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Cost Elasticity And Financial Dependency: A Qualitative Exploration Of Marketing Escalation Narratives In Digital Platforms

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Abstract

This study investigates the discursive construction of aggressive marketing expenditures, especially consumer subsidies, within digital platform ecosystems, focusing on Alibaba from 2019 to 2025. By utilizing strategic cost management theory and critical discourse analysis, it examines earnings call transcripts and industry reports. Key findings highlight three themes: justification of an arms race, temporary sacrifice discourse, and withdrawal anxiety. A notable case is the Q2 2024 subsidy reduction, which reveals a disconnect between operational potential and narrative framing. The study introduces the concept of narrative stickiness, showing how costs are portrayed as non-negotiable through storytelling, thereby enhancing understanding of cost behaviour in organizational discourse and challenging established game-theoretic assumptions in platform competition.

Keywords: Cost Stickiness, Strategic Escalation, Platform Economics, Narrative Framing, Thematic Analysis, Alibaba

1. INTRODUCTION

Digital platforms have engaged in aggressive marketing expenditure, particularly consumer subsidies, to acquire users and defend market share (Rochet & Tirole, 2003; Armstrong, 2006). Platforms such as Alibaba, JD.com, and Pinduoduo have sustained spending wars through discounts, coupons, and delivery subsidies (Li & Huang, 2019; Fu & Lyu, 2022). While effective for short-term penetration, the long-term consequences and how managers perceive, justify, and sustain these expenditures remain undertheorised (Davidsson et al., 2009; Zhu & Yuan, 2022). Strategic cost management theory emphasises deliberately shaping cost structures for competitive positioning (Anderson & Dekker, 2009), yet these frameworks assume managerial rationality and were developed for manufacturing contexts. Research on SG&A cost stickiness shows costs rise more readily than they fall (Anderson, Banker & Janakiraman, 2003), but the micro-foundations of this stickiness, how managers cognitively and discursively construct costs as sticky, remain underexplored in platform contexts (Holzhacker, Krishnan & Mahlendorf, 2015b; Zhu & Yuan, 2022).

This study addresses the following research questions:

1. How do platform managers discursively construct and justify sustained marketing intensity in public strategic discourse?
2. What discursive mechanisms explain the perceived inability to withdraw from competitive spending wars?

Using Alibaba as a revelatory case (Yin, 2018; Flyvbjerg, 2006), we analyse corporate discourses (2019–2025) to trace evolving strategic storytelling. The study makes three contributions. First, we introduce the provisional concept of narrative stickiness, a discursive mechanism constructing costs as non-reducible through public legitimation, extending cost behaviour theory into organisational discourse and sensemaking (Weick, 1995). Second, we generate propositions qualifying game-theoretic assumptions (Fu & Lyu, 2022), suggesting the prisoner's dilemma may be a discursively reinforced trap under certain conditions. Third, using a suggestive disconfirming episode (Q2 2024), subject to three-month limitations and analyst GMV estimates, we reveal a gap between operational possibility and discursive foreclosure, demonstrating cost reduction may be structurally possible yet discursively foreclosed.

2. LITERATURE REVIEW

2.1 Strategic Cost Management and the Cost Stickiness Puzzle

Strategic cost management theory emphasises deliberate cost configuration for competitive positioning (Anderson & Dekker, 2009; Cooper & Kaplan, 1998). However, Anderson, Banker, and Janakiraman (2003) demonstrated SG&A cost stickiness, costs rising more readily than they fall. Subsequent research identified adjustment costs (Weiss, 2010), managerial optimism (Kama & Weiss, 2013), and agency problems (Chen, Lu & Sougiannis, 2012) as mechanisms. Crucially, these studies treat stickiness as structural or incentive-driven, failing to explore how managers interpret and perpetuate stickiness through organisational discourse. This study addresses that gap by examining the discursive construction of cost persistence, drawing on Weick's (1995) sensemaking theory, which views organisational reality as an ongoing accomplishment through retrospective sense-making.

2.2 Platform Economics, Competitive Dynamics, and the Prisoner's Dilemma

Two-sided market theory explains platform subsidies as solutions to coordination problems (Rochet & Tirole, 2006; Armstrong, 2006; Caillaud & Jullien, 2003). Hagiu (2009) noted that product variety creates lock-in, making withdrawal costly. Fu and Lyu (2022) modelled competitive subsidisation as a prisoner's dilemma where no platform can unilaterally exit without losing market share. Recent research shows digital innovation can reduce cost stickiness through enhanced resource adjustment capabilities (Sun & Zhang, 2025; Liu et al., 2024), suggesting the structural layer of stickiness may be diminishing, making the discursive layer more analytically important.

