

New Zealand Best Practice Guidelines for Online Behavioural Advertising

February 2013

Leading industry players and industry associations in New Zealand have developed these Guidelines to guide participants who offer Third Party Online Behavioural Advertising and promote consumer control and transparency of how data is collected.

Founding Members



Communication Agencies Association



Contents

Introduction	3
About Online Behavioural Advertising (OBA)	<u>3</u>
Benefits to Users	4
Next Steps	5
The Principles	<u>6</u>
Definitions	<u>9</u>
Founding members	<u>11</u>
Launch signatories	<u>11</u>

Introduction

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 an advertising, rather than a subscription, model.

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

About Online Behavioural Advertising (OBA)

Online Behavioural Advertising (OBA) is a practice that is based on internet activity and allows advertisers to deliver advertisements to web users which reflect their interests. It's safe, transparent, and designed to empower the consumer.

Online Behavioural Advertising is often referred to simply as 'OBA' or 'BT' (behavioural targeting) or Interest Based Advertising and is a way of serving advertisements that are more relevant to users and their interests on the websites they visit. Along with many other anonymous users, a user's profile via an internet enabled device (such as a computer, mobile telephone or tablet) may be added to one or more general interest categories, based on previous browsing behaviour through that device, and then served ads relevant to those interest categories. The data is collected via a "cookie" (a unique anonymous user identifier),

which is placed in the device's internet browser (and allocated to a relevant profile in the case of one or more users sharing the same computer) and determines what online behavioural advertising that user will receive.

No personal information is collected or used for OBA.

OBA is based on someone's past browsing activity (or behaviour), which is why it is commonly referred to as behavioural targeting. Because it is based on past browsing activity, OBA differs from other forms of online advertising, such as contextual advertising. Contextual advertising is based on the web page users are browsing at that particular moment and serves advertising that is relevant to the content of that web page or the general content of that web site and has nothing to do with a users browsing history.

Because this type of advertising is relatively new, leading industry players and industry associations have adopted principles developed to better foster transparency, knowledge, and choice for consumers and apply consumer-friendly standards to OBA. The principles specify that organisations should provide notice of their OBA practices to consumers and educate consumers about how to exercise their right to opt out of receiving OBA. They principles also provide guidance to ensure organisations keep OBA data safe and establish an effective accountability and complaint handling process.

Benefits to Users

The principles have been developed to better foster transparency, knowledge, and choice for consumers and apply consumer-friendly standards to Third Party OBA. These principles directly benefit Web Users by encouraging industry to provide additional notice of Third Party OBA to consumers, help educate consumers on they can opt out of receiving Third Party OBA based advertising, ensure OBA Data is securely kept and establish effective accountability and complaint handling mechanisms.

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 OBA including those parties that have Third Party OBA appearing on their Websites. As a result these principles apply to an extensive range of entities and practices, some of which are covered by a self-regulatory framework for the first time in this area. The principles specified in this Guideline do not seek to regulate the content of online advertisements¹, other forms of online advertising or First Party OBA.

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

A full list of participants is available from www.youronlinechoices.co.nz

Next Steps

In the US, IAB has worked with other trade bodies to develop the ad choices icon² which is used wherever companies are engaged in OBA. A fee must be paid to use the icon. IABNZ is investigating costs and options to bring the icon to New Zealand. Some international companies such as Google, have already implemented the icon and IABNZ recognises this practice meets the requirements of the OBA NZ Guidelines.

The industry participants who developed this Guideline have formed an industry forum to monitor the operation and implementation of this Guideline once launched. A review of the Guideline will be conducted 6 months after the launch and then on a regular basis following this initial review.

Consistent with Principle I (Education), the industry will also put in place a number of initiatives to educate individuals and businesses about OBA.

¹ The content of advertisements is regulated by the [Advertising Standards Authority Codes of Conduct](#)

²  AdChoices

Principles of Online Behavioural Advertising (OBA)

Principle I EDUCATION

Entities should participate in efforts to educate individuals and businesses about Online Behavioural Advertising (OBA). Including the participants in the ecosystem, how data may be collected and how consumer choice and control may be exercised.

