

Australian Best Practice Guidelines Interest Based Advertising

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1. Introduction

Industry Overview

Today's Internet offers consumers across the globe quick, convenient and easy access to an unparalleled range of communication and information resources.

Advertising and marketing plays a fundamental economic role in the Internet by funding much of the information, community and communication services that are available to Web Users, very often not requiring payment. The advertising model has made Internet content and services available to billions of people around the world – for free. The business model of relying on advertising revenue to fund Websites has meant that vast amounts of information on the Internet has been fully accessible to people of all ages and income levels. The trend has been to tear down economic barriers to content, which is possible only because the primary source of revenue for most content providers' online operations is advertising, rather than a subscription, model.

One element of online advertising is Interest Based Advertising (**IBA**) which is sometimes also known as Online Behavioural Advertising.

IBA delivers advertisements to the users of an Internet-enabled device based on Web browsing activity or interests demonstrated on that device, or 'behaviour' of that device. An IBA cookie on the device may note the subject matter of searches or visited Web pages and allows the device to be assigned to one or more pre-defined interest categories using a unique number. Relevant advertising is then delivered to that device according to the interest category associated to that device.

No Personal Information is collected or used for IBA.

The use of cookies to record user preferences for individual Websites is well established and generally accepted by Web Users. This Best Practice Guideline for Interest Based Advertising (the Guideline) therefore applies only to Third Party IBA, which occurs when browsing behaviour is used to deliver behavioural or interest based advertisements across unrelated Websites.

About ADAA

The Australian Digital Advertising Alliance (**ADAA**) was established by the Australian Association of National Advertisers (AANA), Australian Date-Driven Marketing Association (ADMA), Australian Interactive Media Industry Association (AIMIA),

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Communications Council (TCC), Australian Interactive Advertising Bureau (IAB), Media Federation of Australia (MFA), and the former Internet Industry Association, together with Google, Microsoft, NineMSN, Telstra Advertising Network, Network Ten Digital and Yahoo!7.

The ADAA has developed this Guideline to help current and future participants deploy Third Party IBA in a way that promotes and maintains consumer confidence.

This Guideline outlines seven self-regulatory principles for industry when engaged in Third Party IBA.

Benefits to Web Users

The principles have been developed to better foster transparency, knowledge, and choice for consumers and apply consumer-friendly standards to Third Party IBA. These principles directly benefit Web Users by encouraging industry to provide additional notice of Third Party IBA to consumers, give consumers the ability to opt out of receiving Third Party IBA based advertising, ensure IBA Data is securely kept, carefully and appropriately handle the creation and use of Sensitive Market Segments in relation to IBA and establish effective accountability and complaint handling mechanisms.

This Guideline covers browsing in its broadest sense and therefore provides consumer protection across a range of different activities that a consumer may undertake on the Internet.

Application to Industry

The Internet Advertising 'eco-system' comprises a diverse set of participants that work interdependently to provide seamless delivery of advertising.

This eco-system includes Advertisers, Advertising Agencies, Advertising Networks, Search Engines, Website Operators, Website Publishers, Web Browsers, Internet access service providers, and providers of desktop application software (such as Web toolbars and Web Browsers).

The principles specified in this Guideline only apply to those participants that are engaged in Third Party IBA including those parties that have Third Party IBA appearing on their Websites. As a result these principles apply to an extensive range of entities and practices.

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This Guideline has separate provisions for Website Operators and Third Parties that engage in IBA.

The Guideline also recognises that an Entity may conduct a number of different activities, and therefore this Guideline recognises that different principles and types of notice may therefore be applicable to each different activity. Accordingly the principles take into consideration the different roles that Entities may play in different contexts within the ecosystem, and address their respective data practices accordingly.

Search offerings and Search Engines also fall within the scope of these principles if search data is used for Third Party IBA. Third Parties that use search offerings and Search Engines to collect and use data for Third Party IBA also fall within the scope of these principles.

Next Steps

This Guideline overseen by the ADAA. Consistent with Principle VI (Educating Users), the ADAA shall deliver initiatives to educate individuals and businesses about Third Party IBA

Further information about the practical application of these Guidelines is available at www.youronlinechoices.com.au.

1. Interpretation and Definitions

Interpretation

All references in the singular include the plural and vice versa.

Unless otherwise specified, all references to IBA should be read as a reference to Third Party IBA.

