Future of Privacy Forum Survey Finds Free Mobile Apps Better than Paid on Privacy Policies

Apps supported by advertising and tracking twice as likely to have privacy policies as paid apps

Washington, DC—In May, the Future of Privacy Forum started reviewing the most popular apps for the iPhone, Android and Blackberry marketplace, documenting which ones provide consumers with the most basic privacy protection- a legally binding privacy policy. In a new survey conducted this fall, FPF tested privacy policies for the top ten paid and free apps. Key findings from the new survey include the following:

1. Free apps are twice as likely to have privacy policies than paid apps.

• Out of the free apps surveyed, 66 percent had privacy policies, while only 33 percent of the paid apps had privacy policies.

2. Free apps make their privacy policies easier to find than paid apps.

- Of the free apps with privacy policies, approximately 75 percent made the privacy policy accessible in the app itself or via a web link from the app. To find privacy policies for the other 25 percent, consumers had to visit the developer's website.
- Of the paid apps with privacy policies, only 50 percent made the privacy policy accessible through the app or via a link, and 50 percent made the privacy policy only accessible on the developer's website.

3. The percentage of paid apps that have privacy policies has slightly increased.

• Out of the paid apps surveyed, 33 percent had privacy policies, marking an improvement over the FPF May 2011 survey in which only 26 percent of paid apps had privacy policies. (The May survey reviewed only paid apps)

According to FPF Director and Co-Chairman Jules Polonetsky, the reason that free apps have a better record on privacy policy has to do with their primary revenue source.

"We weren't surprised to discover that free apps were doing better than paid apps, because free apps are more likely to be dependent on advertising and tracking and have more to disclose than paid apps," explained Polonetsky. "Although a privacy policy isn't the final word when it comes to communicating with consumers about how their data is used, companies providing policies show that they have taken an essential step to document their practices and provide legal accountability for their actions," he added.

"With resources for app developers like our resource site, applicationprivacy.org, and privacy policy generators provided by TRUSTe and PrivacyChoice.org, there is no excuse anymore for app developers not to provide consumers with privacy policies," **said FPF Co-Chairman Christopher Wolf**.

Research for and the creation of the app privacy policy matrix was conducted by FPF Fellow Kenesa Ahmad.

Click <u>here</u> to view the complete study. To schedule an interview with Jules Polonetsky, please contact Beth Sullivan at 202-550-4401 or by e-mail at media@futureofprivacy.org.

Notes About Methodology:

The Future of Privacy Forum analyzed the top 10 paid and free applications for:

- 1) App Store, iPhone U.S.
- 2) Google Android Market U.S.
- 3) Blackberry App World worldwide (all devices) according to the Distimo September 2011 industry report, released in late November.

In the assessment, researchers downloaded each app and looked at the application developer's website to determine whether a privacy policy existed and could be associated with the application. If a privacy policy was either found in the application or located on the developer's website, the developer was credited with having an application privacy policy. FPF denoted these distinctions with asterisks. However, if the application website had a privacy policy that did not cover the application, FPF did not give it credit for having a privacy policy.

The lists of apps are different from those used in the FPF's first survey because the top apps for each OS/device vary from month to month. In this survey, FPF used the top ten lists in the September 2011 Distimo app industry report. The Distimo report provides the top paid apps in the U.S. for Android and Apple, and the top paid apps worldwide for Blackberry.

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The Future of Privacy Forum (FPF) is a Washington, DC based think tank that seeks to advance responsible data practices. The forum is led by Internet privacy experts Jules Polonetsky and Christopher Wolf and includes an advisory board comprised of leading figures from industry, academia, law and advocacy groups.