However, these models assume rational, profit-maximising actors with perfect information. Behavioural economics introduces loss aversion (Kahneman & Tversky, 1979), with Novemsky and Kahneman (2005) demonstrating that managers exhibit greater sensitivity to potential losses than equivalent gains. Research on managerial reference points shows loss aversion influences entry and exit decisions, affecting market structure and competitive dynamics (Fershtman, 1996). Escalation of commitment (Staw, 1976) suggests managers persist with failing strategies to justify prior investments, while signalling theory (Parker, Van

Alstyne & Choudary, 2016) suggests subsidies signal commitment to ecosystem participants. This study treats these as potentially relevant discursive resources managers may use to justify persistence.

2.3 Narrative Framing and Managerial Discourse

The literature on managerial cognition (Hambrick & Mason, 1984) emphasises that managers filter strategic decisions through their interpretations. Kaplan (2008) developed a model of framing contests to elucidate how cognitive frames influence strategy making. More recent work on strategic narratives (Vaara, Sonenshein & Boje, 2016; Barry & Elmes, 1997) has examined how narratives construct strategic realities and shape action. Critical discourse analysis (Fairclough, 2003) provides analytical tools for examining how discourses legitimise particular courses of action and foreclose alternatives. Fenton and Langley (2011) demonstrated how strategy as practice and discourse are intimately connected, with narratives performing crucial sensegiving functions in organisational change processes.

Layer	Theoretical Framework	Key Mechanism	Explanatory Role
Structural	Cost stickiness theory (Anderson et al., 2003)	Adjustment costs, contractual obligations, resource frictions	Explains what condition s make costs sticky
Cognitive	Prospect theory (Kahneman & Tversky, 1979); Escalation of commitment (Staw, 1976)	Loss aversion, sunk cost rationalisation, self-justification	Explains why managers persist despite negative feedback
Discursive	Critical discourse analysis (Fairclough, 2003); Framing contests (Kaplan, 2008); Sensemaking (Weick, 1995)	Legitimation, depoliticisation, naturalisation, meaning construction	Explains how persistenc e is sustained through public storytelling

Table 1: Layered Theoretical Framework

Theoretical Integration Note: The three layers, structural stickiness, cognitive mechanisms, and discursive processes, work together in platform contexts like Alibaba. The discursive layer is crucial as it interprets structural conditions and influences cognitive biases. The Q2 2024 episode demonstrates that, despite structural flexibility allowing for cost reduction, discursive foreclosure hindered sustained action. These layers interact simultaneously, with discourse often mediating between structural conditions and cognitive responses. Cost stickiness in platforms is reinforced not just by economic incentives but also by narratives of competitive inevitability created through strategic public discourse (Kaplan, 2008).

3. METHODOLOGY

3.1 Research Philosophy and Design

This study adopts a critical realist epistemology (Bhaskar, 1975), recognising that while strategic realities are socially constructed through discourse, a stratified reality exists with discursive and non-discursive dimensions. This position allows analysis of the relationship between discourse and operational possibility without committing to naive realism or pure constructionism. The design is a qualitative longitudinal revelatory case study (Yin, 2018), enabling deep, temporally rich exploration of evolving public strategic discourses.

Alibaba is selected as a revelatory case (Yin, 2018). As the market leader in Chinese e-commerce with diversified revenue streams (including profitable cloud computing), Alibaba offers unique access to a context where the tension between structural capacity for withdrawal and discursive foreclosure can be observed. This is not a critical case in Flyvbjerg's (2006) sense, but rather a revelatory case that illuminates mechanisms that may operate across contexts, subject to boundary conditions. The findings generate propositions for future testing rather than claims of statistical generalisability.

3.2 Qualitative Data Sources

We analyse public strategic discourse, not private managerial cognition. The corpus comprises three types of qualitative texts:

- **Earnings call transcripts** (Q1 2019 – Q4 2025): 28 transcripts, revealing public justifications, investor signalling, and strategic framing.
- **Annual report MD&A sections** (FY2019 – FY2025): 7 sections, providing formal, legally vetted strategic framing.
- **Industry analyst reports and financial media** (2019–2025): 15 reports from major institutions, offering external counter-discourses.

