

The Pricing Strategy and Logical Structure of Enterprises in the E-Commerce Platform Market Environment -- A Case Study of Logitech

Ruogu Wang

Xi'an Jiaotong University Suzhou Academy, Suzhou, China

wangruogu13640968513@outlook.com

Abstract. This paper takes Logitech's fiscal year 2024-2025 (April 2024- March 2025) as the research window, and based on 2496 SKU platform week observations, systematically tests how brands implement differentiated pricing on jd.com, tmall.com, Dianyin and pinduoduo, and converts algorithm constraints into profit sources. Three problems are solved. The research found that Logitech built a four-dimensional structure of "price gradient $\times$ product version $\times$ service bundle $\times$ time rhythm", forming a 30% cross platform price difference. Platform heterogeneity, competitive card position (vs Thunder Snake/Siro) and "triple gate" channel order jointly drive Logitech to implement differentiated pricing strategies, and the strength of algorithm governance is positively correlated with cross-platform price difference. With the help of algorithm blind spot anchor overflow and dynamic capability solidification, Logitech achieved 170 basis points to 43.1% in the most stringent period of the algorithm, and gained more benefits. This study provides a theoretical framework and practical enlightenment for the brand "constraint optimization" pricing strategy.

Keywords: Platform pricing, Price discrimination, Channel management, Algorithm governance, Logitech

1. Introduction

With the continuous updating of the digital system, the e-commerce platform has become the core hub of commodity trading. According to the data of the National Bureau of Statistics, the national online retail sales in 2024 were 15972.2 billion yuan, an increase of 8.6% year-on-year, and the online retail sales of physical goods were 13092.3 billion yuan, an increase of 5.2% year-on-year. Online consumption has gradually become an important engine of economic development. What is different from the offline market is that the e-commerce platform will improve the exposure of goods through algorithms and big data push. The relationship between "price flow" interaction has become the core feature of the pricing mechanism - lower prices may get more flow support, but relatively reduce profits. On the contrary, excessive pricing weakens the exposure of goods and will also have an impact on profits. Brand merchants under this mechanism are in a dilemma: if they follow the logic of different platforms to participate in the price war, it may damage the brand price system and long-term profits. If adhere to the independent pricing strategy, people will face the risk

of flow loss and market share decline. The restriction of the platform on the pricing behavior of the settled merchants and the intervention on the price pose a more stringent challenge to the pricing strategy of enterprises.

2. Literature review

The publication of price discrimination theory provides economic legitimacy for the differentiated pricing strategy of enterprises [1, 2]. The research carried out by the two implies two key presuppositions: "enterprises have independent pricing power, and the market boundary is given by the outside world", while the development of the platform economy has shaken these presuppositions. In recent years, the expansion of the theory of price discrimination has begun to focus on the platform scenario. Li et al found that the implementation of big data price discrimination in an oligopolistic competitive environment is the dominant strategic behavior of the platform, which sacrifices the well-being of consumers [3]. Not only that, Wang&Li built a decision game model between e-commerce platforms and third-party sellers to study the impact of platform proprietary business decisions on third-party sellers and consumers [4]. Bao et al. analyzed the collection of consumer information and the implementation of personalized pricing on the platform and the possible behavior of consumers trying to avoid price discrimination on the platform [5]. In this context, it is of great practical significance to deeply understand the impact of platform-led pricing on the decision-making behavior of all parties in the supply chain and enterprise performance [6]. Most of these studies are about the "platform consumer" module, which explains "how platforms discriminate against consumers", but does not answer "how brands implement differentiated pricing among multiple platforms". In essence, it is a constrained reaction under the "platform enterprise" game rather than an enterprise's independent decision.

From conflict avoidance to conflict management, the channel management literature of marketing has long focused on the issue of "multi-channel conflict". Coughlan's traditional classic framework emphasizes that price consistency is the core principle to prevent channel conflict and maintain brand equity [7]. Liu et al. discussed the optimal pricing decision under decentralized and centralized decisions, and analyzed the impact of online reviews and sales services on the dual channel supply chain [8]. Du analyzed the adverse effects on the brand image and economic benefits of enterprises caused by the inconsistent strategies of online and offline products and prices implemented by enterprises under the background of omni-channel retail, and gave suggestions on what product and price strategies enterprises should adopt to carry out omni-channel transformation [9]. Ye proposed the realization path of marketing channel management in the background of diversified markets [10]. Although these studies continue to expand according to the development of the times, they lack detailed strategic analysis for single-brand businesses.