Definitions

Advertisers

The legal entity responsible for placing or on whose behalf an advertisement is placed.

Advertising Agencies

Entities that undertake the planning, buying and creative elements of advertising on behalf of the Advertiser.

Advertising Networks

Entities that connect advertisers to Websites that host advertisements.

Associated

Entities will be "Associated" in this Guideline if they are Associated Entities within the meaning of the Corporations Act (Cth) 2001.

Associated Website

A Website that is owned by a Company or Associated Entity.

Contextual Advertising

Advertising that is targeted based on the content of the webpage being viewed, but does not include advertising targeted through the use of Third Party IBA. For example if a Web User goes to a travel webpage they are served an advertisement for luggage or travel insurance.

Contextual advertising can also occur for searches through Search Engines. For example if a Web User searches on travel on a Search Engine and the results displayed include a travel advertisement.

2. Interpretation and Definitions

Entity/Entities

An entity that handles collects or uses IBA Data and that is a signatory to this Guideline as listed at www.youronlinechoices.com.au

Express Consent

Express Consent means that a Web User has taken an active step demonstrating consent in response to a specific query.

First Party IBA

IBA served to an Internet-enabled device on a Website based on the browsing history of the device on that Website and Associated Website or Related Website.

Geo-targeting

Means the serving of content or advertising specific to the geographic location of the server through which the IP address is served.

Guideline

Means the Australian Best Practice Guideline for Interest Based Advertising.

Interest Based Advertising (IBA)

Means the collection and use of IBA Data to serve advertising based on pre-defined interest categories. No Personal Information is collected or used for IBA. IBA does not include Contextual Advertising (based on the subject-matter of the web page on which the advertisement is served), customer profile advertising (based on the personal information of an individual user) or Geo-targeting.

IBA Data

Means data on web browsing activity of an internet-enabled device which allows the device to be added to one or more pre-defined interest categories.

Personal Information

Has the same meaning as the Privacy Act 1988 as amended from time to time.

Related Entities

Entities that a Web User would be reasonably likely to regard as closely related by product, branding or some other apparent way.

Related Websites

A Website that is owned by a Related Entity.

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Search Engine

Is a software program that searches and retrieves data from the Internet based on a query by the Web User of the device.

Sensitive Market Segment

Is a market segment that is based on:

- a) racial or ethnic origin; or
- b) political opinions; or
- c) membership of a political association; or
- d) religious beliefs or affiliations; or
- e) philosophical beliefs; or
- f) membership of a professional or trade association; or
- g) membership of a trade union; or
- h) sexual orientation or practices; or
- i) criminal record that is also personal information; or
- j) health information about an individual; or
- k) genetic information that is not otherwise health information or
- l) biometric information that is to be used for the purpose of automated biometric verification or biometric identification; or
- m) biometric templates

Service Provider

An Entity which provides any of the following services:

- a) Internet access service
- b) Toolbar
- c) Internet browser
- d) desktop application
- e) client software

And in providing such a service the Entity collects and uses data from all or substantially all of the Internet activity engaged in through the service by any user of the service for the purpose of IBA.

Third Party

An Entity that engages in Third Party IBA. A subcontractor, such as a technical service provider, providing services in relation to a Website for an Entity that is responsible for a Website is not a Third Party unless they are a Service Provider collecting and using IBA Data as described above.

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Third Party IBA

IBA served to an Internet-enabled device on a Website based on the browsing history of the device on Websites that are not Associated Websites or Related Websites.

URL Uniform Resource Locator.

Web Browser

Means software that retrieves and collects information resources and arranges and displays the results in a standardised form on a device. Examples include Internet Explorer, Mozilla, Firefox, Google Chrome, Apple Safari and Opera.

Web Domain A single URL.

Website

A collection of related web pages, images, videos or other digital assets that are addressed relative to a common Uniform Resource Locator (URL), often consisting of only the domain name (or, in rare cases, the IP address) and the root path ('/') in an Internet Protocol-based network. A Website is hosted on at least one web server, accessible via a network such as the Internet or a private local area network.

Website Operator or Website Publisher

The owner, controller or operator of the Website with which the Web User interacts.

Web User A person using the Internet

3. The Principles

Principle I. Personal Information and Third Party IBA

Third parties shall not combine IBA data with Personal Information unless they treat the IBA data as Personal Information in accordance with the Privacy Act 1988.

