Twitter Thread by Alex Lieberman ■■



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Introducing The 50.

Where I share the story and lessons of a top 50 largest company in the world.

Time for #1.

This company went from 0 to $200bn in 5.5 years...

Let's dive in■

Pinduoduo is the 50th largest company in the world.

If Costco & Disneyland had a baby, you'd get Pinduoduo.

A discount online shopping experience littered with contests & coupons.

490 million MAUs.
$8.5 billion in 2020 revenue.
14% of China's e-commerce market.



What's most fascinating isn't its size. It's its speed.

Pinduoduo was founded in 2015!

It IPOd in 2018.

The company 119x'ed its revenue in just 6 years.

This is where my fascination lies.

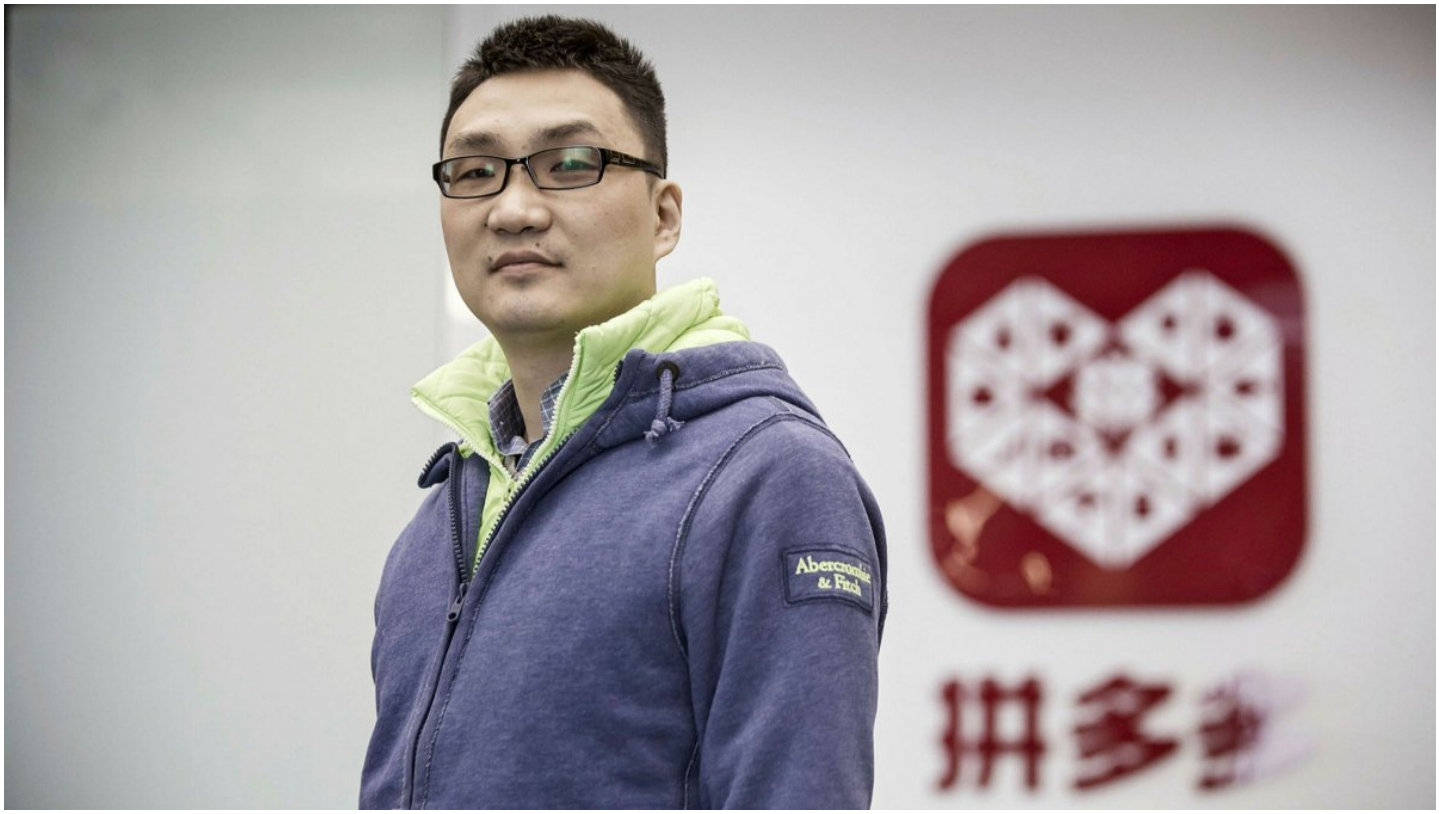
And to understand Pinduoduo, we must understand its fascinating founder.

