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The Pricing Power Dilemma in Live-Streaming E-commerce: From Anchor Dominance to Ecosystem Sustainability: A Tripartite Game Analysis

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Abstract. This paper uses a tripartite game model to examine the dynamics of pricing power within the Chinese live-streaming e-commerce system, including anchors, platforms, and consumers. It investigates the impact of the concentration of power in the so-called super anchors on the resulting competition of a race to the bottom in terms of pricing, on the example of Meione (Li Jiaqi). The analysis shows that there is a strategic stalemate: anchors are competing over traffic by claiming the lowest price, platforms are competing over gross merchandise value (GMV), and consumers are competing over the highest utility. This is a cyclical phenomenon where brands lose value, which puts small and medium enterprises at a disadvantage and exposes platforms to systemic risks, which makes the status quo not sustainable. The result is a re-creation of the price that leads to deep discounting becoming the standard practice, which reduces innovation in the industry and long-term growth. To eliminate this dilemma, the paper introduces a transition to a paradigm and platform-led decentralization of value-led pricing and proposes exclusive services instead of discounts and brand-led broadcasting. The paper redefines the pricing crisis as a multi-stakeholder strategic game, which provides a systematic structure and practical measures to create a more balanced, innovation-friendly market in the post-traffic e-commerce world.

Keywords: live-streaming e-commerce, tripartite game theory, pricing power, super anchor, value-based pricing

1. Introduction

1.1. Research background and significance

The field of digital economy has experienced a tectonic change in the last ten years, with China becoming the most lively experimental field of e-commerce. Live-streaming e-commerce, which is a special interaction, entertainment, and instant purchase, has transformed the retail value chain. According to the 2024-2025 China Life-Streaming E-Commerce Industry Report, as Table 1 indicates, the market size was 4.9 trillion yuan in 2024, which is nearly 25 percent of the total online retail sales. However, in 2026, when this asset enters the market, the industry will no longer be in its

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infancy. The old run, run, run pattern of growth-only has been replaced with a new era of more complex price war.

Table 1. The scale and penetration of China's live-streaming e-commerce (2024)

Metric	Figure	Note
Market Size (RMB)	4.9 trillion	Data from the industry report
Share of Online Retail Sales	25%	Indicating mainstream adoption

The study seeks to address the Tripartite Game of Anchor, Platform, and Consumers. The anchor (traffic owner) is a professional middleman who concentrates consumer demand in order to negotiate with the brand. The platform (traffic synthesizer) aims to optimize GMV and retention by allocating the traffic in an algorithmic way. The consumer (the end user) seeks to attain the greatest consumer surplus through price reduction. Nonetheless, the dominant paradigm, which is focused on the quest for the lowest price, has caused radical conflicts, which undermine brand equity, misplace the competition in the market, and pose long-term challenges to the sustainability of the ecosystem. The study is of crucial significance. On the business side, it solves the involution dilemma in which brands lose pricing power to survive. In case brands no longer have the freedom to set their prices, their research and development is undermined, which ends up destroying the quality of the core products. Socially, it looks at the equity of the online market. By super-anchoring the traffic and applying the "All Net Minimum Price, the phenomenon of the "Super Anchor, in turn, establishes insurmountable barriers to the entry of the MSMEs and distorts the healthy equilibrium of the market. This study is, therefore, an attempt to suggest a redressed pricing structure that will help in developing more balanced and sustainable business relationships.

1.2. Literature review and gap

As a conceptual base to the paper, the authors investigate the four pillars of the existing literature on two-sided markets and network externalities from an academically validated perspective:

Two-sided Markets & Connections: Armstrong et al. demonstrate that live streaming platforms are successful in terms of these connections; the value of the platform is based on the quantity of high-quality anchors and active users [1, 2].

Perceived Risk and Price Acceptance: According to them, the perceived risk is determined by the anchorage attitude of the consumer, and the consumer will accept the anchor price as fair [3].

Prisoner's Paradox: Recent research on the same phenomenon in live streaming has demonstrated that commission-high-discount strategy forms a Prisoner's Paradox, where the brand live-streams at a loss in order to avoid 0 share as well as restrict the market share of competitors [4].

