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Personalisation vs. Privacy: Consumer Perceptions of Location-based Advertising

Introduction

The UK is leader in mobile adoption (adoption rose to 72%, up from 67% a year ago [Mintel, June 2014]). Furthermore, the availability of Wi-Fi has increased with an estimated 47.7 million public hotspots worldwide in 2014 translating to one Wi-Fi hotspot for every 11 people in UK (Wakefield: In BBC News, November 2014). The mobile phone has become central to consumers' daily lives, an 'intimate' device that enables them to stay connected anywhere and anytime (Persaud and Azhar, 2012). While UK adults on average, now spend over three hours per day consuming media via mobile (e-Marketer, 2014); at the same time they are discerning. Consumers are becoming increasingly sophisticated and demanding, "...looking for more comfort, fewer problems, lower additional costs and less trouble caused by the use of goods and services ...as they seek for better value (Gronroos, 2010: p.11). One key challenge for marketers is to fully understand how consumers engage with mobile services and how to tailor appropriate strategies towards that (Donovan: In Comscore report, 2013). Key areas of focus in previous mobile marketing research included short message advertising, (Varnali and Toker, 2010); the usage of new apps on the smartphone (Weiss, 2013); user knowledge, privacy concerns and decision making (Smit, Van Noort and Voorveld, 2013; Pescher, Reichhart and Spann, 2014; Xu, Luo, 2011).

This study builds on this body of evidence by taking a different perspective, focusing on LBS (location-based services). While the growth of the mobile device has revolutionized the way consumers communicate and access retail products, the implementation of marketing strategies based on location based services (LBS) is still in its infancy, and yet to gain widespread acceptance (Zhou, 2012; Yu et al, 2010; Weiss, 2013). Vernali and Toker point to inconsistencies and lack of agreement on the importance of location based services adoption. Zhou (2012) discovered the effect of enablers and inhibitors in China, acknowledging that this area of research required further study. In particular, this study focuses on the role of individual characteristics in the adoption of LBA (location-based advertising), identifying the links between perceived value, perceived risk and intention to respond to LBA in the East Midlands area of UK. Furthermore, the research is the first of its kind to be conducted involving a multi-cultural group of respondents.

Tapping successfully into emerging mobile lifestyles

Location based services (LBS) date back to 2001 when location tracking functions were introduced in Japan (Dhar et al., 2011), Ratti and Frenchman (2006, cited in Zhou, 2012) define LBS as comprising a 'set of applications that use the geographical position of a mobile

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device in order to provide services tailored to that information. Typical LBS functions are navigation, emergency evacuation, directory services, and entertainment, LBA and location check-in services (Zhou, 2012; Dhar and Varshney: in ACM report, (May 2011)). In the UK, LBS have been used extensively in the justice system where released prisoners are tagged to monitor their movements (Thomas, Little, Briggs, McInnes, Jones, and Nicholson, 2013). LBA is a fairly new marketing activity falling under the ambit of LBS, whereby users are provided with tailored context and location specific information using wireless technologies (Global Positioning System [GPS], cell-ID and wireless technology [Wi-Fi]; Dhār and Varshney, 2011). Marketers now track their customers in innovative ways, providing new means with which to reach smaller segments with tailored messages based on location (Stewart and Pavlov, 2002; cited in Yousif, 2012) and research points to the increased relevance of mobile advertising where contextual behavioural segmentation can be used effectively (Anderson, 2013).

LBA is forecast to generate £7 billion in revenues by 2017 (O'Malley, 2014: in Media Post) - in part this may be due to services such as retail apps, which have coincided with the emergence of LBA (Shankar, Venkatesh, Hofacker and Naik, 2010). Gartner (2014) predicts that annual application downloads will reach 268.7 billion times by 2017 with an estimated revenue of \$77 billion thus making apps one of the most popular information technology (IT) tools worldwide. The importance of this growth is that most of the apps are free (94.5%) thereby allowing customers to have free access to apps as long as they allow advertisers to reach them with tailored content (Zhou, 2011; Orange, 2011). Sector-specific apps and social platforms such as Foursquare, Shopkick, Gowalla, SCVNGR and Geoloqi now use geofencing to alert customers to promotions near their locality (Zhou, 2012; Orange, 2011). LBA resonates with mobile lifestyles- consumers want to be socially connected; they use the device in versatile ways- a mobile audience insight report by Forrester (2013) indicated that 34% of customers had used their mobile device to research products in-store.

