

Mobile ads boom raises privacy concerns

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The Verizon version of the Apple iPhone is displayed on January 11. A boom in mobile adverts that can target individual smartphone and tablet users is raising deep concerns over the protection of private data, industry leaders say.

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Mobile advertising is growing fast in tandem with sales of smartphone and tablets.

The vast majority of these devices now are equipped with Internet browsers, which allow firms to offer advertisements that dovetail with users' viewing habits.

The interest in smartphones is to have the "content in context,"

delivering content to the right people and the right place, Yahoo! chief executive Carol Bertz said at the mobile industry's annual congress in Barcelona.

"At Yahoo, we consider ads also as great content," she added, while demonstrating how sites dedicated to sport, for example, could be accompanied by [video ads](#) for a major US basketball brand.

Swedish research institute Berg Insight estimated in a December report that [mobile marketing](#) and advertising sales would grow from \$1.72 billion to \$13.5 billion (1.3 billion euros to 10 billion euros) between 2009 and 2015.

Mobile handsets and networks are getting increasingly advanced, most people now have one and they keep them within reach and switched on, Berg Insight said.

"The personal nature of the devices makes it possible to deliver messages which are highly relevant for the recipient, taking into consideration demographics, interests, habits and other preferences."

For advertisers, smartphones have a unique interest because they are personal devices, delivering a higher rate of return than ads on other media, said Mohssen Toumi of US-based management consultancy booz&co.

The interactive nature of smartphones and the ability to locate them geographically only adds to the attraction.

Legal constraints on the treatment of personal data "are not very high" Toumi noted.

"In 2010 it happened, the market took off," said Moktar Bouchelaghem,

head of Sofialys, which is touting its mobile advertising solutions at the congress here.

The [mobile advertising](#) audience is bigger because it is controlled by the Internet, not just mobile operators, he said.

"The operators are still present but they don't control the audience alone," Bouchelaghem said, adding that advertisers can now deal with publicity firms that have considerable mobile Internet audiences.

"One of the great strengths of mobile is its capacity to individualise the message," he said.

In the United States as in Europe, the authorities are debating what businesses should and should not be allowed to do.

It is important to make a difference between truly private information regarding the family, for example, and data that should be shared such as medical information in a traffic accident, said Qualcomm chief executive Paul Jacobs.

But for Mihir Shah, vice president of discount purchasing site Groupon, the matter is relatively simple.

"We only use the data you give us," he said. "It's so much easier for us; the more information you give us, the better our service is."

Mobile operators have a greater responsibility because they have a lot more personal information about their customers, said Tanya Field, head of mobile data at Spanish giant Telefonica.

"We need to do a better job," she said.

"If you don't offer the options to protect the consumer through self regulation, you will have imposed regulation."

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