

Mobile Coupons Pit Convenience Against Privacy For Some Consumers

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Marketers have the opportunity to make trade-offs worth it for users

Mobile coupons are still a niche activity among mobile users, but usage is growing at a fast pace. eMarketer estimates 9.5% of US adult mobile users, or 19.8 million people, will use mobile coupons by the end of this year.

By 2013, 35.6 million mobile owners will have redeemed a mobile coupon or code for either online or offline shopping. Among smartphone users, penetration is even higher, at 19% this year.

A September survey by Prosper Mobile Insights found an even higher rate of usage, at 42.2%, when it asked whether smartphone and tablet users had ever scanned a barcode from their screen or shown a promo code to a cashier.

But respondents were conflicted in their attitude toward mobile coupons with a location-based element. More than two-thirds of respondents said they at least somewhat agreed that they were very convenient and useful. But nearly half also worried about security issues and location tracking.

Mobile privacy and security are hot-button issues for consumers, who realize they carry a significant amount of sensitive information on their mobile devices. The value proposition for mobile location-based coupons is clear to them already: Such coupons would be a very helpful way to push money-saving offers when they're relevant and useful.

But marketers and carriers must work to assuage fears that location tracking is too much to trade off for such convenience.

So far, that trade-off is not too popular. Among survey respondents, just over one-quarter said they preferred to receive mobile coupons automatically when they were near a store. More than 51% would rather get them via email.

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