This diploma thesis examines the state of the art, current development and possible future directions in the field of location services in the mobile applications and their use of social and physical space. The development is explained using mobile games as one of the fundamental branches of the mobile market. The thesis introduces the technological advances that paved the conditions for the convergence of mobile and Internet services. Next chapter deals with the evolution of games and their respective market on the mobile platform as well as the introduction of the geolocation services. Theoretical foundation to studying games as a medium with emphasis on the interference or transfusion of real and game world is explained later as well as a case study of several landmark applications. Problematical aspects of these emerging trends are discussed in further detail, including but not limited to questions regarding personal data protection and other aspects of this new phenomena.

The work concludes with the analysis of the effects of the new generation of mobile applications on the society and proposes the future direction and development of the mobile technology.