Meet Colin Huang.

Probably haven't heard of him, but absolutely worth knowing.

The 41-year-old internet entrepreneur is the Founder & CEO of Pinduoduo.

He's #28 on the world's richest list ($50bn).



The Hangzhou native loved math & science early, earning him a spot at a top foreign language school & an internship at Microsoft.

He attended Wisconsin for college and joined a small tech co after graduation called...Google.



Colin started as an Engineer, transitioned to PM, then helped launch Google China in 2006.

3 years after joining, he left Google to become an entrepreneur.

Let's pause.

It's important to acknowledge that Colin matched intelligence with grit & great networking early career.

Colin made things happen for himself.

In his first 25 years of life, he received direct mentorship from 6 billionaires(!)

Bill Gates - Microsoft
William Ding - NetEase
Larry Page - Google
Duan Yong Ping - BBK
Warren Buffett - Berkshire Hathaway
Pony Ma - Tencent



It’s 2007.

Colin decides to start an e-commerce business to ride two major Chinese trends:

1) rising consumption
2) rising income of the middle class

He starts Ouku, a consumer electronics and home appliance site. Within 3 years, he sells it for $2.2 million.

He then founds Leqee, helping brands run their e-comm businesses on China's biggest platforms: Alibaba and https://t.co/deqEriT5PH.

A pattern is developing.

Each of Colin's experiences, while unique, is creating a perfect recipe to be the perfect founder of Pinduoduo.



Remember: Pinduoduo is where Costco meets Disneyland.

So far, Colin has sold goods at scale and experienced the ins and outs of e-commerce platforms.

All that was left was bringing Disneyland (or fun & gamification) to e-commerce, which his next experience would give him.

As Colin was running Leqee, he started a mobile gaming studio, to develop online games like Texas Holdem and Mafia City.

It was this experience of building games on top of WeChat, one of China's superapps, that Huang landed on the idea of social e-commerce.



Enter, Disneyland.

In 2015, Colin launched PinHaoHuo, "real world Farmville."

He created a marketplace on WeChat, where users could buy produce from farmers and shoppers could snag discounts by referring friends to buy as well.

Gamification of shopping was the great unlock.

A few months later, Colin launches Pinduoduo which took the best of Pinhaohuo and left out the worst.

It was a marketplace where any merchant could list goods, hold inventory and fulfill orders.

This model was more sustainable and exposed the company to less risk.



Now that the model was set, how did Colin & team do it?

How did they grow from 0 to $200 billion in 6 years?

Three lessons:

1) Audience

2) Product/Pricing

3) Marketing

First, audience.

Pinduoduo obsessed over the forgotten citizens of Tier 3 and 4 cities in China.

More specifically, women between the ages of 25 & 35.

These consumers account for 60% of spending growth in China and have proven to be incredibly engaged with the platform.

Second, product.

The platform focuses on essentials like perishables, clothing, and their best seller: tissues.

The product is also built for browsing not searching.

More TikTok, less Amazon.

This lets them get away with longer shipping times.



Third, marketing.

Built into Pinduoduo is the ability to earn up to 90% discounts on goods through group buying.

For every good, you see two prices.

The individual price could be $4.
The group price could be $1.90.

To get $1.90 you need to recruit others to buy.







The network effect of this feature is incredible.

In an effort to “win the game,” millions of Pinduoduo loyalists solicit friends & family to buy with them.

There’s even a feature called Price Chop. If you get enough people, you pay zero.

It is this combination of audience obsession, viral product design, and heavy-discount pricing that has made Pinduoduo’s meteoric rise possible.

And that friends is the story of Colin Huang and Pinduoduo.



If you want the full story & all the lessons on this crazy company, check out my recent Founder's Journal (■) all about the business...

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