Third-Party Online Advertising Community Demonstrates Strong Commitment to Consumer Transparency

NAI Announces Member-Wide Compliance in its Annual Report and Launches New and Improved Consumer Education Resources around Interest-Based Ads

WASHINGTON, DC – February 7, 2013 – The Network Advertising Initiative (NAI) today released its 2012 Annual Compliance Report, which provides a comprehensive view of how the organization’s members, comprised of nearly 100 third-party digital advertising companies, are complying with the NAI Code. The compliance review demonstrated that member companies continue to take their obligations under the Code seriously, and the results are a strong indication that self-regulation of online advertising is working today. The Compliance Report also provides insight into new developments within the organization, including the NAI’s compliance monitoring tool, which helps to identify potential technical issues before they can affect users, as well as the newly launched consumer education resources provided on the NAI website.

The NAI Code of Conduct has among the highest standards in the industry surrounding best practices for notice, choice, transparency, use limitations, data minimization, security, and accountability requirements with respect to online behavioral advertising. The NAI enforces this Code through a comprehensive compliance program that includes annual reviews, ongoing technical monitoring, sanctions procedures, and annual reporting. The 2012 compliance review covered the 76 member companies subject to review, and included nearly 100 interviews, as well as an extensive review of thousands of pages of questionnaire responses, privacy policies, contracts, internal policies, marketing materials, website content, training materials, and other documents by NAI staff.

“This process is not an easy one, but it makes all NAI member companies better by helping to ensure we are meeting the obligations of the NAI Code and providing end users with transparency and control,” said Rob Gratchner, NAI Board Chairman and Vice President, AudienceScience. “The NAI compliance team helps us to integrate the principles set forth in the NAI Code into our everyday thinking. The annual review, moreover, forces us all to take a careful look at our existing practices and disclosures at least annually, and thus reinforces our existing privacy-by-design reviews.”

The 2012 Annual Compliance Report revealed that evaluated NAI members are meeting their commitments under the Code by:

• Educating consumers about OBA and the choices available to them
• Providing notice to consumers in and around the ads they see
• Providing means by which consumers can opt out of OBA, and honoring those choices
• Never creating segments to specifically target children under the age of 13
• Never using or allowing others to use OBA data for purposes other than marketing (i.e. employment, credit, and/or insurance eligibility)

In addition, because of the disincentives established in the NAI Code, no evaluated company was found to collect or use sensitive consumer data or to merge PII with non-PII for OBA purposes.

Each year, the NAI leverages the findings of its annual review to further strengthen its self-regulatory program and update its Code to ensure that it remains relevant. The organization also includes a review of its own accomplishments and an overview of priorities for the year ahead within its Annual Compliance Report.
its achievements, the NAI built and implemented a compliance monitoring tool to identify and resolve potential issues before they affect users. It also launched a new website and consumer education page, and it began fully enforcing a health transparency policy. In 2013, the NAI plans to update its Code of Conduct to include guidelines on the collection and use of data on mobile devices, and the use of technologies other than standard http cookies.

“I am proud of our compliance team and of the results of this year’s annual review,” said Marc Groman, Executive Director, NAI. “I look forward to working with member companies to develop and implement the updated NAI Code and to help ensure that NAI policies remain relevant and enforceable for an increasingly diverse range of third-party data collection practices.”


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 online ecosystem by maintaining and enforcing high standards for data collection and use for online advertising purposes. The organization also educates and empowers consumers to make meaningful choices about their experience with online advertising through an easy-to-use opt-out mechanism. To learn more, visit http://www.networkadvertising.org.

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