

Internet Advertising Bureau

Good Practice Principles for Online Behavioural Advertising

Introduction

Advertising is fundamental to the accessibility, affordability and dynamism of the internet. Online advertising pays for much of the free content and services available to users on the internet. More relevant advertising is beneficial for both users and businesses: users discover more of what interests them and businesses find a better way to communicate with users. Many small and emerging companies depend on online advertising to facilitate their market entry and build competitive and successful businesses. Effective online advertising helps to maintain the low barriers to entry that have played a crucial role in the robust competition and innovation that fuel this medium.

What is Online Behavioural Advertising?

Online Behavioural Advertising (OBA) is intended to make online display advertising more relevant to users' likely interests. Providers of OBA create audience segments based on web sites visited over a period of time with a particular browser. These audience segments are then used to provide relevant advertising to users within that segment. For example, a user may visit sports sites often and thus be categorised in the "sports fan" segment. They would then be served advertisements that are relevant to the interests of a sports fan.

How are data collected?

These providers use information collected across either (i) a variety of (different) web domains owned or operated by one entity (first party providers of advertisements), or (ii) multiple web domains operated by different entities (third party providers of advertisements). Further information can be located on the Internet Advertising Bureau's (IAB) information portal at www.youronlinechoices.co.uk

The need for good practice

How data are collected and used for this purpose raises issues and questions about what practices should apply. The IAB has developed with Members¹ a set of principles ("the Principles") on the use of data to provide OBA to safeguard individual privacy. They are public commitments of good practice made by the signatory Members² to users. They are based on three core Principles – **notice, user choice and education** – with the goal of building trust and understanding in OBA and enhancing users' ability to control the use of information for these purposes. The Principles address a broader scope than required under existing law, by covering the use of all information used for OBA – both anonymous information and personal data³ (in the United Kingdom, the latter is primarily addressed by the Data Protection Act 1998, as amended, and the Privacy and Electronic Communications Regulations 2003). They also consider where special care is needed for certain categories of data, such as personally identifiable information⁴ or sensitive data.

These Principles are self-regulatory in nature. They guide how Members develop and provide their services and communicate with users. The data types and

¹ See definition in Annex 2 and a list of signatories in Annex 1.

² See list of signatories in Annex 1.

³ As defined in Directive 95/46/EC.

⁴ See definition in Annex 2.

collection methods vary. Where these differences are material, they are specifically covered in the Principles. Otherwise Members will reflect these in their business practices in different ways consistent with the Principles, and will share a common commitment to achieve the Principles' core objectives.

Online advertising is a fast moving and dynamic business. Members commit to keep these Principles under regular review as business models and techniques evolve and, where appropriate, modify or add to these Principles to meet the core objectives. Members also commit to working with others in the wider industry to raise awareness among users of OBA and to share good practice.

Notes:

1. *The Principles complement and, in some cases, supplement the UK legal framework. For the avoidance of doubt, Members based in the EU and subject to UK law remain subject to the application of the Data Protection Act 1998 (as amended) and Privacy and Electronic Communications Regulations 2003.*
2. *The Principles do not address the regulation of advertising content and copy, which are subject to a code set by the Committee of Advertising Practice and enforced by the Advertising Standards Authority⁵.*
3. *Members have limited influence over what a third party contracted partner displays on its website and over the quality and prominence of any privacy notices on those sites.*
4. *These Principles set out requirements for Members with respect to contractual provisions and recommendations of good practice. This does not preclude contracted partners from providing clear and unambiguous notice or collectively developing additional good practice. Recommendations from Members should not be considered a substitute for contracted partners seeking expert advice on their legal obligations to their end users.*

Principles

1. *Notice*

- 1.1 Each Member shall provide clear and unambiguous notice to users that it collects data for the purposes of OBA. This notice shall include information about what types of data are collected, how these data are being used and how users can decline OBA with respect to that Member. [See Guidance Note 1.](#)
- 1.2 Each Member shall, in new contracts that contemplate the collection and use of data for the purpose of OBA, require its contracted partners to provide clear and unambiguous notice that data are being collected and used by third parties for the purpose of serving OBA. [See Guidance Note 2.](#)
- 1.3 If a Member learns that a contracted partner is in breach of this notice requirement, the Member shall make reasonable efforts to enforce the relevant provision of the contract.
- 1.4 Each Member who provides OBA on its own domain(s) shall give, via its privacy policy, reasonable notice to users of any material change to its privacy policy with respect to its collection and use of data for the purposes of OBA.

