

# Dynamic Pricing in Digital Consumer Markets

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all consumers  
/ one price

?

one consumer  
/ one price

# *dynamic vs. personalized*





- *differentiation*  
providing different prices to different consumers
- *surveillance*  
price based on consumers' personal characteristics or behavior
- *automation*  
price calculated without direct human involvement

market power

discrimination

vulnerabilities

exploitation

price collusion

privacy



Any person who knowingly advertises, promotes, labels or publishes a statement, display, image, offer or announcement of personalized algorithmic pricing using consumer data specific to a particular individual shall include with such statement, display, image, offer or announcement a clear and conspicuous disclosure that states:

THIS PRICE WAS SET BY AN ALGORITHM USING YOUR  
PERSONAL DATA

New York Gen. Bus. Law § 349-a

Before the consumer is bound by a distance or off-premises contract, or any corresponding offer, the trader shall provide the consumer with the following information in a clear and comprehensible manner

THAT THE PRICE WAS PERSONALISED ON THE BASIS OF  
AUTOMATED DECISION-MAKING

Consumer Rights Directive (2011/83/EU)

## *Pending questions*

- ostensible disclosure?
- appeal to popular apprehension – but providing little economically useful data
- assumptions about individual capabilities and proactivity