Principle II. Providing Clear Information to Web Users

A. Third Party Notice

1. IBA Policy Notice

Third Parties should give clear and comprehensible notice on their Websites describing their practices in relation to the collection and use of IBA Data for Third Party IBA. Such notice should include clear descriptions of the following:

- (a) Their identity and contact details;
- (b) The types of data collected and used for the purpose of providing Third Party IBA;
- (c) The purpose or purposes for which Third Party IBA Data is processed and the recipients or categories of recipient to whom such data might be disclosed; and
- (d) An easy to use mechanism for exercising choice with regard to the collection and use of IBA Data for Third Party IBA purposes and to the transfer of such data to Third Parties for Third Party IBA.
- (e) The fact that the Third Party adheres to these principles.

2. Enhanced Notice to Web Users

In addition to providing notice as described in A1, Third Parties who have not obtained Express Consent from Web Users in relation to the collection and use of Third Party IBA should provide enhanced notice as set out below in a) or b):

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(a) In-Ad Notice

Third Parties should provide notice of the collection of data for Third Party IBA purposes through a web link to a disclosure described in A.1.:

(i) In or around all advertisements deployed using Third Party IBA; or

(ii) On the Web page where Third Party IBA advertisements are present, if there is an arrangement with the Website Operator for the provision of such notice; or

(b) Notice on Industry-Developed Website(s)

Third Parties should be individually listed on an industry-developed Website(s) linked from the disclosure described in II B.

B. Website Operator Notice

In addition to complying with applicable existing legal obligations, when a Website Operator permits data to be collected from that Website and used for Third Party IBA purposes by Third Parties, the Website Operator should provide disclosure of this arrangement.

Principle III. Web User choice about IBA

- A.** Each Third Party should make available a mechanism for Web Users to exercise their choice with respect to the collection and use of data for Third Party IBA purposes. Such a mechanism should be accessible via the notice described in Principle II.
- B.** Service Providers should obtain Express Consent prior to engaging in Third Party IBA.
- C.** Service Providers should provide an easy to use mechanism for Web Users to withdraw their Express Consent to the collection and use of IBA Data for Third Party IBA.

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Principle IV. Keeping Data Secure

A. Safeguards

Entities should maintain appropriate physical, electronic, and administrative safeguards to protect IBA Data.

B. Data Storage

Entities should retain IBA Data only for as long as necessary to fulfil a legitimate business need, or as required by law.

Principle V. Careful Handling of Sensitive Segmentation

A. Children

IBA categories uniquely designed to target children under 13 will not be created. This principle does not restrict the collection of IBA Data for the purpose of marketing children's products to parents and other adults.

B. Other Sensitive Segments

Any Entity seeking to deploy Third Party IBA which relies on use of Sensitive Market Segments should obtain a Web User's Express Consent, in accordance with applicable law, prior to engaging in Third Party IBA using that information.

Principle VI. Educating Users

Entities that engage in IBA should provide information to inform individuals and businesses about IBA including easily accessible information about how data for IBA purposes is obtained, how it is used and how Web User choice may be exercised. This may include information in easy-to-understand language and user-friendly format (such as online video). Entities and Associations are encouraged to use a consistent or common resource for such educational information.

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Principle VII. Being Accountable

A. Applicability and Eligibility

This Guideline is self-regulatory in nature and creates obligations for any signatory.

B. Compliance

Signatories to this Guideline are responsible for self-certifying that they comply with this Guideline. Self-certification of compliance shall be limited to those requirements of this Guideline that are applicable to each signatory's business model. In the event that a single signatory may be subject to multiple obligations, self-certification must cover all such applicable provisions.

C. Validation

Entities engaging in Third Party IBA in Australia should undertake:

- a) a review of their Websites and Websites of Third Party IBA business partners for the purpose of validating compliance with obligations under this Guideline;
- b) to resolve any identified areas of non-compliance in a transparent manner and within a reasonable period of time.

D. Handling Consumer Complaints

Complaints procedures under this Guideline should comply with the following principles:

- a) complaints should be made directly to the Entities;
- b) Transparent, easily recognizable and accessible mechanisms for handling complaints through independent, alternative dispute resolution mechanisms such as bodies that have been nominated to handle complaints; and
- c) Reporting on complaints made under this Guideline.

4. Review

The ADAA welcomes any comments and about the content of this Guideline and about Third Party IBA generally. This Guideline may be amended from time to time following consultation with members of the ADAA.

5. ADAA Associations and Signatories

