

Discussion of Korganbek & Kuber “Balancing User Privacy and Personalization”

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@ 2024 FTC Microeconomics Conference

Summary

- **Important research questions**

- How would privacy restrictions affect the platform, consumers, and sellers?
- How would the platform and consumers respond to privacy restrictions?

- **Extremely rich data**

- Separate view, click, scroll, tap, hover, zoom, purchase, return, repeat purchase
- Track the same consumer across devices, sessions, and time
- Largescale 2y field experiment on personalization, and 2019/2022 Safari policy change
- Randomized pricing experiment, experiment of product recommendations

- **In-depth modeling and analysis**

- Consumer search, purchase, and learning
- Platform's counterfactual product ranking and user identity prediction

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 - If the concern is about risky sites, shall consumers specify what sites to allow tracking?
 - If legitimate sites can get around the restrictions by ML, so can risky sites?
- **Tradeoff between good and bad use of personal data on the same website?**
 - Personalized ranking/recommendation is beneficial to users, small sellers, and the platform
 - Is it worthwhile to sacrifice these benefits for less personalization in price, targeted

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 - Users that arrive from advertising channels (via third party cookies)
- Can a consumer belong to both samples?
 - For example, a consumer searched on wayfair.com first, then ads reminded her what she searched before on wayfair

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 - First-party-cookie-recognition



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- What is the corresponding real privacy restriction?
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- How could it *benefit* some consumers (page 43 Figure 22b)?
 - “the less information the better” sounds counterintuitive
 - Relative to what?
- How does it address *other* privacy restrictions?

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- Sellers
 - Small/niche seller have to rely more on buying sponsored ad on the platform?
 - Different patterns in entry and exit?

Minor comments

- Experimental results on profit:
 - Table 4 Column 7 suggests that personalization increase profits by 1.5%, but Table 5 Column 4 suggests zero effect on profit, why?
- Potential price endogeneity:
 - Variations from the pricing experiment sound convincing, but exactly how to implement it? Using the experimental price as an IV?
- Random coefficients:
 - Which variables have random coefficients? What is the estimated randomness these coefficients?

Fantastic research!

Amazing job market paper!