FTC Surveillance Pricing 6(b) Study: Research Summaries A Staff Perspective

January 2025

About the Research Summaries: These research summaries highlight FTC staff's initial findings from the agency's Surveillance Pricing 6(b) study underway. This document is designed to showcase ideas and emerging findings, facilitate early engagement and collaboration within the research community, present general learnings in service of increased transparency to the public, and address the timesensitivity of a quickly moving technological landscape.²

Since July 2024, FTC Staff has been working diligently to gather documents, distill information and analysis in real-time, and synthesize information to help the FTC better sharpen its understanding of rapid changes of surveillance pricing in a timely manner. One of the original mandates of the Office of Technology when it was established by the Commission in 2023 was to highlight market trends and emerging technologies that impact the FTC's work by engaging with the public and external stakeholders.

Many fields have a normalized version of a "pre-publication" that enables efficient dissemination of information, distributes broader access to critical work and thinking, encourages feedback and collaboration, and fosters open access to knowledge. This model is especially useful in fast-moving fields. In the technology sector, companies release beta versions of

https://iclr.cc/Conferences/2025/CallForTinyPapers.

applications and prototypes. In science and medicine, there are clinical trial results and protocol papers. In other areas of academia, there are preprints, draft chapters, manuscripts, extended abstracts, and tiny papers.³ The agency also published an interim staff report on pharmacy benefit managers as part of the ongoing 2022 6(b) inquiry.⁴

Context of the Surveillance Pricing 6(b)

Study: Companies that collect or obtain individualized information about their actual or potential customers can potentially use a variety of features to target prices to specific consumers and charge particular groups higher prices or use those features to generate greater profits. In addition to the methods examined as part of this 6(b) study, there are many pricing methods, as well as online targeting techniques,

⁵ that involve
some combination of leveraging information
about a customer or the specific market
, NPR (Mar. 6, 2023),
https://www.npr.org/2024/03/06/1197958433/dynamic-pricing-
grocery-supermarkets; see also Amanda Mull, Inflation is Coming
Down, But Prices Won't Stand Still in 2025, BLOOMBERG (Dec
16, 2024), https://www.bloomberg.com/news/articles/2024-12-
16/dynamic-pricing-is-coming-to-more-product-categories.

¹ Press Release, Fed. Trade Comm'n, FTC Issues Orders to Eight Companies Seeking Information on Surveillance Pricing (July 23, 2024).

https://www.ftc.gov/news-events/news/press-releases/2024/07/ftc-issues-orders-eight-companies-seeking-information-surveillance-pricing

² The views expressed in this document are those of FTC Staff and do not necessarily reflect the views of the Commission or any individual Commissioner.

³ See, e.g., Tiny Papers in 2025, ICLR,

⁴ Press Release, Fed. Trade Comm'n, FTC Releases Interim Staff Report on Prescription Drug Middlemen (July 9, 2024),

Launched in July 2024, the FTC's Surveillance Pricing 6(b) study seeks information about what the orders define as "targeted pricing" and "user segmentation solutions."

As mentioned in the FTC's announcement at the launch of this study, the orders are aimed at "helping the FTC better understand the opaque market for products by third-party intermediaries that claim to use advanced algorithms, artificial intelligence and other technologies with personal information about consumers ... to categorize individuals and set a targeted price for a product or service."

The study aims to catalog the types of data that companies use to fuel their algorithms and where that data is sourced. It also aims to enhance the agency's understanding of what industries, if any, are using these pricing technologies. The study focuses on intermediary firms, the middlemen enabling firms to algorithmically tweak and target their prices. By examining the actors involved, their technical tactics, and the pipelines that enable surveillance pricing, the Commission continues to unpack the effects that surveillance technology has on consumers-including the prices they pay, the products presented to them, and the types of personal data that are used to determine those prices and product offerings.