Principle II TRANSPARENCY

Third Party notice

1. When data is collected from Third Parties or used on a website for Online Behavioural Advertising purposes by Third Parties, the operator of the website should give clear, meaningful and prominent notice on their own websites that describes their Online Behavioural Advertising data collection and use practices. Such notice should include clear descriptions of the following:

- (a) The types of data collected online;
- (b) The uses of such data;
- (c) Easy to use information for exercising choice with respect to the collection and use of the data for online behavioural advertising;
- (d) The fact that the entity adheres to the IABNZ OBA Guidelines and a link to these principles; or
- (e) In or around the advertisement delivered on the Web page where data is collected

Principle III CONSUMER CONTROL

- a) All parties should provide consumers with the ability to exercise choice with respect to the collection and use of data for Online Behavioural Advertising purposes. Such choice should be available from the notice described in Section II.
- b) Consent for Behavioural Advertising/ Withdrawing Consent: all parties should provide an easy to use means to withdraw Consent to the collection and use of that data for Online Behavioural Advertising.

Principle IV DATA SECURITY

- I. Safeguards: entities should maintain appropriate physical, electronic, and administrative safeguards to protect the data collected and used for Online Behavioural Advertising purposes.
- II. Data Retention: entities should retain data that is collected and used for Online Behavioural Advertising only as long as necessary to fulfil a legitimate business need.
- III. Treatment of Online Behavioural Advertising Data: all parties should take all of the following steps regarding data collected and used for Online Behavioural Advertising purposes:
 - a) Not use Personally Identifiable Information (PII) or unique identifier for purposes of OBA in the ordinary course of business.
 - b) Take reasonable steps to ensure Personally Identifiable Information (PII) information is not passed on to non-Affiliates or third parties including not disclosing the algorithm or other mechanism used for “anonymising” or randomising the data and obtaining satisfactory written assurance that such entities will not attempt to reconstruct the data and will use or disclose the “anonymised” data only for purposes of OBA or other uses as specified to users. This assurance is considered met if a non-Affiliate does not have any independent right to use the data for its own purposes under a written contract.
 - c) Take reasonable steps to ensure that any non-Affiliate that receives “anonymised” data will itself ensure that any further non-Affiliate entities to which such data is disclosed agree to restrictions and conditions set forth in this subsection. This obligation is also considered met if a non-Affiliate does not have any independent right to use the data for its own purposes under a written contract.

Principle V MATERIAL CHANGES TO EXISTING ONLINE BEHAVIOURAL ADVERTISING POLICIES AND PRACTICES

Entities should obtain Consent before applying any material change to their Online Behavioural Advertising data collection and use policies and practices prior to such material change. A change that results in less collection or use of data would not be “material” for purposes of this Principle.

Principle VII ACCOUNTABILITY

1. Applicability: these Principles are self-regulatory in nature and entities engaged in OBA are within the scope of the accountability programs.
2. Monitoring: complaints can be made via www.yourolinechoices.co.nz concerning possible non-compliance with the Principles.
3. Transparency and Reporting: findings of non-compliance (in particular those that are not corrected), the reasons for those findings, and any actions taken with respect to instances of non-compliance, will be reported via www.yourolinechoices.co.nz
4. Compliance: when an entity engaged in OBA is informed of its non-compliance with the Principles, the entity should take steps to bring its activities into compliance with the Principles. For more information refer to VIII.

Principle VIII MONITORING AND ENFORCEMENT

The Interactive Advertising Bureau NZ (IABNZ), Association of New Zealand Advertisers (ANZA), Communication Agencies Association NZ (CAANZ) and supporting trade bodies have created a Monitoring & Compliance Council (MCC) which includes taking complaints from the public, competitors and from government agencies concerning possible non-compliance with the Principles.