2. *User Choice*

- 2.1 Each Member shall provide an approved means for consumers to decline OBA from that Member⁶. [See Guidance Note 3.](#)
- 2.2 Each Member shall provide information on how to decline OBA with respect to that Member and ensure that this information is prominently displayed and easily accessible on its website.
- 2.3 Each Member shall provide the IAB with an up-to-date URL to this information so that the IAB can link to this information from its information portal⁷.
- 2.4 Each Member shall obtain consent to process data for the purposes of OBA where the processing of data requires such consent. [See Guidance Note 4.](#)
- 2.5 Each Member shall, in new contracts to provide OBA, require its contracted partners to provide users with information about how to decline OBA from that Member.

⁶ Note: If a user chooses to decline OBA, the Member will cease to provide OBA. The collection and use of data, however, may continue for other legitimate purposes declared in the Member's privacy policy or for which the data subject has already given his/her consent and non-behaviourally targeted advertisements will continue to be served.

⁷ www.youronlinechoices.co.uk

3. User Education

- 3.1 Each Member shall make information available to educate users about OBA and ensure that this information is easily accessible. This may include information provided to users in easily understandable language and user friendly format (for example online video) about the collection and use of data and how to decline OBA.
- 3.2 Each Member shall provide the IAB with an up-to-date URL with this information.
- 3.3 Members shall also provide a link to the IAB's information portal⁸.

Sensitive Segments

- No Member shall create OBA segments intended for the sole purpose of targeting children under the age of 13 years.
- Some areas could be considered sensitive in certain contexts. [See Guidance Note 5](#). Members shall review this guidance from time to time and modify or add to it as appropriate.

Meeting IAB Principles

Compliance

- These Principles are self-regulatory and prospectively binding on each Member in respect of their UK operations.
- Within six months of signing these Principles, each Member shall self-certify that the relevant portions of their business meet these principles in accordance with processes and procedures to be set out by the OBA Board.
- Each Member shall explicitly acknowledge its commitment to these Principles. This acknowledgement shall involve a statement on the Member's own website or in its privacy policy.

Complaints

- Each Member shall have in place an effective process for handling complaints and enquiries from users about OBA and the Member's compliance with these Principles. This process shall be the first port of call for user complaints. If a user's complaint is not resolved by this process, the Member concerned shall inform the user of their right to refer the matter to the OBA Board in accordance with the procedures governing the OBA Board.

⁸ www.youronlinechoices.co.uk

Review

- The OBA Board shall keep these Principles under regular review in response to the development of OBA and business practices, and shall agree to modify or add to these Principles as appropriate.

Guidance Note 1 – Clear and unambiguous notice to users

The following are recommended examples of how to fulfil the principle that a Member shall give clear and unambiguous notice to users that data are being collected and used for the purpose of OBA:

1. If the Member is providing first party advertisements on a website that it owns and controls, that Member should provide notice to users on the relevant site. This notice must be clear and unambiguous and appear prominently. The notice shall include further information (or link to information) on how to decline OBA. Members may elect to provide such notice within a privacy policy, provided that the requirements of this paragraph are met; or
2. If the Member is providing third party advertisements, the Member should provide notice about the collection and use of data for OBA and information about how to decline OBA. This notice must be clear and unambiguous and appear prominently. The notice shall include further information (or a link to information) on how to decline OBA. Members may elect to provide such notice within a privacy policy, provided that the requirements of this paragraph are met⁹; or
3. Additionally, in either case, Members may provide a link alongside advertisements served to contracted partners or on their own site to information about the collection and use of data to provide OBA and how to decline OBA.

