



Surveillance pricing: Harms to consumers and solutions for Connecticut

Oct. 5, 2025

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CR's involvement in AI policy in the states

- In addition to journalists, and technicians who test products, we have a **team of consumer advocates**
- Testifying, writing letters of support, **mobilizing members**, coordinating civil society

7 Best Dishwashers of 2024, Lab-Tested and Reviewed

Standouts from CR's testing include models from Bosch, LG, and other top brands

By Molly Bradley

Updated September 8, 2024

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g dishwashers in our ratings.



131

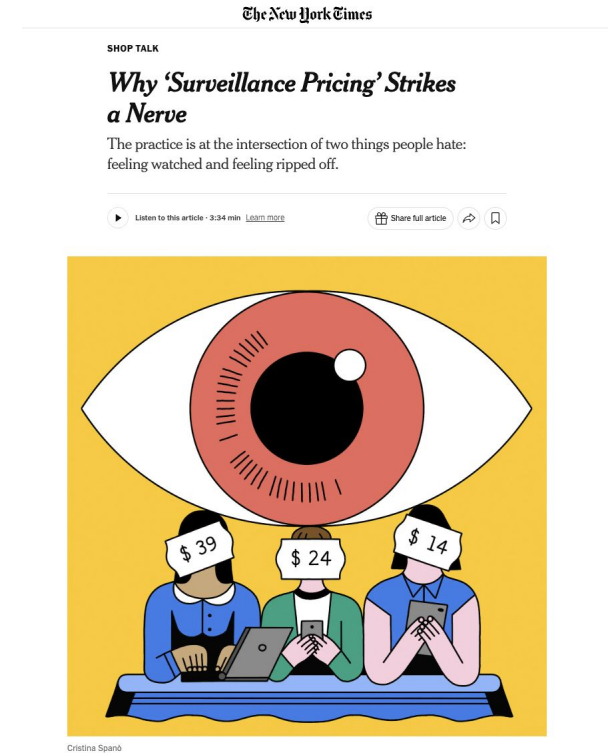
Dishwashers Rated

[Access Ratings](#)



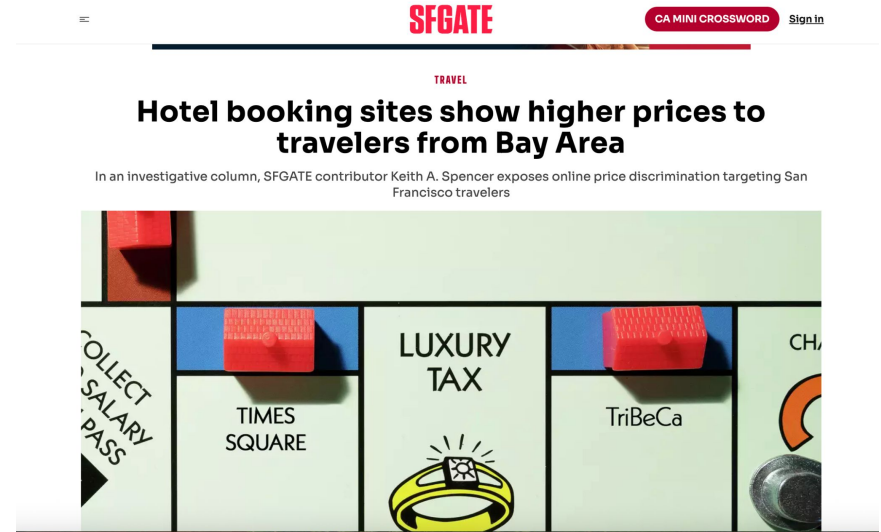
What is surveillance pricing?

- Surveillance pricing is when companies use personal data about consumers to show them a different price for the same good or service
- Personal data may include search history, device type, family size, income, geolocation, and more
- For individuals and groups



Example: Hotels

- Using VPNs to simulate different locations, a journalist discovered Bay Area consumers were seeing higher prices for the same NYC hotel rooms on the same dates
- As much as \$500 more per night higher compared to Phoenix, Kansas City



Example: Target

- MN journalists found prices on Target's app were lower when someone was on the far side of Target's parking lot, and jumped when they entered the store
- A Graco car seat was \$72 more expensive; a Dyson vacuum was \$148 more expensive



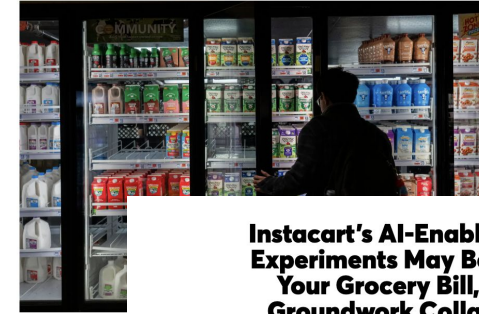
Example: Instacart

- CR and Groundwork found Instacart charging different prices for same product, at same time, in same store
- Prices varied as much as 23% for same product
- People shopping at a Safeway in Washington, D.C., saw a dozen Lucerne eggs listed at five different prices — \$3.99, \$4.28, \$4.59, \$4.69, and \$4.79.

Same Product, Same Store, but on Instacart, Prices Might Differ

The findings are the latest example of how the notion of a single price is breaking down in the digital age, a trend economists say could be pushing up some prices.