Earnings calls are recognised as performative investor relations exercises (Kaplan, 2008), not windows into unvarnished executive cognition. The analysis therefore focuses on discursive patterns in public storytelling, how justifications are constructed, what assumptions are left unexamined, and how competitive dynamics are framed.

Data were sourced from Alibaba's investor relations website, Seeking Alpha (transcripts), and major financial media (FT, Reuters, Bloomberg). The corpus totals approximately 120,000 words. Analyst reports are treated not as neutral external perspectives but as texts embedded in their own institutional logics and interests, providing valuable counterpoints to management discourse while themselves requiring critical reading.

3.3 Analytical Approach

The analysis follows Braun and Clarke's (2022) six-phase reflexive thematic analysis framework, supplemented by attention to critical discourse analysis principles (Fairclough, 2003): familiarisation, initial coding, theme generation, theme review, theme definition, and write-up.

Coding Procedure: Two researchers co-coded the data, with cost management and platform economics backgrounds potentially influencing their interpretive focus. To mitigate this, we independently coded and engaged in reflexive deliberation, documenting interpretive differences in the reflexive journal. Initial coding was performed independently to enhance reliability and mitigate idiosyncratic interpretation. Following independent coding, the researchers compared codes, discussed discrepancies, and reached consensus through reflexive deliberation (Braun & Clarke, 2022). A total of 347 initial codes were generated, clustered into 28 sub-themes, and refined into 3 overarching themes.

Summary Coding Structure:

Overarching Theme	Number of Sub-themes	Number of Initial Codes	Percentage of Total Codes
Theme 1: Arms Race	9	202	58%
Theme 2: Temporary Sacrifice	9	159	46%

Theme 3: Withdrawal Anxiety	10	206	59%

Note: Percentages sum to more than 100% as codes could be assigned to multiple themes where text segments contained overlapping meanings.

The complete coding tree, including all 28 sub-themes with definitions and illustrative examples, is provided as supplementary material (Appendix A). Saturation was assessed by confirming that no new themes emerged in the final three transcripts and that the coding framework was stable.

3.4 Negative Case Analysis and Trustworthiness

A suggestive disconfirming episode, the Q2 2024 temporary subsidy reduction, was deliberately analysed to test the dominant themes against contradictory evidence (Swift et al, 2022). The procedure involved: (a) isolating all text segments referencing the Q2 2024 period; (b) coding these segments separately for justifications of the cut and justifications of the reinstatement; (c) comparing these codes against the dominant themes; (d) identifying the discursive gap between operational outcomes and discursive framing.

Trustworthiness is enhanced through triangulation (cross-referencing executive discourses with analyst counter-discourses), negative case analysis, reflexivity, rich description (extensive use of direct quotes), and thematic saturation.

4. FINDINGS

The thematic analysis reveals three dominant and interlinked discursive themes that construct marketing spending as a sticky competitive necessity. These themes were identified across 267 of 347 coded segments (77% of all codes), indicating their pervasiveness.

4.1 The Arms Race Justification, Competitors as the Primary Driver

A pervasive discursive pattern frames marketing expenditure as a direct, unavoidable response to competitor actions (coded in 23 of 28 transcripts; 82%). Spending is discursively constructed as a defensive reaction, externalising agency and absolving management of accountability.

- **Illustrative Quote (FY2023 Earnings Call):** "We are operating in an intensely competitive environment. Our peers have increased their promotional intensity, and we must respond to protect our user base. This is not a choice but a market reality."
- **Analyst Counter-Narrative:** Dao Insights (2025) noted that Alibaba frames its spending as defensive, yet its cost-to-revenue ratio has ballooned faster than any of its peers, suggesting an internal escalation dynamic that goes beyond mere competitive response.
- **Analytical interpretation:** This discusses how costs are externalized to competitors, suggesting an inevitable spending landscape. It aligns with Kaplan's (2008) framing contests model by limiting discussions of strategic alternatives. The discourse acts as a legitimation tool, portraying discretionary costs as necessary, and depoliticizes the issue by removing it from strategic choice. It also connects to Weick's (1995) sensemaking, as managers rationalize rising costs through narratives of competitive necessity. This discourse serves to signal to investors that management is actively safeguarding market share, which is crucial for platform companies' valuations. The nature of earnings calls indicates that justifications for cost increases may reflect both managerial thought and strategic responses to investor expectations, particularly regarding concerns about market share loss.
- **Temporal Variation:** References to competitive intensity increased significantly post-2021 (from

an average of 4.2 mentions per call in 2019-2020 to 7.8 mentions per call in 2022-2023), suggesting the anti-monopoly fine may have paradoxically amplified this discourse.

