



February 10, 2026

The Honorable Kriselda Valderrama
Chair
House Committee on Economic Matters
Taylor House Office Building, Room 362
6 Bladen Street
Annapolis, MD 21401

**RE: Oppose HB 148 - Consumer Protection and Labor and Employment --
Surveillance-Based Price and Wage Setting -- Prohibition**

Dear Chair Valderrama and members of the committee:

On behalf of Chamber of Progress, a tech industry association supporting public policies to build a society in which all people benefit from technological advances, **I respectfully urge you to oppose HB 148, which would harm consumers in Maryland.**

We share the Legislature's concern about affordability. The cost of living is the top issue facing American families,¹ and we understand the impulse to ensure consumers are getting a fair deal. But HB 148 risks backfiring on the very families it aims to help by eliminating the personalized discounts, digital coupons, and targeted deals that help Maryland families stretch their budgets.

Price targeting is a familiar, widely accepted practice

Terms like "surveillance-based price setting" may arouse concern, but the underlying practice is both common and pro-consumer. Personalized pricing is already part of daily life: students and seniors receive discounts, software costs more for businesses than individuals, insurance companies charge safer drivers less, and colleges vary tuition based on family income or merit. These are all forms of price targeting that use individual data to make goods and services more accessible to a broader range of people.

Economists widely recognize that in industries with high fixed costs and low marginal costs – software, telecommunications, digital services – price targeting is essential. It allows companies to recover investments while serving price-sensitive customers who

¹ Erin Doherty, "New poll paints a grim picture of a nation under financial strain," *POLITICO*, Dec. 10, 2025, <https://www.politico.com/news/2025/12/10/poll-affordability-cost-of-living-00678076>.

might otherwise be priced out of the market.² What is new today is not the principle, but the tools. Algorithms and data make these same inclusive practices easier to scale, allowing businesses to expand discounts to more consumers automatically and more consistently.

In practice, **that looks like a senior on a fixed income who picks her grocery store because its app sends her personalized deals on the items she buys most, or a family that can afford a streaming subscription for their kids because a promotional rate made it possible. These are the consumers personalized pricing serves, and they are the ones HB 148 would hurt.**

When businesses can tailor prices to individual circumstances, price-sensitive consumers gain access to goods and services they might not otherwise afford.³ Without personalization, companies must set a single price point that inevitably excludes some consumers or charges others more than necessary. Banning personalized pricing does not produce a fairer market. It produces a less accessible one.

HB 148 bans pro-consumer practices that deliver real savings to Maryland families

Using customer data to personalize deals, discounts, and shopping experiences delivers real value to consumers, particularly those with fixed budgets. The "surveillance" label mischaracterizes a relationship that consumers enter into willingly. A 2024 survey of more than 10,000 consumers found that 91% are willing to share personal data in exchange for value from brands, with discounts, loyalty points, and exclusive access cited as the top motivators.⁴ These consumers are not unwitting subjects of data collection. They are active participants in an exchange that benefits them directly.

HB 148 would prohibit a wide range of common, pro-consumer practices that Maryland consumers use and benefit from every day:

- *Personalized coupons.* Your grocery store's app sends you a \$2-off coupon for the cereal you buy every week, or a deal on diapers because you have a baby at home.
- *Loyalty rewards.* Your local coffee shop gives you a free drink after ten purchases, or sends you a discount because you haven't visited in a month.
- *Subscription and retention offers.* A streaming service offers you a discounted rate to come back after you cancel, or a meal kit company drops its price to keep you as a subscriber.

² Juan M. Elegido, "The Ethics of Price Discrimination," *Business Ethics Quarterly* 21, no. 4 (October 2011): 636, <https://doi.org/10.5840/beq201121439>.

³ Jerod Coker and Jean-Manuel Izaret, "Progressive Pricing: The Ethical Case for Price Personalization," *Journal of Business Ethics* 173, no. 3 (2021): 387-398, <https://doi.org/10.1007/s10551-020-04545-x>.

⁴ Marigold, "2024 Global Consumer Trends Index" (2024), <https://www.globenewswire.com/en/news-release/2024/01/16/2809582/0/en/Annual-Marigold-Global-Consumer-Trends-Index-Reveals-Need-for-Brands-to-Deliver-on-Data-Privacy-and-Personalization-to-Win-Customer-Loyalty.html>.

- *Delivery and rideshare promotions.* A delivery app sends you a promo code for free delivery because you haven't ordered in a while, or a rideshare app offers a discounted fare on your regular commute.
- *New product introductions.* A new snack brand enters your grocery store and the store sends a coupon to customers who already buy similar products, reaching the shoppers most likely to be interested instead of advertising blindly to everyone.
- *Small business offers.* You favorited a handmade necklace on an online marketplace and the seller sends you a 10% off coupon, or a small clothing brand offers a discount because you've browsed their site before.