The particularity of the platform context lies in the high-frequency changes of algorithm governance. Lu pointed out that algorithmic recommendation technology reconstructs the operation mechanism of the sharing economy platform, making consumers' right to fair trade face systematic challenges [11]. In this regard, although the traditional algorithm regulation mode dominated by open algorithm, anti algorithm discrimination and individual empowerment has reduced the algorithm risk, there are still some deficiencies in the regulation effect. Starting from the research paradigm of platform economics, some scholars designed a tripartite evolutionary game model covering Internet platforms, users and governments, and discussed the impact of personal information protection policies and transfer costs on the stability of the game system [12]. These studies emphasize the risks caused by algorithm changes, but do not analyze how enterprises deal with risks to ensure their interests.

To sum up, the common blind spot of its research lies in the lack of "constrained optimization" pricing theory under the "enterprise platform consumer" ternary relationship. This paper takes the Logitech 2024-2025 fiscal year as a case, and proposes the "Logitech platform pricing architecture" (LPPA) model to fill the above gap.

3. Theoretical construction

3.1. Construction of the theoretical framework

It refers to the four-dimensional systematic arrangement of "price gradient $\times$ product version $\times$ service bundle $\times$ time rhythm" designed by the brand side for heterogeneous e-commerce platforms under the platform economic environment. Through the "5-21-90" dynamic response mechanism and the "triple gate" channel prevention and control, the triple balance of platform adaptation, competition and profit maximization is achieved. Table 1 shows the Logitech pricing structure.

Table 1. The Logitech pricing structure

Model Module	core content	Specific details (broken down by platform/dimension)
input layer	Platform heterogeneity+competition pattern+algorithm governance impact	Platform heterogeneity+competition pattern+algorithm governance shock 1 JD: 8% commission+mandatory monitoring (price anchor layer); 2. tmall: 5.5% commission+five star score (profit realization layer); 3. dithering: 3% commission+content tilt (flow conversion layer); 4. pinduoduo: 0.6% commission+no hard requirements (scale penetration layer)
Four-dimensional architecture (core layer)	Price gradient, product version, service bundle, time rhythm	1. price gradient:+25% anchor benchmark profit, -10% conversion, -30% penetration; 2. product version: enterprise customized version, gift box set version, KOL calibration version, paperback version; 3. service bundle: trade in, extended warranty service, 1-to-1 teaching, store warranty compression; 4. time rhythm: the same price for the first time, the difference in the growth period, the great promotion of convergence, and the clearance of tail goods
Dynamic Capability	5-21-90 Response Mechanism	5-day diagnosis (standard reverse engineering) $\rightarrow$ 21-day deployment (policy adjustment) $\rightarrow$ 90-day consolidation (institutionalization)
Channel Order	Triple-door prevention and control	Prevention Gate (Onboarding Agreement) $\rightarrow$ Monitoring Gate (Weekly Scan) $\rightarrow$ Emergency Gate (48-hour Traceability)
Competitive Positioning	A differentiated strategy compared to competing products	1. vs Razer: Differentiation in JD Enterprise Services; 2. vs ASRock: Exclusive TikTok KOL ecosystem
Output (Triple Target Balance)	Core Achievements (validated for the 2024–2025 fiscal year)	Gross margin: 43.1% (year-over-year increase); Conflict perception: 0.7% (year-over-year decrease); Game category: +9% (year-over-year increase); Anchored spillover ROI: 1:4.3

4. Logitech's pricing methods on different platforms

Table 2 shows Logitech's differentiated pricing structure for different platforms.

Table 2. Pricing structure of four platforms in fiscal year 2024-2025

platform	Average price (per yuan)	Relative Price Difference	Product Version	Service Bundling	Time Tempo
JD.com Direct Sales	508	+25%	Enterprise Custom Version(8-key full functionality + batch deployment software + enterprise packaging)	Trade-in offer: ¥150 + 2-year extended warranty + time-limited delivery + door-to-door pickup	First launch at the same price for 4 weeks → Differentiation during the growth phase → Promotion activities taper off → Clearing remaining stock
Tmall Flagship	482	+5%	Box Set Edition (8 keys + IP co-branded skin + designer gift box + collection certificate)	Exclusive member price + 88 VIP benefits + 2-year extended warranty + Door-to-door pickup service	Main promotional venue + Exclusive for Member Day + New product launch
TikTok E-commerce	445	-10%	KOL Tuned Edition (8 keys + preset game macros + KOL co-branded box + instructional video card)	1-on-1 online tuning for 30 minutes + exclusive fan group benefits + first-release content access rights	Exclusive during live streams + Priority algorithmic recommendations + High volume during growth phase
Pinduoduo's "Billion-Yuan Subsidy Program"	389	-30%	Simple Edition (3-key basic functions + standard scroll wheel + white-box packaging + USB cable charging)	Store insurance for 1 year + Postal small package delivery + No additional value-added services + Subsidized traffic worth billions of yuan	Resident subsidies + Market penetration at lower levels + Exclusive offers for surplus inventory + Prohibition of product repatriation

5. Reasons for Logitech's differentiated pricing -- triple drive mechanism

Figure 1 shows the logical chain of Logitech's differentiated pricing strategy.