Cognitive Scarcity: Xu et al. examine the role of the so-called scarcity hint (e.g., the only 1000 items left!) in live streaming, which transcends cognition and allows the anchor to exercise pricing power [5].

Together, these studies explain the origins of the power of anchors. They, however, mostly tend to view price as a fixed result or a marketing variable instead of a dynamic and strategic creation influenced by the current power play between anchors, platforms, and brands.

Therefore, there is an important lack of comprehension on how the strategic demand of the all-net minimum price by the super-anchors as a power play in this triple game of three parties dynamically re-constructs industry-wide cost arrangements, reallocates value, and changes competitive paradigms. The paper attempts to fill this gap by exploring price not only as a figure, but as the key

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artifact of an intricate, continuing game. This research gap is bridged in the paper by analyzing in a systematic manner the price as a dynamic result of the three-way game, especially how the net minimum price demand of the super-anchor redefines the industry cost structure.

1.3. Research framework

The paper is structured in the following manner: To sort out all Kingdoms, the first one provides the examples of Meione and Li Jiaqi in order to define the present power congestion and traffic concentration. Secondly, this asset contains some positive impacts, like market efficiency, and some negative impacts, like profitability bottlenecks. Thirdly, assets bring the logic of game theory to unearth the problem. And last but not least, assets provide a Price Reconstruction Strategy that is focused on value-added services and decentralized traffic.

2. Case study: the "Li Jiaqi-Meione" phenomenon and the shift of pricing

Meionne (Shanghai) Network Technology Co., Ltd., often cited as a leading Multi-Channel Network (MCN) specializing in "IP incubation" and "brand empowerment," presents a quintessential case of power concentration in live-streaming e-commerce [6]. Its partnership with top anchor Li Jiaqi catalyzed a fundamental transformation: from a talent management agency to a de facto "Traffic and Price Regulator" at the heart of the tripartite game involving platforms, consumers, and brands. This case exemplifies the central thesis of power shifting from brand owners to super-anchors.

2.1. The rise of Meione: from MCN to pricing power hub

Meion's success relies on operating behind a very centralized and rigorous Product Selection System. Unlike regular influencers who can choose their products based on liking, Meionne is a luxury retail department store. Meione houses over 500 professionals in various sub-departments:

Compliance and Quality Assurance: The Compliance and Quality Assurance Unit, which verifies product compliance with national standards, acts as a "Private Regulator" to protect consumers from potential risks.

Price Comparison and Negotiation: The Price Comparison and Negotiation Hub lies at the very center of the tripartite game. They are responsible for checking product prices across all major platforms, including Douyin, JD.com, Pinduoduo, etc., to maintain "The Li Jiaqi Room's" price missile [7].

Content Creation and Operation: The Content Creation and Operation Teams specialize in phrasing complex sci-fi product features into lively, hard-selling yet dopamine-reminding advertising scripts.

2.2. The mechanics of power: "All-Net Lowest Price" and enforcement

Meione's case represents the journey story of "A Change of Playbook/Promotion" to "Price Dictation." In the initial years (2018-2019), Li Jiaqi served as the brand's sales consultant for Estée Lauder or L'Oréal. Yet when Li's following on Taobao alone reached over 70 million, the game changed. Meione will engage the "All-net Lowest Price" rule.

Meione executes the rule by using a special Contract Term known as "Price Guarantee Period." This clause effectively extends the anchor's pricing authority beyond the live-streaming event, imposing temporal control over the brand's overall channel pricing strategy. For a new brand, they would confirm that, for a period of 30 days prior to the live broadcast and 30 days afterward, their

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product would not be sold at a lower price on any other platform. In the event that the supplier breaks the rule, it simply uses its social media power to ensure the money compensates its loyal consumers, as people saw in the 2021 clash between Meione and L'Oréal over a "volume discount" coupon the latter used on its own product. This incident was not merely a dispute over a coupon but a public demonstration of Meione's power to enforce compliance and redefine the rules of engagement, solidifying its role as a price arbitrator rather than just a sales channel [8]. This successful "decisive" game established Meione as the "Arbitrator" of the tripartite game, able to force an apology out of one of the largest multinationals in public.