The Commission has used its Section 6(b) authority for decades to better understand opaque market practices like surveillance pricing. Section 6(b) empowers the Commission to require an entity to file "annual or special ... reports or answers in writing to specific questions" to provide information about the

entity's "organization, business, conduct, practices, management, and relation to other corporations, partnerships, and individuals." 15 U.S.C. § 46(b). The Commission's 6(b) authority also enables it to conduct wide-ranging studies that do not have a specific law enforcement purpose. Section 6(f) authorizes the Commission to "make public from time to time" portions of the information that it obtains, where disclosure would serve the public interest. 15 U.S.C. § 46(f).

The agency will only release information obtained from a 6(b) study as long as it has been aggregated or anonymized as necessary to protect trade secrets and confidential or privileged commercial or financial information. Thus, any information presented in this document has been aggregated or anonymized as necessary to protect trade secrets and confidential or privileged commercial or financial information.

There are limitations to this document. These summaries are limited due to information that is still being gathered to meet the study's structure, scope, and purpose. 9 The summaries do not represent the full breadth of information, degree of nuance, or level of detail with which staff are currently working. The details in this document are not fully representative of the products, data, or industries that could play a role in surveillance pricing. The information shown here reflects what staff has learned since the 6(b) study began gathering information (i.e., July-December 2024) and can be outdated with new information. As research and document retrieval continue, more insights will be gathered. Responses are limited to "solutions" used in

⁷ See also Fed. Trade Comm'n, 6(b) Orders to File Special Report Regarding Surveillance Pricing Involving Intermediary Companies (2024), https://www.ftc.gov/reports/6b-orders-file-special-report-regarding-surveillance-pricing-involving-intermediary-companies
https://www.ftc.gov/reports/fb-orders-file-special-report-regarding-special-report-regarding-special-report-regarding-special-report-regarding-special-report-regarding-special-report-regarding-special-report-regarding-special-report-regarding-special-report-regarding-special-report-regarding-special-report-regarding-special-report-regarding-special-report-regarding-special-report-regarding-special-report-regarding-special-report-regarding-surveillance-pricing-special-report-regarding-special-report-regarding-surveillance-pricing-involving-intermediary-companies
<a href="https://www.ftc.gov/reports/fb-orders-file-special-report-regarding-

⁹ Given the ongoing nature of the study, these summaries are based upon analysis of documents produced by the following 6(b) order respondents: Mastercard, Revionics, Bloomreach, PROS, Accenture, and McKinsey & Co.

¹⁰ Two categories of "Solutions" were defined in the initial order: A "Targeted Pricing Solution," which refers to a product or service

[&]quot;that is used, has been used, or has been marketed for use alone or in combination with other products or services to charge or set prices, or determine quantity and availability for Individual Consumers based on location, purchase history, return history, customer service history, browsing behavior, demographic information, or any other variables." A "User Segmentation Solution" refers to any product or service "that is used, has been used, or has been marketed for use alone or in combination with other products or services to categorize or build profiles associated with Individual Consumers based on location, purchase history, browsing behavior, demographic information, or any other variables." See also Fed. Trade Comm'n, Order To File A Special Report - 6(B) Surveillance Pricing Intermediaries (2024), https://www.ftc.gov/system/files/ftc_gov/pdf/sp6b order surv pricing.pdf.

the United States. Respondents provided varying amounts of information about the solutions they offered and, in some cases, objected to the characterization that the tools they offered were designed or used to set individualized prices for consumers or enable surveillance pricing.

Research Summaries Featured: The structure of this document follows the substance of the specifications in the order template sent to respondents. ¹¹ This includes what staff is learning so far about:

- 1. The types of products and services being offered:
- 2. How these tools work to target prices or segment users;
- 3. The customers and industries involved;
- 4. The data sources and types of data collected to power surveillance pricing products and services;
- 5. The tools' effects on prices, sales, revenue, or consumers.

