© Best Version Media

PSYCHOTECHNOLOGY
HOW "PERSONALIZED" SHOULD REALITY BE?

In 2015, I wrote for a tech startup that wanted to give online shoppers the ability to negotiate prices. It was the first ever "Consumer-to-Merchant Negotiation Platform," announced the company in tortured tech-a-lese. It would "Revolutionize the Online Shopping Experience" by allowing people to "create their own deals."

At first, the negotiations were real. Shoppers could submit the price they wanted to pay for a product, and the retailer could accept, decline, or counter.

In theory, negotiations would spare customers and merchants from comparison shopping, the practice of roaming from site to site until you find the lowest price (which is something Google Shopping now caters to). People would just negotiate with their favorite store and pay the price they would have paid elsewhere.

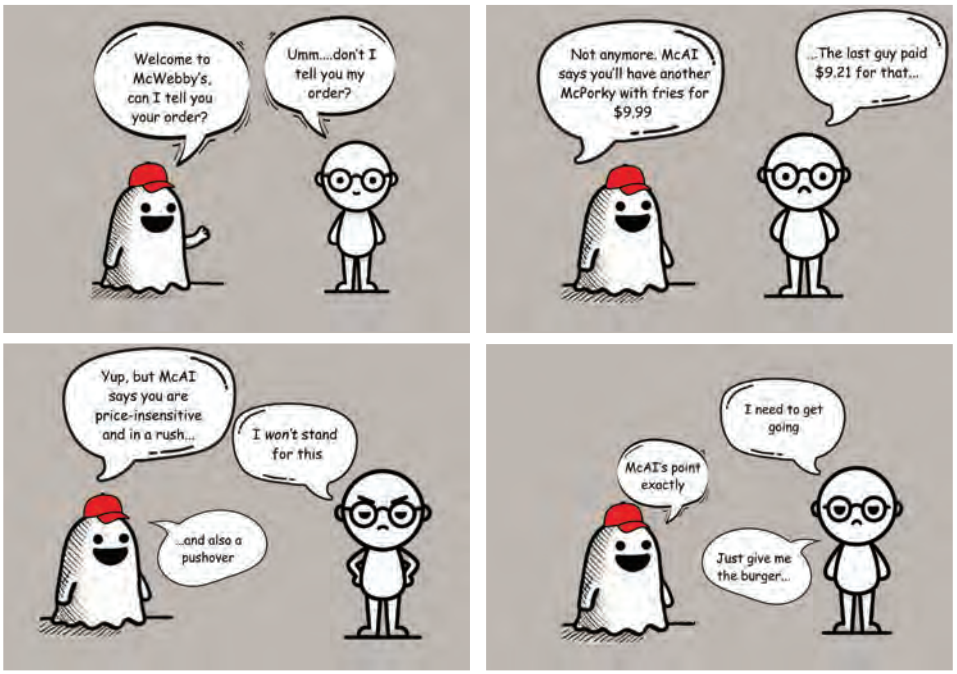
In reality, retailers that aim to generate millions of sales worth billions of dollars have no time to negotiate. So, my client pivoted.

In a press release, we wrote that the company, previously a "B2C portal where every item was negotiable," had "evolved into a sales personalization platform that allows online retailers to individualize discounts in real-time based on product facts and consumer behavior." The release dubbed this startup a forerunner in "psychotechnology," as in psychological technology.

Allow me to translate. Retailers could now use this psychotechnology to experiment on shoppers. A control group would get no offer. A "best practices group" would get the most logical offer, given the performance of past offers. And an "experimental group" would get something special.

That special something could be a price just for you determined by algorithms. So-called "product facts"—like shelf life, demand, and time on the market—along with "consumer behavior"—like your purchase history or browsing behavior on a website (all tracked and measured)—would determine your price.

Or, you could ask the experimental group to negotiate—sort of. The retailer would pre-set a limit for the maximum discount. You, the shopper, would be invited to make an offer, and if it landed within that range, you'd get to buy your product at that price. If you asked for too steep of a discount, however, you'd get a no or an automatic counteroffer. The



illusion of thinking you negotiated would make you feel better about the price you paid.

To retailers—and the investors who poured tens of millions of dollars into this idea and others like it—psychotechnology was brilliant. Their shoppers became the compliant subjects in an unspoken experiment to see how much money could be transferred from their bank accounts to the retailer's.

To be fair, all businesses, online or not, can and do toy with prices. But my client proposed a new kind of marketplace where everyone gets a different price, and no one knows if their price is different, how so, or why. It is neither a free nor controlled market but a mirror market designed to reflect your psychology for someone else's benefit.

Personalizing prices was a crucial step towards creating a different reality for each internet user. Just as retailers wanted to offer a special price, just for you, social media companies wanted to deliver special content, just for you. Similar to your purchase history, your posts, shares, and comments on social media provided more than enough data for the algorithms to deliver whatever would keep you clicking and looking at ads.

Witnessing that progression led me to question the conventional story about polarization on the web. It's not that echo chambers merely pulled us further right or further left. Rather, echo chambers polarize us into more extreme versions of ourselves. Arguably, the early "dumb" web was neutral. It allowed users to compare offerings in a marketplace of ideas, goods, and services without nudging them one way or another.

The personalized web considered all that exploration and independent thinking to be inefficient and therefore detrimental to selling things. It wanted us to maintain a rigid identity and consistent set of preferences for the sake of predictability and profitability.

This algorithmically mediated web had a simple message: "You like that? Have more of it. You like that too? Have even more. Oh, still like that? Take more." On and on.

The days of negotiating for a different price or different reality ended. Attempt to be anonymous—attempt to exempt oneself from the personalized recommendations and offers—and the web will punish you with inconvenience. For instance, try using YouTube logged out, free of recommendations, and notice how hard YouTube will work to make you log back in (for its sake, not yours).

Personally, I don't want a special price or reality just for me. I am plenty myself already and need no reinforcement. Switch off the psychotechnology and let us wander an internet that doesn't try to cater to our every preference, weakness, and illusion. Let us negotiate the complexity.