



the economics of privacy from a location-based services perspective

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AKA'AKI

My background

Co-founded two companies that
couldn't be more different



Privacy and data
security software
since 1997



Location based
social network
since 2007

aka-aki mobile social network



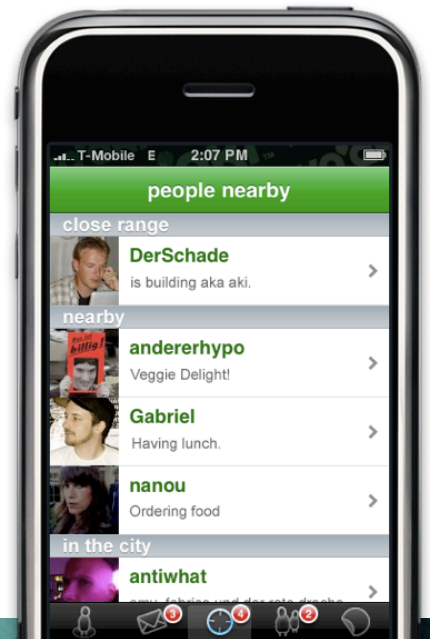
Founded in 2007 in Berlin

A playful approach to find new friends

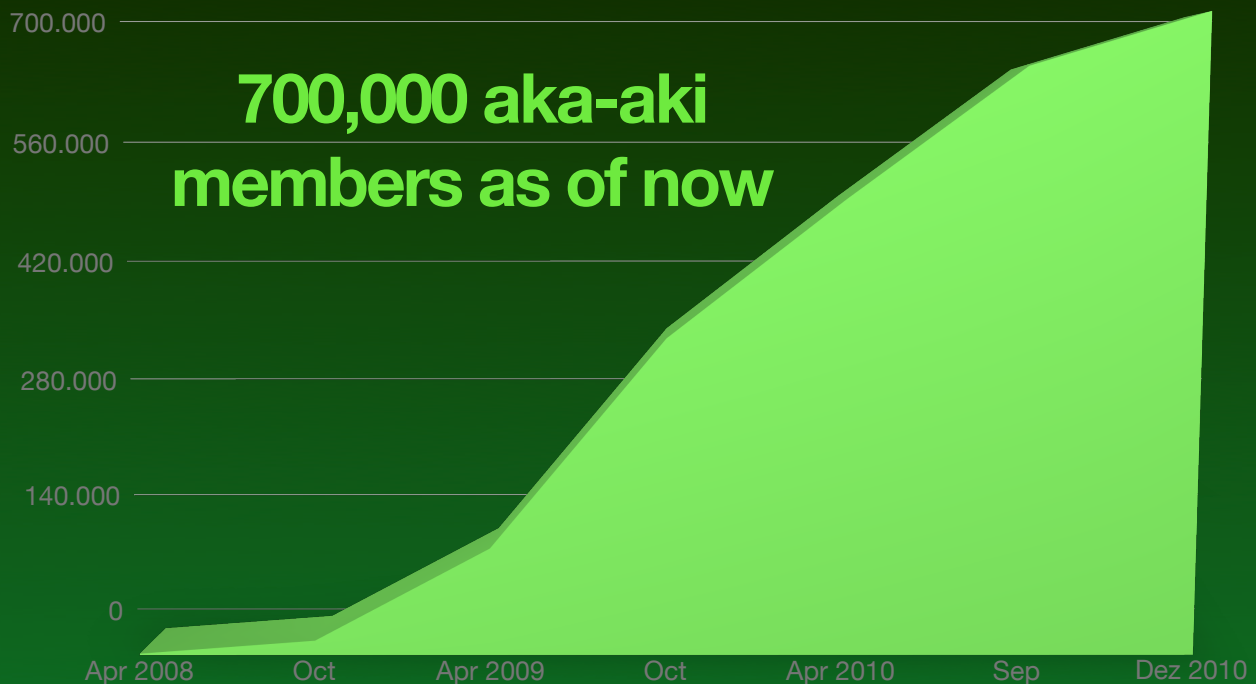
When two members meet, their phones ring and show their mutual interests

Most members in France and Germany

Ad-funded: Up to 30 million ad req. monthly feat. Intel, Deutsche Telekom, Google, Mazda, Becks, Deutsche Post



700,000 aka-aki members as of now



aka-aki is extremely privacy-aware

- aka-aki is the most privacy-conscious mobile social network in Europe
- No maps
- No absolute location
- Reduced precision of location data
- We delete location data after 7 days
- Usage of pseudonyms, no need to enter phone numbers
- We hash log files after 24 hours
- Profiles cannot be accessed by search engines

Keeping it simple with privacy

- We only offer very basic privacy settings
- Sharing of relative and imprecise location with everyone, my friends, or nobody
- We don't believe in grouping users or configuration hell:
We offer a consumer product
- We think privacy is about knowledge and trust, so users have to know which data we gather and what we do with it
- Offering too much ways to control and configure scares users away, enhances complexity and leads to bad usability

Privacy and the future of LBS

- The most exciting features rely on location data analysis
- Location and movement data contains extremely interesting and valuable information
- Today we match people by their interests
- But if we wanted to match them by the locations they prefer, we'd need to keep location data of our users
- We'd need to save data for a longer time
- If we wanted to offer third party APIs, we'd need to keep location data

aka-aki is the most privacy-aware location-based social network in Europe.

But current regulations limit our creativity.

And limiting creativity is limiting growth.

Privacy issues for aka-aki are location issues. Data protection authorities don't want people to share their location.
But our users want to.

Get real. Privacy is about being transparent about what you do with your customers data. **It's not about protecting users from themselves.**

The issues are here today

- Law enforcement goals and data protection goals interfere - and we're right in the middle
- aka-aki is ad-funded, so we need to display the best possible ads
- When handing over location data to ad networks, we have to cripple user location
- We are allowed to hand over anonymous location data, but zip only!
- We may not hand over unique device IDs to prevent the same ads from showing up again and again
- And while we are discussing if and how to do it, Google Latitude just DOES it

Where this is leading

- This was just describing the situation in Germany
- Web 2.0 companies relocate to the Netherlands or Romania
- European companies will be outfeatured by US competitors:
 - Google Latitude
 - Facebook Places
 - twitter
- How did these companies get their huge market share?
 - One reason: The US let users decide if they trust a service
 - Consumers decide by using products

Embrace the future

- Geolocation will not go away
- Location sharing and analysis will happen, if not in Europe, then in the US
- It must be made easier for innovative companies to experiment with new offers
- Remember the introduction of Caller ID? What was once regarded a threat to privacy is now a giant relief to everyone getting calls.



thank you.

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