1. What is staff learning so far about the types of products and services being offered?

Based on the respondents' productions, staff have so far reviewed a variety of tools that use a broad range of approaches for different contexts, such as generalized price setting for brick-and-mortar stores and personalized display and product rankings on ecommerce websites. ¹² Of the tools reviewed, several appear to be designed for use by consumer-facing retailers, while some tools appear to be designed specifically for business-to-business contexts.

¹² Staff is still in the process of understanding the range of available tools and their applications and acknowledges that these may not be fully representative of all potentially relevant tools available on the market. The surveillance pricing tools studied appear to be intended for a spectrum of targeting, from more generalized store-level pricing and promotions to more individually targeted outputs and prices. For example, on the more

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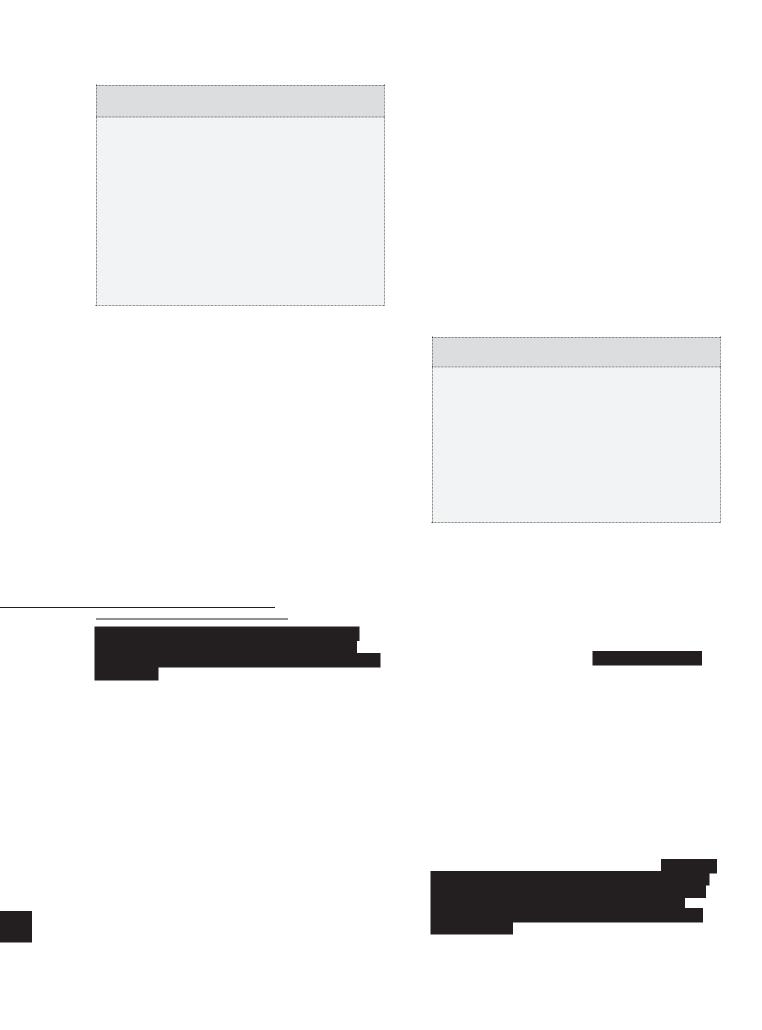
¹¹ See also id.

¹³ Based on the documents produced, the term "affinity" can generally be thought of as a shopper's likelihood of gravitating towards specific products, retailers, or brands. This definition is not necessarily specific to one company or retail vertical, since "affinity" can be measured differently depending on the parties involved in measurement. *See*, *e.g.*, Respondent Document Submission

generate pricing recommendations across a client's entire catalog of offerings and sales channels. ¹⁵



real-time behavioral data associated with a shopper to affect what products are given prominence on a webpage, ²¹ which can mean re or	on ch can me on 8911 (a) impur 04 ase. These tools coulvials optentilly of
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products.⁴⁷ This information can be obtained via web scraping or other means.