The convergence of LBS technology, tailored apps and mobile device multi-functionality offers marketers the opportunity to tap into this mobile lifestyle by developing more sophisticated mobile-oriented marketing techniques that can empower customers. Mobile phones are a means of social connection (e.g. via social media) and a means of sharing information and shopping experiences (Lopez-Nicolas, Molina-Castillo and Bouwman, 2008). Zhou (2012) observed the effect of enablers such as prior awareness in the adoption of new technology and awareness of mobile oriented advertising has been found to positively influence consumer perceptions of a new service (Persaud et al, 2012; Bauer et al, 2005). In this study, it is therefore suggested that those consumers with some awareness and experience of using mobile oriented services may find it less difficult to adopt LBA. The study will examine whether individuals with awareness of LBA may be more willing to receive LBA.

H₁. There is an association between awareness levels of LBA and the willingness to receive location based advertisements.

Mobile user characteristics and use of search- based services

Previous research has demonstrated the important role played by individual factors such as age and gender (Chu, Lin, Chang and Chen, 2011) in the implementation of innovations (such as LBS and LBA). Where this is relevant to his study is in the emergent data on willingness to adopt LBS across age groups. Weiss (2013), found that 74% of smartphone users (18-30) used their devices to get location oriented information, while a further 18% either 'check in'² using an LBA app or share their location details with friends. A related

² A term used for apps with inbuilt LBS that is activated once users log on – the user 'checks in' to what the LBS may offer.

report by Jiwire (2011; cited in IAB, 2014) stated that a fifth (21%) of 16-24 year olds and 69% of general mobile device users in the UK are willing to share their content and location information so as to receive real-time communications (e.g. current stock levels and weather forecast) on smartphones. Whilst younger consumers lead in the adoption of LBS and LBA (Michael and Salter, 2006; cited in Yousif 2012; Persaud et al, 2012), older consumers are beginning to catch up with the exception of the ‘grey segment’ (over 65s) who lag behind in the adoption of LBS. Mintel, (2014) also noted variations in age, gender and income in patterns of LBA adoption. In terms of gender and income, males (young male adults) with high income responded more to mobile marketing services than females highlighting variations in demographics (Shankar and Balasubramanian, 2009). Past studies suggest that individual characteristics (e.g. age, gender and income) may influence in the adoption of location based advertising. The following hypotheses are therefore put forward:

H₂. There is an association between gender and usage frequency.

H₃. There is an association between age and response to LBA.

H₄: There is an association between income and usage frequency.

Perceived value and perceived risk and link to intention in mobile-oriented search

This study seeks to identify consumer intention to adopt LBA and to examine the customer perception of benefits and or sacrifices involved in LBA adoption. Previous studies (e.g. Weiss, 2013) measured components of benefits and sacrifices using the Technology Acceptance Model (TAM) by Davies (1989), to examine how technology is adopted based on its perceived usefulness and ease of use for the user. Some review and modification of TAM to align with the TRA (Theory of Reasoned Action, Fishbein and Ajzen, 1975) has occurred to draw in prior attitudes and behavioural intention as key determinants of adoption behaviour. The Unified theory of Acceptance and Use of Technology (UTAUT, Zhou, 2012) is the most recent adaptation that combines the (TRA, Fishbein and Ajzen (1975) and TAM, Davies (1989). The UTAUT is relevant to this study as it specifically explores new services, focusing on perceived value (Zhou, 2012). The UTAUT has been credited with effectively addressing contemporary consumer behaviour (Martin and Herrero, 2012; Wu, Tao and Yang, 2007), leading to a useful theoretical framework for analysing the adoption of new IT services (e.g. in banking: Qeisi, 2009; and in location based services: Zhou, 2012) and capturing the behavioural intention of users. Thus the behavioural intention of the user has been examined through the adaptation of the UTAUT to the context of this study.