4.2 The Temporary Sacrifice Narrative, Framing Losses as Investment

A second dominant theme (coded in 19 of 28 transcripts; 68%) frames short-term margin compression as a deliberate, strategic investment in future market positioning.

- **Illustrative Quote (FY2024 Annual Report MD&A):** "Our strategic investments in lower-tier cities and instant commerce are building long-term infrastructure for future growth. We are confident that the current margin pressure will be offset by sustained market leadership in the years ahead."
- **Analyst Counter-Narrative:** AInvest (2025) challenged this: The investment framing has been used for four consecutive years, yet user retention metrics remain flat, and merchant stickiness is heavily subsidy-dependent. The discourse has become a self-serving justification for path dependency.
- **Analytical Interpretation:** This discourse exemplifies escalation of commitment, as described by Staw (1976), where ongoing losses are redefined as investments, leading managers to justify past decisions and signaling confidence to investors (Parker et al., 2016). However, analysts highlight a disconnect between management's optimistic framing and external views of inefficiency. Research indicates that this bias is reinforced by collective belief-driven reframing mechanisms, through which managers create justifications for continued investments (Noe, 2023).
- **Temporal Variation:** The temporary framing has become increasingly stretched over time. In 2019-2020, the discourse emphasised near-term returns (1-2 years). By 2023-2024, the timeframe had shifted to long-term without specified endpoints, suggesting a temporally indefinite investment framing that reduces accountability.

4.3 Withdrawal Anxiety: The Discursive Foreclosure of Cost Reduction

The most pervasive theme (coded in 26 of 28 transcripts; 93%) is the discourse of anxiety surrounding any potential subsidy withdrawal. Despite the Q2 2024 evidence that cuts improved margins, the discourse consistently portrays unilateral reduction as catastrophic.

- **Illustrative Quote (Q4 2024 Earnings Call, following reinstatement):** "The pause we took in Q2 gave us valuable data. However, we observed rapid market share erosion in key categories. We could not sustain that trajectory without risking irreversible damage to our ecosystem. The competitive response was immediate and severe."
- **Analyst Counter-Narrative:** Dao Insights (2025) offered a critical reading: The 5% GMV decline hardly constitutes irreversible damage. The decision to restart subsidies appears driven by managerial risk aversion; the fear of a perceived decline outweighed the concrete margin improvement achieved.
- **Analytical Interpretation:** This theme reveals the core mechanism of what we term narrative stickiness. While Q2 2024 provides evidence that costs may be structurally flexible in the short term (they can be cut without operational collapse), the discursive construction of withdrawal renders it cognitively unavailable. Executives selectively amplify the GMV loss and downplay the margin gain, consistent with loss aversion (Kahneman & Tversky, 1979). The discourse forecloses the option of sustained withdrawal, creating a self-fulfilling prophecy. Following Fairclough (2003), the discourse operates through naturalisation, making particular assumptions appear as common sense, thereby rendering alternatives unthinkable.
- **Temporal Variation:** The language of anxiety has intensified over time. Expressions of

irreversible damage were absent in 2019-2020 but became routine by 2023-2024, suggesting progressive discursive entrenchment.

4.4 The Suggestive Disconfirming Episode: Q2 2024 and the Reinstatement Narrative

The Q2 2024 temporary reduction is an analytical pivot. A dedicated sub-analysis of the reinstatement discourse (Q3/Q4 2024 earnings calls) reveals the mechanism by which the discursive trap is rebuilt.

The Cut (Q2 2024):

- Operational Reality: Temporary subsidy reduction led to a modest GMV decline (estimated at approximately 5% by analysts; based on Dao Insights, 2025) and a significant margin improvement (estimated operating margin improvement of 12%).
- GMV Caveat: Alibaba does not disclose segment-level GMV quarterly; the 5% figure is an analyst estimate from Dao Insights (2025), with a moderate confidence level given the limited data available. This limits the evidentiary basis but suggests unilateral withdrawal was operationally possible without catastrophic loss in the short term.
- Initial Framing: Management framed this as a learning experiment or data-gathering exercise, acknowledging the margin improvement while emphasising the need to monitor market share.