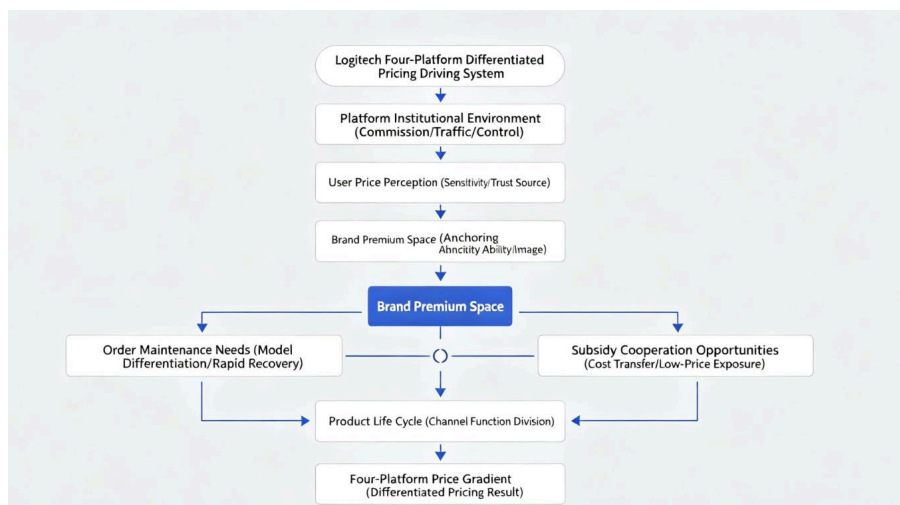


Figure 1. Logitech's differentiated pricing strategy for its systems

First, the differentiated management system constraints of the four platforms: jd.com's self-supporting strong constraints support high price anchoring, Taobao's decentralized ecology tolerates discrete prices, the chatter flow logic weakens the brand's pricing power, and the Pinduoduo subsidy mechanism trades low prices and small profits for higher exposure. The platform system differences force Logitech to adopt adaptive pricing strategies.

Second, price discrimination on the demand side is strengthened and stratified: JD platform users mainly focus on high quality, with high trust and low price sensitivity, supporting the value pricing of products. Taobao users prefer cost performance. It is common for them to compare prices when purchasing goods, which is suitable for penetration pricing. Dithering users have the characteristics of imperceptibly impulsive consumption behavior after being pushed by a large amount of traffic, which is suitable for psychological pricing. Pinduoduo users pay attention to the preferential products at the bottom of the price, giving birth to the strategy of subsidizing pricing with old products and isolating official stores from other platforms.

Third, the use of platform subsidies to achieve cost optimization: JD.com's 10 billion subsidy is mainly borne by the platform, and Pinduoduo's full subsidy allows Logitech's shops to show a low price at the original price. The difference in subsidy structure is mapped into the surface form of price difference.

Fourth, product life cycle management is endowed with a dynamic dimension: it anchors jd.com platform in the initial stage of new products, extends to tmall in the growth stage, promotes and increases the popularity of penetration chatter in the mature stage, and grants discounts to pinduoduo in the clearance period, to realize the division of channel functions in the whole cycle by using the differences of different platforms instead of time discounts.

It is concluded that Logitech's institutional constraints shape user cognition, which defines premium space. Premium space requires order maintenance, which depends on subsidy cooperation, which reacts to life cycle allocation. The essence of differentiated pricing is the strategic expression of Logitech's structural position in the platform ecosystem - jd.com allowed Logitech to establish a strict pricing system, Taobao allowed Logitech to display more excellent and cost-effective products, Shuaiyin pushed a stable price of explosive products according to the flow, and Pinduoduo tried to sell the products at a low profit. These four capabilities are finally presented as four platform price gradients.