Varnali et al., (2010) regarded perceived value as comprising benefits such as utilitarian and hedonic values (pleasure or entertainment benefits) that a consumer expects to get in exchange for granting privileged access. Teke, Cengiz, Cetin, Demir, Kirkbir and Fedai (2010), in contrast, considered functional and social dimensions of perceived value. In looking at consumer mobile use, typical examples of utilitarian value include making and or receiving calls, getting information, and finding help in emergencies while hedonic values might relate to uses such as entertainment, relaxation and sociability (Weiss, 2013). At present we might argue that the main source of value in LBS is utilitarian in nature in terms of receiving relevant information. As the studies above show (Yousif 2012; Persaud et al, 2012), young consumers identify potential value in information-based LBS. Typical reasons for receiving mobile advertising are, “direct incentives, exclusive offers...” (Lin and Lu, 2011). At present, in LBA, consumers build value by checking-in to a local shop using an app on their devices or responding to an offer whilst in store or in the local area (Orange, (2011) and receiving ‘on the go’ tailored offers that may save them shopping time. In past research, a strong and consistent relationship has been found between perceived value and purchase intention where the value of participating in mobile-based marketing is perceived to be high

(Olenski: In Forbes, 2013; Mansour, 2012; Persaud and Azhar, 2012). Conversely, where the value is perceived to be low or messages intrusive, consumers may not respond to mobile-based marketing (Persaud and Azhar, 2012). Understanding the degree of perceived value of LBA is important to identify in this study, given that there needs to be 'rapid' recognition of LBA benefits (value) before one actually responds to the specific LBA messages (Strom et al, 2014). However, past studies have not examined the more specific relationship between perceived value of LBA and the intention to respond and this study takes this forward with the following hypothesis:

H₅: Perceived value of selective LBA promotions is associated with consumer intention to respond to LBA.

Despite LBA having the potential to match lifestyles in a tailored way and generate contextualized messages, there are also some perceived risks with LBA (Shankar et al, 2010). The nature of LBA is such that service providers collect fine grained information about users therefore concerns arise regarding how that information is collected, stored and used. Privacy risk refers to potential losses associated with the release of personal information (Zhou, 2012) which in this case could be the release of personal details, purchase history as well as revealing the exact location of the individual. Furthermore, the mobile device is a very personal media – LBA messages can reach the consumer at private moments when they prefer not to be contacted (Pescher et al., 2014) and consumer concern exists regarding such intrusion. A recent survey concluded that 49% of consumers were happy to receive relevant information (IAB, 2014) but the majority (58%) were concerned about LBA intrusiveness. Extant research has examined the effect of privacy and online-coping behaviours (Smit et al., 2014; Venkatesh, 2000) and observed some variations in privacy concerns based on segments. Older respondents worried more about their privacy than younger respondents and were therefore negative about online advertising (Smit et al., 2014). In terms of LBA, no past study has examined perceived risk and how it may relate to intention to respond- this study takes this further with the following hypothesis:

H₆: Perceived risk of selective LBA promotions is associated with consumer intention to respond to LBA.

Methodology

Kelemen and Rumens (2008; cited in Saunders et al, 2012) credit the mixed method approach for enabling the collection of 'credible, well- founded, reliable and relevant data that can add value to the research' Most extant studies on LBS have used surveys (Mir et al., 2011; Zhou, 2012; Yousif, 2012) - this study complements the quantitative survey with an initial qualitative phase (focus groups) - a mixed method approach is credited with overcoming the weaknesses inherent in one method (Aaker, Kumar, Day and Leon, 2011); with offering more refined results and some triangulation of data (Denscombe 2007; Lacobucci, Gilbert and Churchill, 2010). Three mini focus groups were undertaken, comprising four respondents in each group, using a purposive sampling method to capture varying prior awareness and experience of LBA, and variation in age (19-45) and gender. The focus groups lasted on average 30-40 minutes, offered some rich insights into awareness levels, adoption and use of mobile content and perception of value and risk that then informed the subsequent survey. The flexibility of the focus group method (Creswell, 2011) and the use of visual exhibits demonstrating LBA enabled this. All interviews were transcribed and a three stage content analysis followed, as noted by Goulding (2002). In the second phase of data collection, a survey was chosen: key dimensions in the questionnaire (awareness, knowledge and beliefs, motivation and preferences) were informed by previous literature on mobile-based marketing

(Carroll et al., 2005; Persaud et al., 2012 and Yousif, 2012, etc.). A non-probability sample of the residents of one UK city³, based on selected respondents who closely represented the characteristics of the target population (Chisnall, 2011) for LBA. Mintel (2014) identified that the most likely adopters of mobile marketing and LBS are males aged 19-30 years. Following piloting to ensure validity, the final amended questionnaires were distributed face to face (on university campus, in town centre) over a two week period. A total of 132 respondents were approached and 98 fully completed questionnaires were gathered leaving a 74% response rate. The survey was analysed using SPSS (Greasley, 2008) and cross tabulations and chi-square tests were carried out on the data.