The Reinstatement (Q3/Q4 2024):

- Operational Reality: Subsidies were reinstated within three months.
- Reinstatement Framing: The Q2 experiment was retrospectively framed as a failure or valuable lesson that confirmed the necessity of continued spending. The margin improvement was downplayed; the GMV decline was amplified and framed as irreversible damage.
- Illustrative Quote (Q3 2024): "Our priority remains market leadership. The data from our Q2 adjustments confirmed that our customers value the ecosystem benefits we provide. We are now focused on sustainable growth with appropriate investment levels."

Analytical Interpretation: The reinstatement discourse outlines a sequence: Cut → Margin Improves → Reinstatement → Discursive Rebuilding. Profitability improvements in Q2 are reframed as irrelevant, indicating a potential discursive trap for managers, who may be constrained not just by economic factors but by their narratives surrounding competition and risk. This analysis is considered suggestive rather than conclusive due to its short timeframe and dependence on analyst estimates, limiting strong causal assertions.

Theme	Prevalence (Transcripts)	2019-2020 (Avg Mentions/Call)	2021-2022 (Avg Mentions/Call)	2023-2025 (Avg Mentions/Call)	Trend
Theme 1: Arms Race	82% (23/28)	4.2	6.1	7.8	↑ Increasing
Theme 2: Temporary Sacrifice	68% (19/28)	3.8	4.5	5.2	↑ Increasing
Theme 3: Withdrawal Anxiety	93% (26/28)	0.0	2.1	4.2	↑↑ Sharp increase

Table 2: Thematic Prevalence and Temporal Trends (2019-2025)

5. DISCUSSION

5.1 Interpretation of Findings: Introducing the Narrative Stickiness Construct

The findings propose the concept of narrative stickiness, defined as a discursive mechanism where costs are portrayed as non-reducible through public storytelling. This phenomenon operates independently of economic evidence, supported by organizational discourse and performative investor relations. It avoids asserting economic justification as an objective reality, aligning with a critical realist viewpoint. Instead, narrative stickiness highlights how certain actions can become cognitively unreachable, socially unacceptable, or strategically infeasible due to linguistic and narrative practices.

Construct	**Definition**	**Key Source**	**Distinction from Narrative Stickiness**
Structural Stickiness	Costs rise more readily than they fall due to adjustment costs	Anderson, Banker & Janakiraman (2003)	Structural mechanisms (contracts, assets) vs. discursive mechanisms
Cognitive Inertia	Persistence of mental models and assumptions	Hodgkinson & Healey (2011)	Individual cognition vs. collective discourse
Strategic Persistence	Continuation of strategy despite changing conditions	Audia, Locke & Smith (2000)	Action-level persistence vs. discursive construction
Discursive Closure	Foreclosure of alternatives through language	Deetz (1992)	General phenomenon vs. specific mechanism in cost stickiness
Narrative Stickiness	**Discursive construction of costs as non-reducible**	**This study**	**Combination of discursive foreclosure with specific application to cost behaviour**

Table 3: Distinguishing Narrative Stickiness from Related Constructs

Based on the observed patterns in this revelatory case, we propose the following boundary conditions for narrative stickiness, formulated as testable propositions for future research:

- **Proposition 1 (Necessary Condition):** Narrative stickiness requires competitive intensity, specifically, a market structure where market share volatility is perceived as threatening long-term viability. Without such intensity, the arms race justification loses plausibility.
- **Proposition 2 (Contributing Condition):** High uncertainty about competitor intentions amplifies narrative stickiness. When competitor actions are unpredictable, the perceived risk of unilateral withdrawal increases, reinforcing the discourse of inevitability. The Q2 2024 reinstatement discourse, where management cited an immediate and severe competitive response, illustrates this amplification.
- **Proposition 3 (Contributing Condition):** Prior escalation of commitment (Staw, 1976) intensifies narrative stickiness. When executives have personally championed the subsidy strategy, withdrawal becomes an admission of personal error. The temporary sacrifice discourse, which frames ongoing losses as investment, provides the discursive mechanism for this rationalisation.

