

Factsheet:

Online Behavioural Advertising

Q. What is Online Behavioural Advertising?

A. Online behavioural advertising - or interest based advertising - is advertising you see on websites / mobile sites / apps based upon previous browsing activity. As a result the advertising is customised and made more relevant to the likely interests of an internet user. This type of advertising does not use information that can personally identify a person.

Targeted advertising is not a new phenomenon. For years we've experienced it in the magazines we buy, for example. So if you purchase a gardening publication you would expect to see advertising for gardening products and services. A common misconception is that if ads were not targeted in this way then the user would not see any advertising. Advertising helps pay for much content and many services on the internet and this type of advertising simply makes it more relevant to the user. You can see how online behavioural advertising works at www.youronlinechoices.com/uk/about-behavioural-advertising

Q. Why is behavioural advertising important to the internet?

A. As with television and newspapers, advertising helps fund the content and services on the internet, making them available at little or no cost. It is therefore an important business model for publishers in the content and services they offer. More relevant advertising – helping advertisers reach the audience that are more likely to be interested in their products or services – commands a higher premium for the publisher.

Q. Is this not an intrusion of people's privacy?

A. As with personalised content, tailored advertising in this way will always require the internet user to share some information to be useful. Although interest-based advertising does not use information that allows individual web users to be identified, the advertising industry acknowledges the concerns that might arise and the fact that users may wish to take steps to safeguard their privacy. As a result, there is now an industry initiative in place right across Europe with the goal of offering internet users clear, transparent and contextual information about the collection and use of information for this purpose, as well as ways to manage or turn it off altogether. You can see further details on this initiative at: www.youronlinechoices.eu/goodpractice.html.



At the heart of this work is a symbol or icon (see opposite) that appears in or around the advertisements on websites / apps, as well as on web pages / within apps themselves. When a user clicks on the icon he or she can find out more about the information collected and used for this purpose. The icon also links to ways for internet users to manage their interests, such as via privacy dashboards or ad preference managers. It also links to a pan-European website now available in 26 different EU languages – <u>www.youronlinechoices.eu</u> – with helpful advice, tips to help protect privacy and a control page where you can turn off behavioural advertising.

Businesses wanting to know more should visit www.edaa.eu/faq.

Q.But do consumers recognise this icon or know what it does?

A. Like the recycling logo, the aim is to make the icon easily recognisable to people when using the internet so that they are empowered by the information and the actions they may take. To help this, the UK digital advertising industry launched a campaign in 2013 to raise awareness of the icon, what it means and does. Similar campaigns have also launched in Germany and Ireland, and other markets will follow.

Q. How do I know businesses are complying with the initiative?

A. Ad businesses will have their compliance independently verified on an ongoing basis and, in successfully doing this, they will be able to show a trust seal. In time brands and agencies will look for the trust seal when buying ads. This will help to encourage take up and compliance. Those businesses that have already been awarded the trust seal can be found at <u>www.edaa.eu/participating-companies</u>.

Q Does compliance with this initiative mean compliance with the revised ePrivacy Directive (as implemented in the UK)?

A. No. This work predates the framing of the revised ePrivacy Directive in Brussels in November 2009, which is implemented into the national laws of EU countries. It seeks to offer internet users greater transparency and control over behavioural advertising. The UK Government explicitly supports the initiative and industry remains engaged with the Government, European Commission, as well as consumer and civic society groups, as this initiative progresses.

However, the UK Government believes the initiative has an important role to play in its so-called 'ecology of solutions' in complying with the amended Privacy and Communication Regulations 2011 (transposing the revised eDirective into UK law). This approach recognises that each type of digital business has a role to play in achieving compliance, but that not one solution on its own may necessarily achieve this.

Further details on the new law can be found at <u>www.iabuk.net/policy/briefings/iab-fact-sheet-may-2012-revised-eu-</u><u>eprivacy-directive</u>.



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