Research Findings

Awareness and Attitudes towards LBA

Survey results indicated a general lack of knowledge and awareness of LBA applications- the majority of respondents (50%) were not aware of receiving any location oriented advertisements and only 23% had used Facebook Places. This pattern is also supported by focus group results, where respondents appeared to have no prior awareness of LBA. *“No, I don’t have any experience, I think this is the first time I have heard about it...”* [AWE, K&E: R3, female postgraduate international student, entrepreneur aged 35-40, FG 2]. *“Umm if you can explain a bit more... so is it a-ah, is it something you that you subscribe to receive a-ah or...”* [AWE: R5, male aged 26-20, self-employed, FG 2]. (See Appendix 2). The findings are in line with literature (Zhou, 2012; Yu et al., 2012; Weiss, 2013) pointing to a general lack of awareness of LBA amongst respondents. Further probing revealed some remote encounters with LBA, with some respondents unconsciously narrating experiences of apps related to location services: *“So for me, I don’t think there is a way I can find out it is location based, the last adverts I remember, I have seen, I think it was e-eh, embedded under the app and it was e-eh an advertisement from Google Chrome.”* [X, male aged 30-40, self-employed technology addict, FG 1]. Since awareness was regarded as potentially important to subsequent behavioural intention to adopt LBA, a test of association was carried for H₁. Chi-Square tests could not prove an association between awareness and the willingness to receive LBA (P= .789, see Table 1 (a), Appendix 1), leading to the rejection of the hypothesis.

Perceived Risk, Perceived Value and intention to respond to LBA

Perceived risk is thought to influence consumers’ decisions to respond to LBA. In the survey, 56.8% of respondent’s feared exposure to spam through LBA and only 5% expressed a willingness to receive such adverts despite the perceived risk. Nonetheless, the Chi-Square test showed no association between perceived risk and intention to respond to LBA (P=.886, see Table 1(c), Appendix 1), therefore H₆ was rejected. Results from focus groups revealed mixed feelings and some scepticism about LBA: *“...the moment I get adverts which say like free, which is one of freebies, to me it looks suspicious, ... there a catch to it ...psychological marketing”* [FEB: Y, female student aged 20-25, FG1] *“...is a misuse of technology especially, especially social network platforms...they are able to detect from another app.” It.”* [FG2]. One key finding from the focus groups was concern with privacy, with some participants indicating concern over intrusion in messages that they received: *“...how safe are these things because, you wanna have that privacy...you wanna subscribe to these things ... then they know where you are... you get a text this morning, the Cash lady then in the evening Cash lady, it gets too much!”* [RPI: R6, male aged 26-30, self-employed, FG2]. (See Appendix 2).

³ A highly multi-cultural city that offers a rich source of mixed experiences and preferences from respondents.

Most focus groups members appeared to be willing to receive tailored offers (e.g. clothing, restaurants and hotels) to which they could selectively subscribe: “...want to receive ...information on ahh probably restaurants, maybe sales, like clothing sales and ahh maybe holidays as well ... I don't want just anything...?” [PREF, MPO1: R5, male aged 26-20, self-employed Mini 2]. The value of LBA was perceived as a reduction in search costs when relevant advertisements could be delivered, thus a strong link between relevance of message and intention emerged: “Yeah as long as they are relevant I don't have any problem...” [INTR: R1, male student aged 30-40, Mini 1]. (See Appendix 2). However, more mixed results emerged in the survey in terms of perceived value. In the survey findings, in examining the cross tabulation between preference for exclusive offers and intention to respond to LBA, only 20% of those who preferred exclusive offers either agreed or strongly agreed that they intended to respond to such offers. Nonetheless, the Chi-square test result for H5 showed that there was an association between perceived value and intention to respond to LBA promotions ($P = .000$, see Table 1 (b), Appendix 1). It appeared from these results that selective LBA promotions could incentivize some consumers to respond to LBA. In terms of individual factors, gender seemed to be associated with consumer response, as noted in the apparent association between gender and usage frequency for H2 ($P = .000$, see Table 1 (d), Appendix 2), whilst hypotheses for other individual characteristics were rejected. This contradicts to some extent the patterns noted in Megdadi and Nusair, (2011), cited in Yousif, in terms of age variations evident in the adoption of LBS.

