

Trustworthy Computing

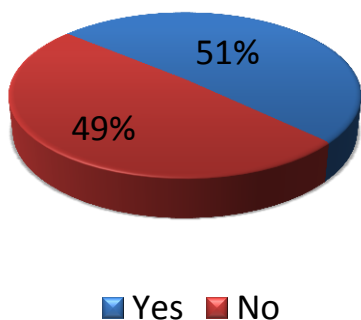
Location-Based Services are Poised for Growth

Give users more control to help reduce concerns

Consumers say they are most concerned about sharing their location with people or organizations they have not specified (87%), followed by sharing their location without consent (84%), having personal information or identity stolen (84%) and overall loss of privacy (83%). However, perceptions of the risks decline while perceptions of value increase after consumers begin using location-based services. Consumers feel more comfortable if they are given control over who has their location information and how that information is used.

- 49% would be more comfortable with location-based services if they can easily and clearly manage who sees their location information (US 55%, UK 50%, Germany 51%, Canada 36%, Japan 51%).
- 62% say they are aware of and 38% are familiar with location-based services. 51% report having ever used a location-based service (US 50%, UK 43%, Germany 47%, Canada 59%, Japan 57%). Only 18% report using a location-based service for location sharing with other people.
- Adoption of location-based services is being driven primarily by young men 18-34 regardless of geography.
- 94% of those who use location-based services consider them valuable (US 99%, UK 97%, Germany 92%, Canada 88%, Japan 97%). “Practical” services like GPS, weather alerts, traffic updates and finding restaurants are most commonly used.
- 66% prefer using free location-based service applications. The average amount consumers are willing to pay is less than \$10 in each country studied.
- Japan and the U.S rank first or second in usage for nearly all location-based services tested. Concern about location-based services is highest in the U.S and lowest in Japan. Japan’s longer tenure with location-based services may help explain why concern is lowest.

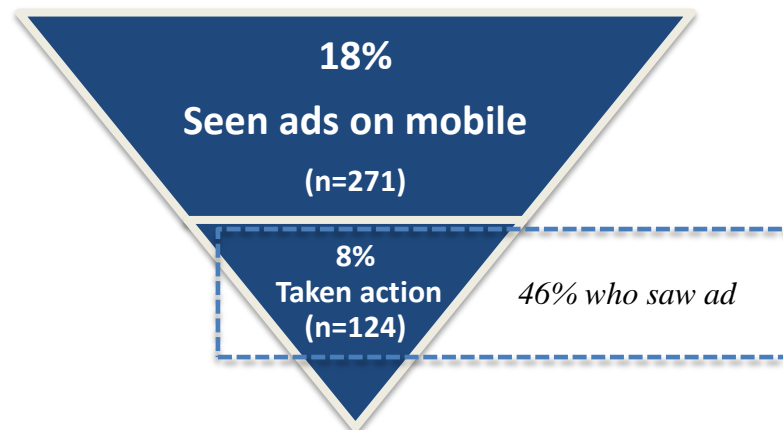
Half report using LBS



Services used	Total
Base	771
GPS navigation	70%
Weather alerts	46%
Traffic updates	38%
Restaurant info/reviews	38%
Locating the nearest convenience services (gas, coffee shops, etc.)	36%
Shopping/coupons (special offers)	33%
Find nearest ATM	26%
Get movie show times	22%
Local news	20%
Social networking	18%
Gaming	10%
Geo-tagging photos	6%
Enhanced 911	5%
Locating your children	3%
Other	6%

Geolocation based retail ads motivate consumers to take action

18% of consumers claim to have seen a retail ad based on their location (US 22%, UK 14%, Germany 14%, Canada 18%, Japan 24%). Nearly half (46%) of these consumers have taken some type of action based on exposure to the ads. Actions taken include redeeming the coupon offered, or visiting the store. 80% consider these types of services very or somewhat valuable. However, this does vary significantly by country (US 88%, UK 83%, Germany 71%, Canada 70%, Japan 83%).



A promising future

New innovations typically enjoy increased rates of market adoption once penetration reaches 20%-30%. Location-based services appear to be in this range of penetration where 24% of consumers who are aware of and familiar with location-based services say they've used them. The higher stated figure of 51% having ever used location-based services may be overstated since a significant percentage (77%) of those who are unfamiliar with such services claim they have used them. Strong concerns about privacy and the higher usage of "practical" applications also suggest a market that is relatively early in its development. The location-based service adoption curve may follow a similar path as ATMs and online banking where privacy and security concerns were also strong in the beginning. Confidence in these innovations accelerated only after the activity was proven safe over repeated use.

Look for Japan and the U.S to continue their leadership in adoption of location-based services.

- Highest usage of GPS (Japan 76%, U.S 65%)
- Highest frequency of usage¹ (U.S 54%, Japan 42%)
- Highest "valuable" rating (U.S 99%, Japan 97%)
- Highest usage of location-based services for shopping/coupons (Japan 58%, U.S 33%)
- Highest willingness to pay at least \$10/1000 Yen (U.S 27%, Japan 27%)
- Highest likelihood to take action after seeing geolocation ad (U.S 55%, Japan 48%)
- Highest "valuable" rating on geolocation ads (U.S 88%, Japan 83%)

The UK and Germany are not far behind on the adoption curve but Canada appears to be lowest on that curve among these countries.

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¹ Used services that determine your location to provide you more information about where you are