- **Proposition 4 (Contributing Condition):** Cultural norms emphasising status preservation (e.g., mianzi in Chinese contexts) amplify the social cost of market share loss, making withdrawal discursively costly. This is not a necessary condition; narrative stickiness may occur in Western contexts, but it magnifies the effect.

Figure 1 provides a visual synthesis of the theoretical distinction between structural and narrative stickiness:

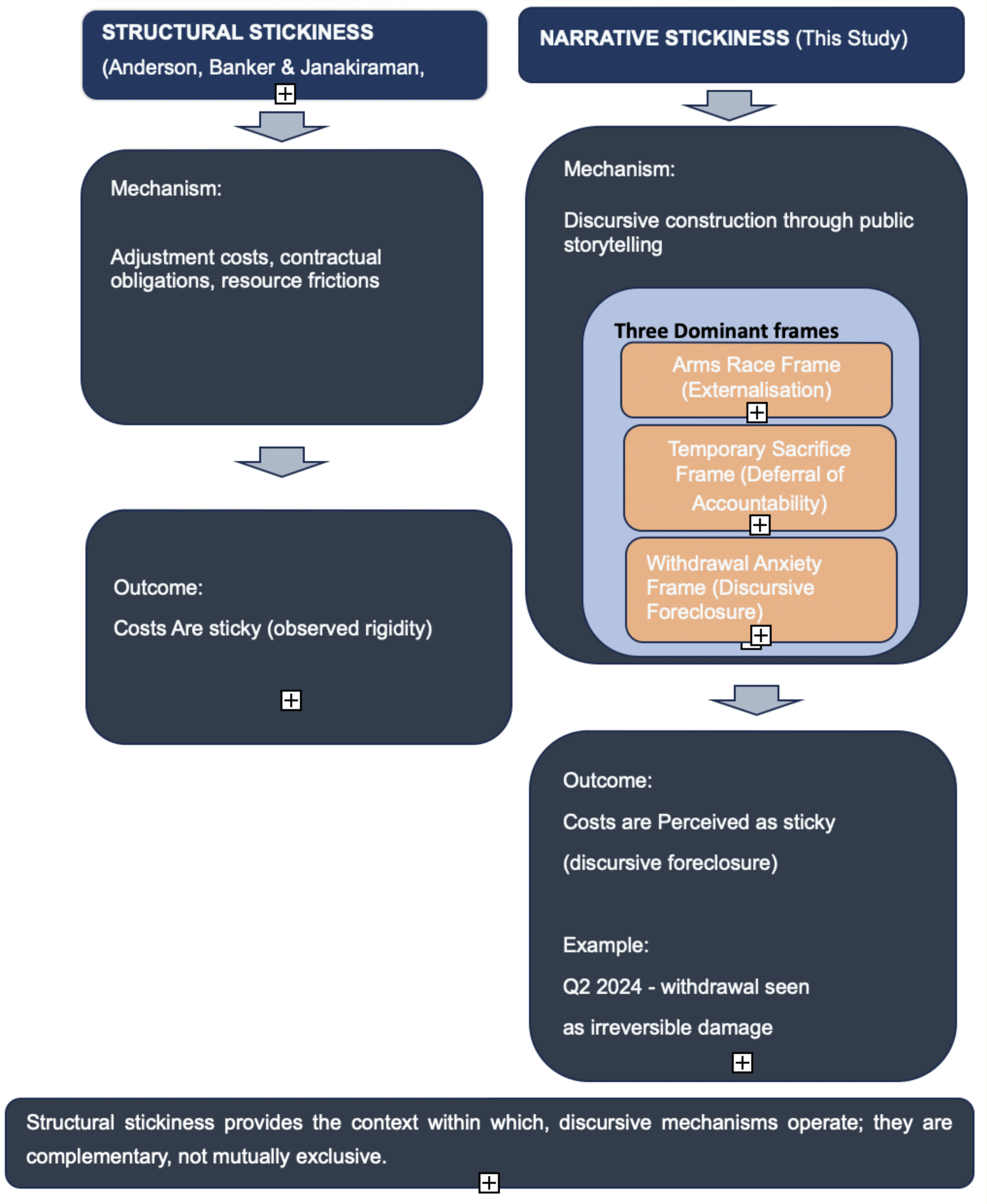

Figure 1: Structural Stickiness vs. Narrative Stickiness, A Theoretical Distinction

5.2 Theoretical Implications

In response to Research Question 1, how managers discursively construct marketing intensity, the three identified themes reveal that justification operates through externalisation, temporal deferral, and catastrophic framing. In response to Research Question 2, what mechanisms explain perceived inability to withdraw, we propose that narrative stickiness operates through legitimation (Fairclough, 2003), loss aversion (Kahneman & Tversky, 1979), and escalation (Staw, 1976), rendering withdrawal discursively unavailable. The following implications elaborate on these responses.

