out surveys of people of different ages and targeted interviews with different people to improve the survey's authenticity, feasibility, and universality.

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