2.3. The tripartite dynamics: Meione's symbiotic disruptive role

Within the tripartite game framework, Meione occupies a position characterized by ambivalent interdependence with the platform (e.g., Taobao). On the one hand, Meione brings "Anchor" traffic to Taobao, which maintains Taobao's competitiveness against challengers like Douyin, yet on the other hand, it introduces a "Single Point of Failure" vulnerability.

On the "Double 11," for example, the GMV (Gross Merchandise Value) Li's "Room" brings in in a single night could reach tens of billions of RMB, in fact, outrunning the cumulative daily sales of hundreds of shopping malls within 24 hours. This 'single point of failure' constitutes the whole "Partial Price Reconstruction" analysis of Meione's case that this paper presents, as it binds other "Players" to the rules established by the MCN.

3. Game-theoretic analysis: efficiency gains and structural dilemma

3.1. The efficiency facade: short-term market transformations

The Tripartite Game is not only a game for money; it has also transformed the structure of Chinese retail.

3.1.1. Reducing transaction costs: mitigating information asymmetry

The traditional retail theory holds that Information Asymmetry between producers and consumers will result in a Deadweight Loss. The consumer spends too much time (transaction costs) looking for a quality and price benchmark. In Meione's game, the anchor is a "Super Trust Proxy." By aggregating millions of signals of buying intent, the anchor will reveal the brand's "True Marginal Pricing."

The Game Advantage for Consumers: The Surplus is Optimized as the Anchor's Professional Team Absorbs Consumers' Search Cost.

The Game Advantage for Platforms: The efficiency is translated into "High-Cycle Frequency Interaction," turning ecommerce utility into lifestyle media and entertainment, increasing the user's Life-Time-Value (LTV).

3.1.2. Accelerating market access for emerging brands

The tripartite game accelerates the incubating process of challenger brands. Shortcut to National Recognition: In the traditional age, it would take 10 years for a brand like Florasis to build the National Brand Recognition. But by using the game of "High Traffic + Professional Recommendations," Meione gives these brands a shortcut to slashing ads [9].

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Price as Marketing Investment: By setting the "Initial Low Price" in Li Jiaqi's room, the brand gains "Instantaneous Market Share" and "Consumer Sentiment Data." This is a market restructuring in which companies treat price as a marketing expense rather than a revenue stream.

Rapid C2M Feedback Cycle: As a result, the C2M (Consumer to Manufacturer) cycle becomes rapid, as the anchor provides the brand with specific user preferences for colors, packaging, and even touch.

3.2. The structural dilemma: a prisoner's game and consequences

3.2.1. The "Lowest-Price" trap: a race to the bottom in quality and innovation

When "All-Net Lowest Price" is the only winning condition to achieve for the anchor, in a game-theoretic sense, it sets off a catastrophic "Prisoner's Dilemma" for the Brands. This creates a classic payoff matrix where cooperation (maintaining reasonable prices) is unstable. Each brand, fearing loss of vital traffic to a rival who offers a deeper discount, is compelled to defect (offer the lowest price), leading collectively to the worst outcome: eroded brand equity and compressed profit margins for all.

Decaying Logic: If Brand A doesn't play the low-price card, it loses the Super-Anchor traffic to Brand B. If Brand A decided to retain the "Anchor-Consumer" relationship, the price dropped below the brand-defendable level.

Negative Externalities of Constriction: In this state, driven by both the 30% commission and the 50% discount, the brand is trapped in "Cost Compression through Quality Erosion." The low price creates a short-term perception of value for the consumer, but this price compression often necessitates hidden compromises in ingredient quality or after-sales service.

3.2.2. Ecosystem distortion: traffic monopoly and the marginalization of SMEs

The current state of the game exhibits characteristics of a monopolistic dependency that can be predatory. Platforms like Taobao rely on a few super-anchors for a disproportionate share (e.g., 30-40%) of all festival traffic, creating a dynamic akin to a 'hostage exchange' between the platform and the anchor [10].

