# Discussion of Korganbekova & Kuber "Balancing User Privacy and Personalization"

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# 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
    - Large-scale 2y field experiment on personalization, and 2019/2022 Safari policy changes
    - 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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- Tradeoff between those who benefit from personalization and those who lose?
  - Who is losing from personalization on Wayfair? Large non-niche sellers?

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  - For example, a consumer searched on wayfair.com first, then ads reminded her what she searched before on wayfair
- Potential implications
  - <mark>A selection effect</mark>: those who react to ad reminders are more eager to buy and less price sensitive ➔ affect the estimates and their interpretation?
  - <mark>A ripple effect:</mark> no personalization on first-party cookies may make it hard to target ads by third-party cookies ➔ affect counterfactuals?

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- How does it address *other* privacy restrictions?

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- Sellers
  - Small/niche sellers 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 in these coefficients?

Fantastic research!

Amazing job market paper!