Guidance Note 2 – Notice language for contracted partners

Each Member shall, in new contracts to provide OBA, require its contracted partners to provide clear and unambiguous notice that data are being collected for the purpose of OBA. The following text may be provided by a Member for illustrative and guidance purposes as sample wording that could be added, for example, to a privacy policy¹⁰:

Advertisements on our site are provided by another organisation. Our advertising partner will serve ads that it believes are most likely to be of interest to you, based on information about your visit to this and other websites (this information is anonymous in that it does not include your name, street address, e-mail address or telephone number). In order to do this, our advertising partner may need to place a cookie (a small text file) on your computer. For more information about this type of online behavioural advertising, about cookies, and about how to turn this feature off, please visit www.youronlinechoices.co.uk.

⁹ This is in addition to the contractual requirement on contracted partners to give notice to users and provide information to users about how to decline OBA.

¹⁰ This does not preclude further forms of notice being provided by a Member's contracted partner.

Guidance Note 3 – Approved mechanisms for users to decline OBA

Members have approved the following mechanisms for meeting the requirements of these Principles:

- Networking Advertising Initiative (NAI) Opt-out Tool¹¹ and a Member's own opt-out tool where that Member is also a signatory to the NAI
- Webwise¹²
- Clear and easily understandable information in a Member's privacy policy about how to control and delete cookies

Guidance Note 4 – User consent for OBA

These Principles are founded on recognition that the scope, breadth and nature of data used to provide OBA and the way in which data are collected vary and that the mechanisms for consent should vary accordingly. The Principles require, as a minimum, each Member to give clear and unambiguous notice to users that data about their online activity are being used for the purpose of providing OBA and to provide a mechanism for users to decline OBA from that Member.

In addition, Members agree to apply specific protections to ensure that users can maintain appropriate control over the use of their data for the purpose of OBA. To this end, Members shall:

- obtain informed consent for the use of personally identifiable information, where required by law;
- obtain explicit consent for the use of sensitive personal data, as defined and as required by Directive 95/46/EC;
- additionally, where Members are required either by law or applicable regulatory guidance¹³, to obtain specific consent for the collection and use of data for the purpose of OBA, provide a clear and unavoidable statement to the user about the product and ask the user to exercise a choice about whether or not to be involved¹⁴.

¹¹ www.networkadvertising.org/managing/opt_out.asp

¹² www.webwise.com

¹³ From an authority with powers to enforce applicable data protection law.

¹⁴ There are a variety of business models that incorporate OBA, and some are the subject of additional and specific regulatory guidance. These Principles do not preclude individual Members from using due process to seek clarification of the law, or to challenge such regulatory guidance, as it applies to their activities. Members will continue to evaluate these Good Practice Principles in light of such guidance.

Guidance Note 5 – Sensitive Segments

There are valid privacy concerns about creating a segment for OBA in some areas because they could be considered sensitive in certain contexts. Individual Members may therefore make different judgements in their respective approach but will be guided by the over-riding objective of maintaining user trust.

This is a complex issue. The IAB is committed to discussing this issue with wider stakeholders.

Annex 1 – Signatories

24/7 Real Media
Adconion
AOL/AOL Advertising
AudienceScience
Crimtan
Google
Microsoft Advertising
nugg.ad
Phorm
Specific Media
ValueClick Media
Yahoo! SARL

Annex 2 - Glossary

Member – member of the IAB who signs up to these Good Practice Principles where it collects and uses data for the purposes of OBA.

Contracted partner – the online publisher to whom OBA is provided and/or the supplier of data used for OBA.

Online Behavioural Advertising (OBA) – advertising which is served based on data collected across single or multiple web domains owned or operated by different entities about a user over a period of time in order to create interest segments for the purposes of delivering online advertisements to that user.

Personally identifiable information – data that, by themselves or in conjunction with other data held by a Member, uniquely identifies an individual offline.