Traffic Inequality: Based on the game-theoretic algorithm that plays "Conversion Rate," all the traffic is channeled to the top 0.1% Anchor. These "Long Tail" markets of small businesses and mid-level anchors found themselves in the "Desert of Traffic."

The Plutarchy of E-commerce: This concentration of "Power" defines the "Natural Selection" of the market. A better product of a small, obscure Brand could not reach the consumer due to its inability to pay the "Entry Cost" (the anchor's commission). This is a "Price Stickiness" phenomenon, as it locks the game out to Brands artificially groomed by massive VC backing while choking out true grassroots innovations.

3.2.3. Erosion of brand equity: the loss of pricing power and consumer mindshare

The most detrimental long-term consequence is the erosion of the Brand's Internal Reference Price (IRP). Psychological Price Recapture: The product's price is no longer a company-defined cost but is now influenced by Li Jiaqi's "personal brand." To the consumer, what is tagged at 159 RMB is a "Scam" after paying a dramatically lower live-room price of 79 RMB.

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Brand Identity Absorption: This destroys the ability of the brand to sell by means of Daily Interest. It becomes a Junkie in need of the Dopamine Fix offered by the anchor traffic, rather than a tripartite game which involves selling the brand.

3.2.4. Regulatory and contractual conflicts: the anticompetitive nature of exclusivity clauses

Such clauses in the tripartite game are used as a mechanism of market distortion and inhibition of horizontal competitionbetweenplatforms. Vertical Restraint Evaluation: In the case where Meione threatens a brand by forcing it to enter into a price-exclusivity agreement that lasts 90 days, it means that competitors such as JD. com or Pinduoduo cannot start an inter-platform price war. It is a type of Market Vertical Restraint that kills the freedom of choice of the Macro-Consumer. Regulatory Scrutiny: In this regard, this was subject to regulatory scrutiny by the State Administration for Market Regulation (SAMR) for a violation of the law on Monopoly in relation to the practice of Streaming Commerce.

4. Toward sustainable equilibrium: a multi-level framework for price reconstruction

4.1. Micro-level: re-constructing the value proposition – from price to value bundles

To disentangle the so-called profit squeeze that is found in Section 3.2. 1. There is a need to redesign the value exchange between anchors and brands. The anchor (e.g, Li Jiaqi) must cease his pursuit of the so-called Absolute Low Price (numeric low price) and begin to request Value Bundles (e.g., 1 Bought = 10 Samples Free). The brand is able to maintain its List Price (defending brand value) and enable the consumer to experience high Perceived Utility. This switches the competitive pivot to a positive race-to-the-bottom on the richness of the overall provision, thus eliminating the dilemma of the Prisoner of the brands and contributing to the rehabilitation of the integrity of brand equity.

4.2. Meso-level: re-architecting platform incentives – decentralization and algorithmic neutrality

Platforms, as the architects of the digital marketplace ecosystem, hold the key to correcting the structural imbalances analyzed in Section 3.2.2. Their active intervention is crucial for moving beyond dependency on super-anchors. The core recommendation algorithm must be fundamentally recalibrated to actively promote and reward "Brand Self-Broadcasting" and high-quality mid-tail anchors, rather than solely optimizing for the conversion rates of a few "Super-Anchor Rooms." The long-term lack of "Flash-sale" volatility will stabilize the market for fair prices, supported by traffic subsidies for brands rather than individuals. The platform is no longer dependent on a handful of individuals, giving control back to the brands' hands. This decentralization mitigates the "single point of failure" risk, enhances ecosystem resilience, and ultimately fosters a more vibrant and innovative marketplace where commercial success is more closely tied to product merit.

4.3. Macro-level: fostering collaborative governance – supervision and consumer empowerment

Beyond brand- and platform-strategic mechanisms for price reconstruction, a macro-ecological "Collaboratory Governance Model" is required to reset the game.