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In tests in four cities grocery items on Ins

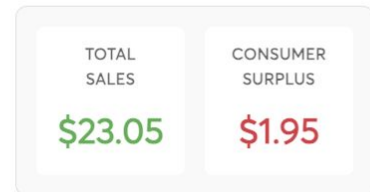
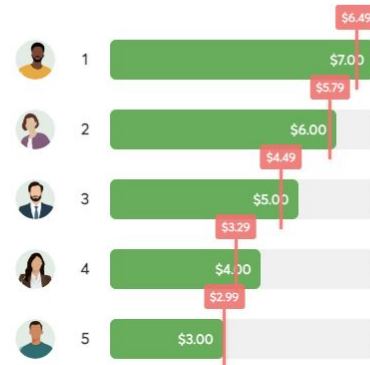
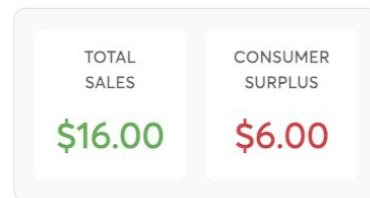
Instacart's AI-Enabled Pricing Experiments May Be Inflating Your Grocery Bill, CR and Groundwork Collaborative Investigation Finds

A Consumer Reports and Groundwork Collaborative investigation found that some grocery prices differed by as much as 23 percent per item from one Instacart customer to the next. In an inadvertently sent email, the company calls one pricing tactic "smart rounding."



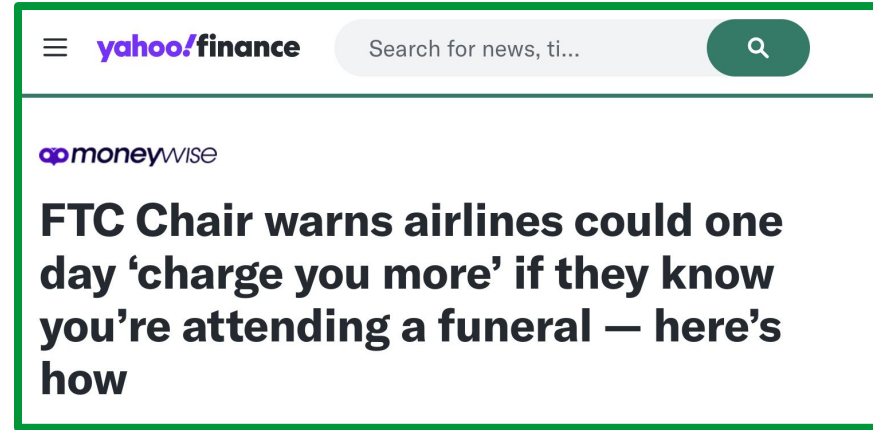
What are the harms?

- “Consumer surplus” likely decreases



What are the harms?

- Consumers in need/desperate (higher “willingness to pay”) taken advantage of
- Vector for discrimination
- Incentivizes increased data collection
- Hurts competition



Policy response

- Bipartisan congressional response; Rep. Comer (R-KY) leading investigation; Sen Hawley (R-MO) held hearing; Sen. Gallego (D-AZ) with bill
- No jurisdiction had banned surveillance pricing in 2025; in 2026, four did
- Bills started very weak but got progressively better.
- Maryland bill doesn't protect consumers. Luckily, no other state has followed it's lead.

Maryland HB 895

Connecticut HB
5563

NJ A4085

NY A.9349B

SEA 121267

Recommendations for Connecticut

- **Guardrails on personalized discounts via transparency, data limitations**
- Add burden shifting language so that retailers must demonstrate that they qualify for an exemption, to improve enforceability
- Add definition of price that is inclusive of mandatory fees
- No new loopholes



Sec. 11 (c)(2)(A) permits personalized pricing via discounts. Needs to be tightened to be effective and to align with other jurisdictions

Why require transparency? Questionable things are happening through opaque “discounts”

I tracked Amazon's Prime Day prices. We've been played.

I would have saved, on average, almost nothing. Here's what you should do to actually get a good deal on Amazon.

October 9, 2025



The hidden way using a rewards card can cost you more

Starbucks tracked my every purchase — then gave me fewer deals. It's called surveillance pricing.

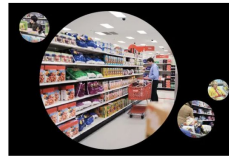
October 18, 2025



Target's “pregnancy prediction score”

How Companies Learn Your Secrets

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Antonio Bolfo/Reportage for The New York Times

Instacart's AI-Enabled Pricing Experiments May Be Inflating Your Grocery Bill, CR and Groundwork Collaborative Investigation Finds

A Consumer Reports and Groundwork Collaborative investigation found that some grocery prices differed by as much as 23 percent per item from one Instacart customer to the next. In an inadvertently sent email, the company calls one pricing tactic “smart rounding.”

We found that Instacart repeatedly showed different customers different “original” prices for the same discounted item, making the purported savings appear larger or smaller, depending on which group they'd been sorted into. For example, most volunteers shopping on Instacart at a Safeway in Seattle were shown original prices for Premium brand saltine crackers of \$5.93, \$5.99, or \$6.69, while the final sale price was the same for everyone—\$3.99.

Safeguards for personalized discounts

- To be exempt, a personalized discount should be 1) publicly disclosed, along with eligibility criteria and terms, and be 2) available to any consumer who meets the disclosed criteria
- If 1) and 2) are met, the following types of discounts should be exempt
 - Loyalty and rewards programs that do target discounts only based on purchase history, not other personal data or inferences
 - Discounts anyone could potentially receive
 - Discounts for commonly understood and large social groups (seniors, veterans)

Questions?

Thank you