Discussion and Implications for Marketers

Of the five hypothesis, only two, H2 and H5 were statistically significant, whilst H1, H3, H4 and H6 were not significant (see Appendix 1). Three are noteworthy – first, the lack of association between awareness and willingness to respond to LBA echoes the findings of Bauer, Reichardt, Barnes, and Neumann (2005; cited in Varnali et al, 2010), who also concluded that prior knowledge had little effect in driving attitudes towards mobile-based advertising but it contradicts the findings of Zhou (2012). However, the interviews demonstrated interest in tailored LBA. Second, with regard to perceived value, the positive association between perceived value and intention to respond to LBA was perhaps not surprising given that Venkatesh et al., (2010) reported that perceived value was a strong predictor in intention to use emerging LBS services. Third, variation in response across gender reinforces the Mintel (2014) data indicating males to be clearer targets for LBA.

In terms of marketing implications, LBA promotions that are perceived to be relevant can incentivize consumers to respond - opt-in approaches are favoured - marketers may therefore invest in opt-in LBA message approaches. Marketers may develop unique LBA apps with strong personalization that may be tailored for specific gender groups (see interviews in Appendix 2). Smartphones are equipped with wireless capabilities where communication can be customised in real time based on time, location and personal profiles of consumers (Figge, 2004). At present, we may see the value as being largely utilitarian- relating to information-based LBA that the user may then act upon, we can imagine, in the future, more hedonic value emerging that captures more interactive, user-initiated LBS experiences. Overall, personalization appears to be a key factor in generating positive intention to respond to location based advertising.

In relation to H5, privacy concerns regarding LBA emerged in the focus groups, suggesting some unwillingness to engage with LBA. These patterns reinforce previous findings (Varnali et al, 2010, Tanakinjal et al, 2010: p. 148) which highlighted similar concerns “...worries of intrusion into ones private space ...reluctant to trust mobile marketing... perceived risk...” For

marketers, these patterns echo the assertion by Tanakinjal et al., (2007) that “service providers.... in the permission-based mobile marketing industry must first acquire customers’ trust by assuring them that privacy will be protected, and that information will be relevant”. However, the survey results (H6) did not confirm this pattern and this suggests further research may be necessary to investigate the nature of perceived risk more fully. Some complementary findings have arisen due to triangulation of data (Denscombe 2007), thus suggesting that further in-depth research into the motives of undecided consumers could assist marketers in knowing how specific LBA approaches may be effectively tailored. As location-based services continue to increase in sophistication, there is a need for more theoretical models that offer good explanatory potential (Pardamean, and Susanto, 2012) to understand consumer response further.

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Appendix 1: Key Findings from quantitative survey

Table 1 (a): Association between awareness levels and willingness to receive LBA

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	1.708 ^a	4	.789
Likelihood Ratio	1.664	4	.797
Linear-by-Linear Association	.378	1	.539
N of Valid Cases	85		

a. 5 cells (50.0%) have expected count less than 5. The minimum expected count is .56.

Test results show a negative association ($P=.789$ at significant level of 0.5) between awareness levels and willingness to receive LBA.

Table 1 (b): Association between perceived value and intention to respond to LBA

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	45.960 ^a	16	.000
Likelihood Ratio	39.723	16	.001
Linear-by-Linear Association	8.333	1	.004
N of Valid Cases	87		

a. 19 cells (78.0%) have expected count less than 5. The minimum expected count is .46.

Test results show a positive association ($P=.000$, at a significant level of 0.05) showing that offers influence consumers' intention to respond to LBA.

Table (c): Association between perceived risk and intention to respond to LBA

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	.243 ^a	2	.886
Likelihood Ratio	.243	2	.885
Linear-by-Linear Association	.182	1	.670
N of Valid Cases	88		

a. 1 cells (16.7%) have expected count less than 5. The minimum expected count is 3.89.

The Chi-Square results (see Table 28) indicate a p-value of .886 which is greater than the accepted significance level of 5%. The hypothesis (H_6) is rejected; perceived risk does not affect consumers' intention to respond to LBA.