When an entity engaged in OBA is informed of its non-compliance with the Principles, the entity should take steps to bring its activities into compliance with the Principles.

1. NOTIFICATION AND MEMBERSHIP STATUS

- a. If an IABNZ Member or any other participating member is found to be in violation of the Guidelines, the relevant member organisation will provide a plan of action for remediation, as well as the Member's agreement to comply and correct any violations. A Member company will be given ample time and opportunity to correct violations before further action is taken by the MCC.
- b. In the event that any violations are not resolved and remediated to the satisfaction of the MCC, the MCC will consider the Member to be in violation of the OBA Guidelines. In the case of IABNZ this also constitutes a violation of their Member organisation Code of Practice.

2. MEMBER NOTIFICATION

- a. Upon receipt of a final case decision by the MCC, when a case has not been resolved to their satisfaction, the Member in question will be notified within fourteen (14) days that they have been found in violation.
- b. At the time of notification, the Member found in violation will be informed that their Membership in the IABNZ and/or supporting Member organisation is being terminated for a minimum of six (6) months, after which time the Member may re-apply for Membership.

3. RE-APPLYING FOR MEMBERSHIP

- a. At the expiration of the stated six (6) month period, a Member may re-apply for IABNZ or appropriate organisation Membership. At this time, the Member must show that they have remedied any practices that were found to be in violation of the OBA Guidelines.

Definitions

AD DELIVERY

Ad Delivery is the delivery of online advertisements or advertising-related services using Ad Reporting data. Ad Delivery does not include the collection and use of Ad Reporting data when such data is used to deliver advertisements to a computer or device based on the preferences or interests inferred from information collected over time and across non-Affiliate sites because this type of collection and use is covered by the definition of Online Behavioural Advertising.

AD REPORTING

Ad Reporting is the logging of page views on a Website(s) or the collection or use of other information about a browser, operating system, domain name, date and time of the viewing of the Web page or advertisement, and related information for purposes including but not limited to:

- Statistical reporting in connection with the activity on a Website(s);
- Web analytics and analysis; and
- Logging the number and type of advertisements served on a particular Web site(s).

AFFILIATE

An Affiliate is an entity that Controls, is Controlled by, or is under common Control with, another entity.

CONSENT

Consent means an individual's action in response to a clear, meaningful and prominent notice regarding the collection and use of data for Online Behavioural Advertising purposes.

CONTROL

Control of an entity means that one entity (1) is under significant common ownership or operational control of the other entity, or (2) has the power to exercise a controlling influence over the management or policies of the other entity. In addition, for an entity to be under the Control of another entity and thus be treated as a First Party under these Principles, the entity must adhere to Online Behavioural Advertising policies that are not materially inconsistent with the other entity's policies.

FIRST PARTY

A First Party is the entity that is the owner of the Web site or has Control over the Web site with which the consumer interacts and its Affiliates.

ONLINE BEHAVIOURAL ADVERTISING (BT or OBA or INTEREST BASED ADVERTISING)

Online Behavioural Advertising means the collection of data from a particular computer or device regarding Web viewing behaviours over time and across non-Affiliate Websites for the purpose of using such data to predict user preferences or interests to deliver advertising to that computer or device based on the preferences or interests inferred from such Web viewing behaviours. Online Behavioural Advertising does not include the activities of First Parties, Ad Delivery or Ad Reporting, or contextual advertising (i.e. advertising based on the content of the Web page being visited, a consumer's current visit to a Web page, or a search query).

PERSONALLY IDENTIFIABLE INFORMATION "PII"

Personally Identifiable Information is information about a specific individual including name, address, telephone number, and email address — when used to identify a particular individual.

THIRD PARTY

An entity is a Third Party to the extent that it engages in Online Behavioural Advertising on a non-Affiliate's Web site i.e. an ad-network, advertising agency ad-delivery platform or ad-serving company.

Founding Members



Communication Agencies Association



A full list of participants is available at
<http://www.youonlinechoices.co.nz/participating>