

NAI Announces Results of Largest Annual Member Compliance Review

Report Highlights Members' Strong Commitment to Responsible Data Collection, Use and Consumer Privacy

WASHINGTON, DC – March 13, 2014 – [The Network Advertising Initiative](#) (NAI) today released its 2013 Annual Compliance Report, a comprehensive and detailed review of how the organization's members, almost 100 third-party digital advertising companies, complied with the NAI [2008 Code of Conduct](#). The report shows that NAI members overwhelmingly met their obligations under the provisions of the 2008 Code and continued to uphold the NAI's rigorous standards for providing notice and choice around interest-based advertising (IBA).

The 2013 compliance review concentrated on the 88 member companies subject to the annual review in 2013, and included interviews, an extensive review of thousands of pages of questionnaire responses, privacy policies, internal policies, website content, and other documents including marketing materials, contracts, training materials by NAI staff.

The Report shows that NAI members met their obligation of providing consumer-friendly, educational content to help consumers understand Interest-Based Advertising (IBA) and the choices available to them. The Compliance Report also provides insight into new developments within the organization, including the 2013 release of an updated Code of Conduct and Mobile Application Code.

"In completing the compliance process, we demonstrate to regulators, business partners, and consumers that membership in the NAI is not a mere promise to meet high standards. It is a serious obligation," said Doug Miller, Global Privacy Leader, AOL Inc., and Chairman of the NAI Board of Directors.

The NAI Code of Conduct is one of the leading bodies of standards for self-regulation in the digital advertising industry. It outlines requirements for NAI members based on the Fair Information Practice Principles, or FIPPs, which encompass notice, choice, transparency, use limitations, data security, access, and accountability requirements with respect to IBA activities. No company can secure NAI membership without first demonstrating the ability to comply with the Code. The NAI enforces its Code through a comprehensive compliance program that includes annual reviews, automated technical monitoring, annual reporting and, when necessary, sanctions.

Highlights from the 2013 Annual Compliance Report detail strong member commitment to the NAI Code of Conduct:

- **Education:**
 - Members **donated 2 billion impressions** to the NAI educational campaign. The campaign helped drive **3,140,000** consumers to the NAI's revamped educational resources in 2013.
- **Notice:**
 - **Nearly 278,481 websites** included a link to the NAI website.
 - NAI members delivered the "Advertising Option" Icon, or a similar icon or link, to consumers, **trillions of times a month**.
- **Choice:**
 - **3,920,000** consumers visited the NAI opt-out page.

- NAI's automated compliance monitoring tool helped spot opt out downtimes, which were fixed within an average of **24 hours** from the time the member received notice from the NAI.
- NAI staff manually examined the lifespan, behavior, and content of over **500** IBA cookies of its evaluated member companies.
- **Consumer Communications:**
 - NAI reviewed **7,791** consumer queries it received through its website or via email, working with its members to promptly address any valid queries.
 - NAI staff also received approximately **1,000** telephone calls from consumers in 2013.

In addition, in 2013, no evaluated company reported using any data that required "Opt-In Consent" from consumers, and members confirmed that they did not use, or allow the use of, IBA data for any purposes other than "Marketing Purposes" as defined by the NAI Code. The NAI found no material noncompliance with the Code in 2013.

Each year, the NAI leverages the findings of its annual review to further strengthen its self-regulatory program. In 2014, the NAI will work to help member companies ensure their business and technological practices are in conformance with the 2013 Code of Conduct, even as those practices evolve with the rapid and perpetual emergence of various digital innovations, including mobile advertising, tracking, and cross-platform marketing. As part of that effort, staff will also help prepare member companies to comply with the Mobile Application Code, which is currently scheduled to go into effect in 2015.

"I have no doubt that privacy will remain an important focal point in 2014," said Marc Groman, NAI President and CEO. "The NAI and its members will embrace the challenges ahead and maintain our high standards, proving that self-regulation works when it is backed up with rigorous enforcement and accountability."

To download the 2013 Annual Compliance Report, visit:
http://www.networkadvertising.org/2013_NAI_Compliance_Report.pdf

About the NAI

Founded in 2000, the Network Advertising Initiative (NAI) is the leading self-regulatory association comprised exclusively of third-party digital advertising companies. The NAI promotes the health of the digital ecosystem by maintaining and enforcing high standards for data collection and use for digital advertising purposes. The organization also educates and empowers consumers to make meaningful choices about their experience with digital advertising through an easy-to-use opt-out mechanism. To learn more, visit <http://www.networkadvertising.org>.

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