1. **Extending Cost Behaviour Theory:** This study suggests an extension of the cost stickiness literature from a purely accounting phenomenon to a socio-cognitive phenomenon. We propose that strategic stickiness may be partly a function of discursive framing, not just resource adjustment costs. Narrative stickiness is a provisional analytical category for further investigation. Future research should examine the relative contributions of structural versus narrative mechanisms to cost persistence in different contexts.
2. **Qualifying the Prisoner's Dilemma Assumption:** The findings generate propositions that qualify the strong game-theoretic assumptions in Fu and Lyu (2022). The prisoner's dilemma may not be an inescapable equilibrium in all cases; it may be a collectively sustained discourse under certain conditions. The Q2 2024 case suggests that platforms can exit in the short term, but may choose not to due to loss aversion and discursive inertia. This resonates with Kaplan's (2008) framing contests model: the dominant frame (withdrawal is impossible) prevails not necessarily because it is economically true, but because it has won the contest of meaning within the organisation. Future research should test this proposition across different competitive contexts and time horizons.
3. **Integrating Behavioural Economics:** The findings support behavioural interpretations over purely rational ones. The disproportionate focus on market share loss (vs. margin gain) is consistent with prospect theory (Kahneman & Tversky, 1979). The persistence despite negative feedback is consistent with escalation of commitment (Staw, 1976). However, the study cannot definitively attribute these patterns to cognitive biases rather than strategic calculation; this remains a proposition for future investigation.
4. **The Role of Discourse in Strategy:** The findings contribute to the literature on narrative and strategy (Vaara, Sonenshein & Boje, 2016; Barry & Elmes, 1997) by demonstrating how particular narrative frames construct strategic realities. The analysis reveals how discourse does not merely reflect strategy but constitutes it, performing legitimation, depoliticisation, and identity construction functions (Fairclough, 2003). We do not claim that these discourses are purely internal cognitions or purely "external" performances. Rather, we suggest that they operate at the boundary between cognition and performance, simultaneously reflecting managerial beliefs and constructing reality for stakeholders.

5.3 Cultural and Regulatory Context, As Theoretical Propositions

The findings must be situated within the Chinese platform context, where cultural and regulatory factors may amplify discursive stickiness. We offer these as propositions for future comparative research, rather than as empirically demonstrated mechanisms in this study. The mechanism of narrative stickiness, whereby costs are constructed as non-reducible through discourse, is likely to generalise across contexts. However, the content of the discourse (e.g., the specific cultural references) and the intensity of the effect may vary systematically with cultural and institutional factors. This is a proposition for future comparative research.

1. **Cultural Context - Mianzi (Face):** In Chinese corporate culture, saving face is a powerful social imperative. Losing market share may be more strongly avoided than in Western contexts. This cultural norm may amplify loss aversion. However, this interpretation is inferential; the study does not directly test cultural mechanisms.

2. **Regulatory Context - Common Prosperity and Anti-Monopoly:** The 2021 anti-monopoly fine against Alibaba and the broader Common Prosperity campaign created a regulatory environment where aggressive market dominance was publicly scrutinised. This may have paradoxically increased pressure to maintain market share through subsidies, as any loss of market position could be interpreted as regulatory vulnerability. Yet Alibaba's discourses did not adopt alternative framings (e.g., compliance with subsidy regulations), suggesting the competitive discourse remained dominant.
3. **Generalisation Boundary:** These factors suggest that the findings may not generalise directly to platforms in different institutional environments (e.g., US platforms). However, the mechanism of discursive stickiness, the discursive construction of competitive inevitability, may be transferable, even if its cultural expression varies. This is a proposition for future comparative research.

5.4 Practical Implications - Discursive Interventions

The findings suggest several specific, actionable interventions grounded in the identified discursive mechanisms. Each intervention directly addresses a specific discursive pattern identified in the Findings (Section 4). While these are derived analytically from the case data, they remain propositions for organisational experimentation rather than empirically validated prescriptions.