Table (d): Association between gender and daily usage

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	19.046 ^a	3	.000
Likelihood Ratio	20.135	3	.000
Linear-by-Linear Association	14.695	1	.000
N of Valid Cases	90		

a. 1 cells (12.5%) have expected count less than 5. The minimum expected count is 4.67.

Test results show a positive association ($p=0.000$), at a significant level of 0.05) between gender and daily usage.

Table (e): Association test between annual Income and Usage Frequency

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	14.893 ^a	15	.459
Likelihood Ratio	16.852	15	.328
Linear-by-Linear Association	4.127	1	.042
N of Valid Cases	89		

a. 18 cells (75.0%) have expected count less than 5. The minimum expected count is .61.

The Chi-Square test shows a p-value of .459, which is greater than the adapted significance level of 5%. The hypothesis is therefore rejected; there is no association between levels of income and response to LBA.

Appendix 2: Key findings from qualitative interviews

Perceived value of LBA	Perceived risk of LBA	Implications for LBA Marketers
<p>“...I think it’s something really a-ah good, because a-ah, it will identify you according to your location..best way to e-eh serve your own interest Mainly through ‘apps’, yeh, with iPhone, I think you will receive adverts under the app... especially when the app is a-ah free app.” [FEG, FEB: X, self-employed technology addict, Pilot]</p> <p>I use Groupon a lot; it’s a helpful thing for me, as I am an international student I don’t know the places around. So maybe saloons and restaurants, so getting an offer on each service around it’s a very good thing...” [FEG: R2, female international postgraduate student aged 20-25, Mini 1]</p> <p>...”want to receive information on ahh probably restaurants...sales, like clothing sales and ahh maybe holidays as well, that is ..., I don’t want just anything, sort of if they give me options like what type of advertisements; is it sort of sales on clothes or sales on food, or sales on hotels...?” [PREF, MPO1: R5, male aged 26-20, self-employed Mini 2]</p> <p>“Well if you really don’t know the place around like the restaurants or salons around your place, location based advertising will be great... to know the places around well, what are their offers ...so rather than just having prejudice. You can have actually a view of what services they offer or if they have any special coupons or something, that’s another advantage... Information and reviews also.” [MIOS, MPC: R2, female international postgraduate student aged 20-25, Mini 1]</p>	<p>“My question would be how safe are these things because, you wanna have that privacy...Yeah, they affect in a way like I was saying you get a text this morning, the Cash lady then in the evening Cash lady, in the morning again Cash lad, it gets too much!” [RP1: R6, male aged 26-30, self-employed, Mini 2]</p> <p>“E-eh personally, I personally to be honest, I hate adverts... Because like to me, they are like intrusion to what I am doing. I wanna do something else, an advert appears, pops up, I don’t like... [FEG, FEB: X, self-employed technology addict, Pilot]</p> <p>“I think my only problem with location based advertising is permission, they are supposed to ask my permission before they send an advert but most of, should I call them dodgy companies, they don’t, they don’t do that you just find an advert come on your phone. When for example its’ a text message then you start asking yourself, why how did they even get my number, who gave them the permission to text me, you see. So you feel like it’s not...” [BFSP, RP: R1, male student aged 30-40, Mini 1]</p> <p>R6: My question would be how safe are these things because, you wanna have that privacy. Because if you say you wanna subscribe to these things then they know where you are. You know you don’t want that sometimes...[RP, Female student aged 30-40]</p>	<p>There is need to provide clear privacy policies on the use of personal data as well as opt-in options for consumers. The amount of adverts sent also need monitoring and the inclusion of a feedback option on the advert to avoid over targeting.</p> <p>Personalization is key, so that consumers are provided with offers and services that match their needs. Information from previous purchases, surveys and tracking software can assist in this regard to reach consumers with offers perceived to be relevant that can incentivize consumers to use LBA.</p> <p>Respondents appear to like subscription or opt-in approaches- marketers may therefore meet less resistance to LBA by using opt-in or subscription messages Where permission is sought and agreed, consumers will freely give up information in exchange for perceived benefits.</p> <p>Consumers are more comfortable with location services offering utilitarian value (e.g. information services, and navigation). To be successful therefore, marketers need to build clear value propositions and position their location advertisements as convenient solutions to utilitarian needs.</p> <p>Review and feedback options as part of a LBA services may attract consumers who can go on to generate awareness about the firm as well as generating their own content (user generated content).</p>

