

# As Web privacy concerns rise, Foursquare tries to carve a niche

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Now you can ping your friends to get together at a restaurant or bar. Or just shout at them.

They can find you through the [global-positioning system](#) (GPS) chips in your smart phone if you've logged on to the Foursquare social network and "checked in" at a local business location. On Foursquare, a ping is a brief "I'm here" message, while a shout is a [text message](#).

"I've got about 150 friends and mutual acquaintances on the service," said Shawn Horton, 24, of St. Paul, Minn., a dedicated user of social media. "You just let your GPS phone say 'I'm here.' "

But New York-based Foursquare, a hot new social network that claims 1.5 million users nationwide who can locate each other whenever they want, is also a nascent [cell phone advertising](#) company -- albeit one without a discernible business model so far.

With consumers "checking in" via Foursquare at businesses such as participating restaurants and bars, they become accessible to both friends and advertisers. Foursquare sends to their cell phones a list of nearby businesses, including other restaurants or bars that are offering specials on food or drinks. Each business has a page on Foursquare that includes a list of Foursquare users who have checked-in there and consumer reviews of the businesses. So far it's free advertising for bars, restaurants and the like, although some suspect the rapidly growing Foursquare will charge them fees at some point.

But for now the Foursquare service looks democratic.

"Participants are able to share their whereabouts with friends, and it benefits the venues insofar as it's a very cheap way to market," Horton said.

In addition, Foursquare sets the privacy bar high. It lets consumers limit sharing their locations with only verified friends but gives them the option of sharing more broadly through connections to social networks Facebook or [Twitter](#).

But believing that Foursquare information is really private may be a leap of faith for those already wary because of Facebook's shifting privacy policies and its users' confusion over what private information they were authorizing to be shared. No one knows if the Facebook controversy will dampen the growth of [social networking](#).

So, is this the new face of advertising?

Maybe. Cell phone advertising has long been considered the next big thing, but the question was always how it would work. Sending text messages or e-mails to cell phones could be construed as spam or just annoying. Beaming electronic coupons to phones as consumers walked past a retailer was technically difficult because not all [smart phones](#) work the same way. And for some people, just the idea is eerily Big Brother-like.

So Foursquare uses a more time-tested method: persuasion. Rather than pursue consumers, it lures them in to its website with the promise of getting free merchandise once their cell phone GPS chips "prove" they are "checked in" at a restaurant or bar offering a Foursquare special. In addition, visiting a retailer more often than anyone else allows a consumer to earn the Foursquare title of "mayor" of that business. Being

mayor also has its rewards; Starbucks locations offer their Foursquare mayor \$1 off on a Frappuccino.

Foursquare also offers consumers electronic merit badges, which have no value except bragging rights, such as the "Warhol" badge for frequenting an art gallery. The Barrio Tequila Bar in St. Paul recently e-mailed frequent patrons that it was sponsoring a Foursquare event -- if 50 consumers "checked-in" at the bar on Foursquare within a three-hour period, all could earn their "swarm badge" from Foursquare. During the World Cup soccer match, Foursquare offered a Super Fan badge to people watching the televised game at certain retail locations.

Whether the silliness will translate to cold, hard revenue remains to be seen. The service has attracted users, but its business model remains unclear. So far, it seems to have an early advantage. Although there are other national location-based social networking services, including Gowalla, BrightKite, Loopt and Google Latitude, Foursquare is the most popular based on published number of users. No one outside Foursquare knows how many users there are in the Twin Cities, but estimates range up to a few thousand.

Executives of the privately owned company didn't respond to a request for an interview.

But Twin Cities users generally like the Foursquare service.

"Foursquare just kind of brings people to the area," said Mark Latz, manager of the Barrio Tequila Bar. "Some come just for the special of the day, while others spend more. It's a risk restaurants take. We don't win all the time, but, hey, at least we got people in here."

Other merchants agree.

"Participating with Foursquare is just an added incentive for people to patronize your restaurant," said Josh Thoma, manager of Minneapolis restaurant Solera. "If you're the Foursquare mayor of Solera, you get a free drink and snack, and bragging rights for being mayor. But so far, I can't measure any increase in business."

Graham Martin, 29, a private practice attorney with an office in Minneapolis, also uses the service.

"When you're out and about, Foursquare gives you a list of everything that's nearby," he said. "My office is in a pretty populated area, and it's my hope that people who come by will notice I'm there. It's free advertising."

But so far Foursquare is far from being the next [Facebook](#) or Twitter, and local marketing firms are trying to decide what to make of it.

"We're just trying to see if our retail clients want to invest the time in this," said Elizabeth Pavlica, 29, of Minneapolis, who is the director of social media at Minneapolis public relations firm Evans Larson Communications. "And we have to see if Foursquare will catch on. Of the friends I spend time with, none are on Foursquare, and when I try to explain it I get a blank stare. Most of our clients aren't savvy about it, either. So right now, Foursquare is more of marketing experiment for me."

Some think Foursquare is attractive partly because it has a stricter privacy rules than some other social networking services.

Nicky Stein-Grohs, 26, of Minneapolis, said she likes the Foursquare policy that it shares her location only with verified friends. As a result, she has declined to use a Foursquare option that would post her Foursquare check-ins on social networking site Twitter, where a wider

variety of people would see them.

"It's a little creepy to let the world know where you are all the time," Stein-Grohs said.

Others are philosophical about giving up some privacy for the fun of using services such as Foursquare.

"It's like everything in our digital lives -- you have to be careful," said Matt Woestehoff, 28, of Richfield, Minn. But he's pretty sure it's too late to safeguard much of his privacy. "I'm sure you could find out more about me online than you would by talking to me."

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