Intervention	Grounded In Theme	Discursive Mechanism Targeted	Implementation Guidance
Reframe the arms race justification	Theme 1 (Arms Race)	Externalisation of agency	Conduct a narrative workshop where managers collaboratively develop alternative framings and test them with stakeholder focus groups
Introduce sunset clauses with KPIs	Theme 2 (Temporary Sacrifice)	Temporal deferral of accountability	Establish a quarterly review committee with board-level oversight to ensure accountability
Positive framing of withdrawal	Theme 3 (Withdrawal Anxiety)	Catastrophic framing and loss aversion	Develop pre-approved "withdrawal narratives" that can be deployed quickly when subsidy reduction is being considered
Institutionalise a "Red Team"	All three themes	Discursive foreclosure and naturalisation	Ensure the red team reports directly to the board and has access to all relevant data

Practical Interventions, Their Discursive Grounding, and Implementation Guidance

1. **Reframe the Arms Race Justification:** Organisations should develop counter-narratives emphasising proactive value creation rather than defensive responses. Instead of "we must respond to competitors," managers frame spending as investment in differentiated customer experiences. Implementation involves narrative workshops where managers collaboratively develop alternative framings and test them with stakeholder focus groups.
2. **Introduce Temporal Accountability for Temporary Sacrifice**Replace open-ended investment

framing with time-bound KPIs and explicit review mechanisms. Subsidy programs require pre-defined sunset clauses and self-sufficiency metrics. If targets are missed, the discourse shifts from investment to expense, triggering automatic review. Implementation includes establishing a quarterly review committee with board-level oversight.

3. **Manage Withdrawal Anxiety Through Positive Framing**Rather than framing subsidy reduction as failure, organisations should frame it as disciplined capital allocation or margin optimisation, a positive strategic choice. Pre-approved withdrawal narratives should be developed for quick deployment when subsidy reduction is being considered. A narrative audit can track anxiety language prevalence and prompt proactive reframing.
4. **Institutionalise a Red Team for Discourse Challenge**A cross-functional group, including finance, strategy, operations, and external perspectives, should argue against continued subsidy spending using Q2 2024 evidence as a foil. This red team generates alternative narratives and tests their plausibility. Implementation requires the team to report directly to the board with access to all relevant data.

5.5 Limitations and Future Research

1. **Data and Methodological Scope:** We analyse public strategic discourse, not private managerial cognition. Earnings calls are performative and may reflect strategic responses to investor expectations rather than unmediated reasoning. Analyst reports and competitor narratives are also embedded in institutional logics. Future research should conduct elite interviews, experimental vignettes, ethnographic observation, and include competitor discourses to examine how narratives co-evolve across platforms.
2. **Generalisability and Context:** The findings derive from a single revelatory case (Alibaba) and are situated in the Chinese cultural and regulatory context. They are not statistically generalizable. Comparative discourse analysis across multiple platforms (JD.com, Pinduoduo, Meituan) and cross-cultural studies would reveal whether these discursive patterns are context-specific or industry-wide.
3. **Causality and Inference:** The study infers cognitive mechanisms from discourse; this attribution is tentative. The Q2 2024 experiment lasted only three months, precluding claims about long-term sustainability. The relationship between discourse and cost persistence is likely bidirectional and recursive, requiring further investigation through longitudinal and experimental designs.

6. CONCLUSION

This qualitative study investigates the construction and perpetuation of aggressive marketing intensity within digital platform ecosystems, specifically analysing Alibaba. Through thematic analysis of earnings call transcripts and reports (2019–2025), three themes emerged: arms race justification, temporary sacrifice discourse, and withdrawal anxiety, indicating a perceived cost stickiness. The Q2 2024 subsidiary episode illustrates the complexities of platform markets and highlights the concept of narrative stickiness, where costs are perceived as immutable despite evidence to the contrary. The study questions how organizations can escape this narrative stickiness, suggesting that while short-term adjustments are feasible, long-term change necessitates a transformation of the underlying discursive infrastructure. Practitioners are encouraged to reframe competitive discourses to facilitate sustainability and avoid being trapped in a self-imposed prison of narratives. Further research is needed to explore the micro-processes involved in narrative change within platform organizations.

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