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4.3.1. Institutional oversight: dynamic price monitoring and anti-predatory rules

The existing market dynamics, when unregulated, are prone to chaos and predatory tendencies, and thus the recommendation to establish a Dynamic "Price Monitoring System in the industry is to be put in place to live-streaming e-commerce. This would assist in tracking the Price Fluctuation Frequency of core products in the market, hence making sure that there is no All-net Lowest Price trap trapping into predatory or destructive competition. This system is supposed to track the pricing trends of the main products in order to detect any indication of predatory pricing, collusion, or even imposition of illegal exclusive contracts to maintain a certain level of fair competition.

4.3.2. Market education: promoting value transparency and reshaping consumer psychology

Besides the economic game of symmetric restructuring, it is paramount to consider the behavioral economics aspect of the game, which is on the consumer side. Thus, a parallel initiative should be undertaken to develop a more discriminating consumer mindset that would consider the overall value instead of an obsession with the price on the headline. It is suggested that brands and platforms collaborate to implement the Value Transparency Ad Campaigns in the market, breaking down the price-valueframeworkof high-qualityproducts. At this point, the consumer realizes that there exists some point at which they will not buy a product that engages in R&D and after-sales services; the "Consumer Side" is thus turning their game into that of pure Price Chaser but into Value Add Evaluator. The reconstruction of consumer psyche is a vital supplement to institutional and platform reforms, which would allow leaving the short-term cycle of destructive competition and move to a more sustainable ecosystem of incentivizing real innovation and value creation in the long term as a whole.

5. Conclusion

5.1. Key findings

To sum up, this study presents a tripartite game of live-streaming e-commerce that is at the cost-structural phase of Destructive Equilibrium, where the powers of super-anchors as price dictators, systematic erosion of brand equity, and concentration of platform traffic are all at play that suffocate long-term innovation. As the Meione case study below illustrates, the anchor-led model proves to be a short-term remedy to market efficiency and low consumer search costs, but, on the other hand, has serious long-term costs: the undermining of product quality, the distortion of fair market competition, and the loss of brand pricing sovereignty. The root of the problem is the All-Net Lowest Price approach, which resulted in the loss of brand value equity by the manufacturers. Moreover, the monopoly of traffic of superstar streamers renders the system of the platform economy dysfunctional, which puts a barrier to the entry of small innovators. Consequently, the industry needs a paradigm shift, which is the change between the Volume-Driven paradigm, which focuses on traps of price-lowest and traffic-monopoly but lacks value, to the Value-Driven paradigm of price-reconstruction. This reconstruction requires a concerted effort at the micro (value proposition), meso (platform governance), and macro (regulatory/consumer) levels as defined in this paper.

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5.2. Theoretical and practical implications

This study is important to the digital footprint on Sustainability-First because of the following reasons: Commercially, it offers a road map of how firms can regain their strength. Platform governance can make them independent, Price Established by "Value" Added Bundles with "Self-broadcasting." Social Platform governance can keep off traffic monopolies and small company cannibalization.At the most, fixing the Price Trap is a holistic contribution to creating the new productive forces of China, where e-commerce does not crossbreed with other sectors but contributes to the high-quality growth of the manufacturing industry.

5.3. Limitations and avenues for future research

The constraint of this study refers to a single-brand study (Meione) and secondary data based on the financial statements of the company and the mass media. As a result, on the one hand, the qualitative information and the game-theoretic reasoning are solid; on the other hand, the quantitative extrapolation of the model parameters on various product categories and platform ecosystems needs to be substantiated. The impossibility of obtaining the transactional data of the digital platform and the supply chain of the firm makes the mathematical solution of the marginal utility of each stakeholder invalid. Future studies ought to extend this framework in a number of directions: First, to validate the proposed hypothesis of a value sensitivity being more important than price sensitivity empirically, large-scale consumer surveys and analysis of transaction data should be conducted. Second, MCNs and brand teams conduct ethnographic studies to learn the internal negotiation processes and strategy changes. Third, the future of the proposed models of collaborative governance should be investigated in terms of the role played by emerging technologies, including blockchain as a means of transparent supply chain and price auditing. Finally, the tripartite game dynamics should be evaluated in terms of universality using comparative case studies in various platforms (e.g., Douyin vs. Taobao) and cultural backgrounds

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