Foursquare co-founder Dennis Crowley thinks a reckoning is coming over data privacy

A decade after location services company Foursquare first launched at the SXSW festival in Austin, co-founder Dennis Crowley is back at this year's conference with a message for the rest of Silicon Valley: beware Washington, because the tide is starting to turn against widespread, unethical data collection.

Crowley yesterday announced an Austin-specific demo of an experimental anonymized location-tracking feature for Foursquare called hypertrending. Today, in an early morning SXSW talk, Crowley tacked hard questions around ethics, privacy, data collection, and regulation, thanks largely to constant prodding from CNN's Laurie Segall. Crowley says that companies like Google and Facebook – alongside the thousands of smaller, more unsavory data collectors and brokers – are going to have reckon with potential regulatory changes and a sharp shift in the public's attitude toward ad targeting and data privacy.

"We think a lot about what future legislation will look like, specifically for location technologies," Crowley says. "There's a spectrum for this stuff. There's apps that collect a ton of location even about individuals and will sell that to anyone. And they're probably companies you've never heard of and they don't want you to know their name."

The tide is starting to turn against big tech companies
But even for the big giants like Facebook and Google, Crowley says there's going to be hard discussions about whether the

ad-based, data-hungry business models that support the most popular tech products on the planet are sustainable. “You could certainly make the argument that companies have gone too far by collecting everything and giving you only a little nugget of value back,” Crowley said. “Who’s getting more value out of Facebook? Me using it for free or me paying $5 a month or $10 a month? I do think that as a lot of this stuff starts to become more understood by consumers in general that there’s going to be a move toward those [paid] experiences in the future.”

It’s been only a a day since Sen. Elizabeth Warren (D-MA) announced she plans to try and break up Amazon, Google, and Facebook, which itself occurred just a day after Facebook CEO Mark Zuckerberg’s stunning announcement that his company will shift to a privacy-focused communications platform that prioritizes encryption and ephemeral messaging. But those two events have had a massive impact on the theme of this year’s SXSW. And that theme is already taking shape as a tough debate about how tech companies will react and change now that Washington and the public are beginning to reject the dominant business models of Silicon Valley.

Crowley often avoided directly criticizing Google or Facebook; he sold his first startup, Dodgeball, to Google (an experience he nonetheless characterizes as “not super fun”) and says he has “great respect” for what both companies have built. But at times he was willing to voice some direct challenges to those companies’ ethical stances. “Google has a map of the world and Facebook has a map of the world and Apple has a map of the world,” Crowley says, speaking about Foursquare’s role these days as an enterprise location services provider for other companies. “And there are a lot of companies that don’t want to work with Google, Facebook, or Apple because those companies are trying to put them out of business. Someone wants a data provider, but not one of the big three.”

Crowley, as the co-founder of Foursquare and once its chief

executive for seven years before handing over the role to current CEO Jeff Glueck, is one of the few tech executives that can speak about data collection without fear of being called a hypocrite. As Glueck told *The Verge* in a recent interview, Foursquare refuses to sell customer data, despite multiple multi-million dollar offers from big companies that want access to users' real-world habits.

In fact, you could argue that Foursquare, which still employs only around 300 people, failed to expand to the scope of other social networks in part because of its approach to data privacy. Crowley has always made Foursquare's location features transparent and opt-in, and the location platform it now provides to other companies uses only anonymized, aggregated data.

Naturally, that approach hasn't always translated to success for Foursquare, especially as competing companies like Facebook and Google integrated location features and made individualized ad targeting the backbone of the modern web. Over the years, Foursquare has shifted its model away from consumer apps and toward enterprise products for businesses to make use of large, aggregated location. As a result, the company split the original Foursquare into Swarm and City Guides roughly five years ago, and consumers largely abandoned both as the concept of the check-in lost its appeal.

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That puts Crowley in the unique position today of being able to criticize fellow tech executives for creating an industry culture that devalues user privacy and prioritizes data collection at all costs. "There's always requests like, 'Hey Foursquare, can you give me all of your data and we can ingest it and figure out what to do with it?'" Crowley says. "No, that's not what we're about. If there's any moment where we do something crappy or disrespectful or sketchy… users will call you out and employees will call you out. We can watch the

lessons that Twitter, Facebook, and others struggle with, and say, ‘Let’s do the opposite of what we’re doing.’”

Still, as a provider of location services to everyone from Uber and Snapchat to Twitter and Samsung, Foursquare sits uncomfortably within an industry that routinely flouts ethical practices around data privacy and collection. As *The New York Times* pointed out in an investigation last December, the market for advertising based on location data scarped from mobile apps and native services on smartphones has ballooned to an estimated $21 billion. And, as the report makes clear, that market exists as a largely unnoticed sector of the tech and marketing economies as companies fail to disclose what they’re doing with the data or how often it is collected.

Crowley is optimistic that whatever shape the regulations take, companies like Foursquare will be able to make a pitch for more ethical data collection. “We’re going to have that opportunity to go to Washington and say this is what’s right and this is what’s wrong,” he says. “Ten years into Foursquare, we have this opportunity to shape the future. We get invited to these rooms to help people figure out what the law should be going forward that determines what the law should be going forward. That’s a big opportunity.”

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