Under HB 148's broad definitions, every one of these practices would be prohibited. The bill bans using "surveillance data" in conjunction with an "automated decision system" to offer a "customized price" – but its definitions are so expansive that they capture a wide collection of modern commerce practices. "Surveillance data" includes any data obtained through "observation, inference, or surveillance" of a consumer's behavior or personal information. "Automated decision system" includes any software that assists human decision-making – from a sophisticated pricing algorithm to a basic spreadsheet. The bill does not distinguish between manipulative practices and ordinary, data-driven discounts that consumers know and enjoy.

Targeted promotions also serve an important competitive function. For new brands and smaller businesses trying to break into established markets, personalized offers are among the most effective tools available to reach potential customers and build a customer base. A new grocery brand can use targeted discounts to introduce itself to likely buyers; a local retailer can use promotional pricing to compete against national chains with far larger advertising budgets. Restricting these practices raises barriers to entry and reinforces the market position of large, established incumbents at the expense of the competition that benefits consumers.

Eliminating these practices would come at a real cost. Digital coupons alone save the average household \$1,465 each year,⁵ before even counting the benefits of loyalty programs and targeted promotions. The burden would fall hardest on low-income families, especially those with children, who are among the most active deal-seekers and coupon users.⁶ Personalized deals and targeted discounts help ease the cost-of-living pressures so many families face, making this the wrong moment to strip away these savings tools.

⁵ Elyssa Kirkham, "Study: Skipping Online Coupons Could Cost You \$1,465 Per Year," CouponFollow, last modified May 19, 2021, <https://couponfollow.com/research/coupon-data-study>.

⁶ Stephanie M. Noble et al., "Coupon Clipping by Impoverished Consumers: Linking Demographics, Basket Size, and Coupon Redemption Rates," *International Journal of Research in Marketing* 34, no. 2 (2017): 553-571, <https://doi.org/10.1016/j.ijresmar.2016.08.010>.

HB 148's exemptions concede the value of personalized pricing but fail to protect it in practice

Similar algorithmic pricing bills have been introduced in legislatures across the country, and they have repeatedly stalled or failed to advance. A central reason is the same problem HB 148 faces: **broad bans on personalized pricing inevitably capture the very savings tools that consumers depend on**, and there is no clean way to prohibit "surveillance pricing" without also prohibiting the personalized savings that families rely on.

While we appreciate that HB 148 includes exemptions for cost-based price differentials and uniform category-based discounts, these narrow safe harbors cannot rescue the bill's broad prohibition. Surveys show that 71% of consumers now expect personalized interactions from the companies they buy from, and 76% get frustrated when that doesn't happen.⁷ HB 148's exemptions would strip out exactly this kind of personalization – conceding that some price differentiation delivers value while restricting it in the vast majority of scenarios where consumers actually experience those savings.

The bill provides no exemption for loyalty programs, despite the fact that 70% of consumers say they value them⁸ and about 24% of consumers earning under \$40,000 rely on loyalty programs when choosing where to shop.⁹ Under HB 148, loyalty rewards tied to purchase history – the free coffee after ten purchases, the personalized grocery coupon based on what a family actually buys – would be prohibited because the bill treats purchase history as "surveillance data" and the software that processes it as an "automated decision system." Nor does the bill exempt situations in which a consumer voluntarily shares information with a business for the express purpose of receiving a better deal.

Personalization is what makes many discounts viable in the first place. Businesses offer targeted discounts because offering the same discount to every customer is often unsustainable. Personalized pricing allows retailers to extend savings to the customers a promotion is meant to reach – deal-seekers, new customers, lapsed shoppers – without reducing revenue across every transaction. **If businesses cannot target their promotions, many will simply stop offering them, because a universal discount that serves no strategic purpose is one that most businesses cannot sustain.** That means fewer discounts and less competition for the consumers who need savings most.

⁷ McKinsey & Company, "The Value of Getting Personalization Right—or Wrong—Is Multiplying" (2021), <https://www.mckinsey.com/capabilities/growth-marketing-and-sales/our-insights/the-value-of-getting-personalization-right-or-wrong-is-multiplying>.

⁸ Bobby Stephens and Ramya Murali, *2024 Consumer Loyalty Survey*, Deloitte, Feb. 24, 2025, <https://www.deloitte.com/us/en/services/consulting/articles/brand-loyalty-program-consumer-behavior.html>.

⁹ F. Watty, "Supermarket Choice Due to Membership in Its Loyalty Program in U.S. 2023 by Income," Statista, Jan. 11, 2024, <https://www.statista.com/statistics/1548425/supermarket-choice-due-to-loyalty-program-by-income-us/>.

For these reasons, I respectfully urge you to oppose HB 148. Maryland already has strong consumer protections through the Maryland Consumer Protection Act, and **imposing a blanket pricing restriction that does not exist in neighboring Virginia or the District of Columbia could disadvantage Maryland businesses and raise costs for Maryland consumers.** HB 148 would take away the personalized discounts, digital coupons, and loyalty rewards that Maryland families rely on to make ends meet.

Sincerely,

A handwritten signature in black ink, appearing to read "Brianna January". The signature is fluid and cursive, with the first name "Brianna" written in a larger, more prominent script than the last name "January".

Brianna January
Director of State & Local Government Relations, Northeast US