6. How Logitech utilizes its platform to reasonably adjust and optimize its profit model: the algorithmic constraint transformation mechanism

First, jd.com's "price power" score is used to monitor only the price of goods and not the blind spot of "trade in subsidies". After the policy upgrade on August 15, 2024, the response mechanism of "5-21-90" was launched: 5-day diagnosis - reverse engineering to identify blind spots, 21 day deployment - the subsidy was increased from 50 yuan to 150 yuan, the actual payment price was reduced by 100 yuan, but the bid price was maintained, the price power score was restored to 4 stars, and 90 day Consolidation - was included in the standard configuration. Gross profit margin rose by 120 basis points (of which service isolation contributed 84bps, accounting for 70%).

Second, take jd.com's high price as the "price anchor" to improve the "cost performance perception" of other platforms. Tmall's conversion rate is +12%, Pinduoduo's conversion rate is +28%. Logitech's advertising expenses in jd.com accounted for 35%, resulting in a cross-platform overflow ROI of 1:4.3, which was higher than that of a single platform (1:2.1). This anchored investment has driven omnichannel and multi-platform collaboration.

Third, in the fiscal year 2024-2025, Logitech's average response time to changes in platform rules was shortened from 45 days to 12 days, and the success rate of strategy adjustment was increased from 60% to 90%. Logitech achieved profit growth in the most stringent period of algorithmic governance, and its dynamic capability was solidified, demonstrating that brands can transform constraints into profit sources through a structured pricing structure.

7. Conclusion

Based on Logitech's multi-platform data from fiscal year 2024 to 2025 (April 2024 to March 2025), this paper systematically answers three core questions of brand pricing in the platform economy, and extracts the theoretical model of "Logitech platform pricing architecture" (lppa).

First, Logitech has built a four-dimensional structure of "price gradient $\times$ product version $\times$ service bundle $\times$ time rhythm": 30% of the cross platform price difference is formed in JD (+25%), tmall (+5%), tuiyin (-10%) and pinduoduo (-30%), and the price comparison chain is cut off through SKU complete isolation (ent/gft/kol/lite coding system), to "explicitly rationalize" the price difference. The actual discount is transferred to the blind area of algorithm monitoring through service bundling (150 yuan for new, 2-year extension, 1-to-1 adjustment). And time rhythm management (4 weeks of the same price for the first time $\rightarrow$ differentiation in the growth period $\rightarrow$ big convergence promotion $\rightarrow$ clearance of tail goods) to dynamically optimize the life cycle profit.

Second, the three mechanisms of Logitech jointly drive the heterogeneity of platforms (0.6%-8% commission rate and 0-3 structural differences in algorithm governance) to form the basis of market segmentation. Competitive positioning strategy (vs Thunder Snake with differentiated enterprise services, vs Cirrus with KOL ecological monopoly) to achieve differentiated positioning under the full platform coverage. The "triple gate" channel order (preventive gate entry agreement, monitoring gate AI weekly scanning, emergency gate 48-hour traceability) reduced the perception of channel conflict from 2.1% to 0.7%.

Third, the three mechanisms convert algorithm constraints into profit sources: the use of algorithm blind spots (replacing the old with the new is not included in JD's "price power" score) makes JD's channel gross profit margin rise by 120 basis points. The spillover of the anchoring effect (jd.com increased Tmall's conversion rate by 12% and Pinduoduo by 28%) generated cross-platform collaboration. The "5-21-90" dynamic response mechanism (5-day diagnosis, 21-day deployment, and 90-day solidification) transforms a single crisis response into an institutionalized capability, reducing the response time for platform rule changes from 45 days to 12 days.

This paper proposes the "Logitech platform pricing architecture" (LPPA) theoretical model to expand the price discrimination theory to the platform economic situation. First, it expands from the "enterprise consumer" binary to the "enterprise platform consumer" ternary and introduces the platform algorithm power as the core constraint variable. Second, from "static optimization" to "dynamic capability", it reveals the constraint optimization logic of brand "rule perception - rapid response - profit protection". Third, from "price consistency" to "orderly differentiation", the "isolation mechanism" is proposed as a new paradigm of channel conflict management. Lppa provides an integrated analytical framework for understanding the restructuring of brand pricing power in the platform economy.

The research is limited to the investigation of a single case. Logitech, as a peripheral head business, has higher bargaining power than small and medium-sized brands. The universality found in the study will be verified by comparing multiple cases in the future. Second, due to the lack of core sensitive business data, such as platform background traffic cost and conversion rate, the description of the "platform enterprise" game process in the research is limited. Third, the longer-

term trend of strategy evolution may not be captured in the 12-month observation window of fiscal year 2024-2025.

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