

# Privacy Concerns Remain For Location-Based Service Users

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Information collected for marketing purposes a source of worry for some consumers

Consumers are taking to the use of location-based services on mobile devices because of the convenience such services offer.

A March 2012 poll of US mobile app users by global security association ISACA found that 58% of those who had smart devices had used location-based apps, compared with only 15% who had not. But users continue to have significant concerns regarding security and privacy issues when using portable devices.

More than half of those polled thought that there was a good balance between the benefits offered by location-based services, and the risks in using them.

But more than one in five thought the risks outweighed any benefits—a sign that brands need to demonstrate that privacy concerns are being addressed, especially if they plan to ramp up mcommerce and geolocation efforts in the near future.

Tellingly, almost one-quarter of respondents said their greatest privacy concern was having their information used for marketing purposes. The same percentage of people named having strangers know too much about their activities as their top worry.

But these concerns are not yet deterring the use of location-based services. About one-third of respondents said they had increased their use of such services over the past year, while another third said their use had stayed about the same.

Only 10% of those polled had reduced their use of geolocation apps or other products.

Privacy worries, if left unaddressed, have the potential to affect already substantial revenues from location-based apps.

The Yankee Group in April estimated that location-based apps would generate \$900 million in revenue by the end of 2012, with that figure reaching \$1.7 billion in 2016.

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