

Senate Judiciary Committee
Subcommittee on Crime and Counterterrorism
Hearing on “Your Data, Their Profit: The Consumer Cost of AI Surveillance Pricing”
August 4, 2026
Questions for the Record
Senator Amy Klobuchar

For Z. John Zhang, Professor of Marketing at The Wharton School, University of Pennsylvania

1. While you argue that personalized pricing is not inherently bad, I am concerned consumers do not even know it is occurring in most cases.
 - Do you think that sellers that engage in personalized pricing should at least be required to disclose that fact to consumers?

Thank you, Senator. Yes. While firms need reliable consumer information to serve their customers, consumers also need reliable information about firms to vote with their feet and their dollars. Disclosure of personalized pricing would help prevent abuse and encourage responsible practices that benefit all stakeholders.

2. While pricing based on the constant collection of personal data is concerning, we need to ensure that businesses can offer consumers genuine discounts or promotions, including through loyalty programs.
 - How can we ensure that any reforms passed to prevent predatory surveillance pricing still preserve voluntary loyalty programs that consumers choose to opt-in to?

Existing laws already address price gouging, predatory pricing, data collection and security, and consumer privacy. If certain forms of “the constant collection of personal data” create new systemic harms, reforms should focus on defining what data may not be collected or used for personalized pricing, rather than prescribing how firms may set personalized prices. This approach would preserve firms’ ability to use flexible pricing tools to offer genuine discounts and promotions, including through voluntary loyalty programs. It would also encourage pricing innovation, a vital part of a dynamic market economy.