Analysis of Ad-Targeting Privacy Policies and Practices

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PrivacyChoice Background

**Mission**
To develop and demonstrate technologies to make consumer online privacy choices understandable and actionable

**For consumers**
Index of tracking companies present on popular websites

Two-click opt-out wizard
*Enables consumers to opt-out completely or selectively from up to 106 networks based on their policy preferences*

Browser add-on for Firefox (IE in alpha testing)
*Protects and automatically updates opt-out settings (including Flash cookie control)*

TrackerWatcher browser add-on
*Shows tracking companies and policies for any page*

**For websites**
PrivacyWidget
*Free service for any website to automatically deliver enhanced consumer disclosure and choice. Integrated with add-on to preserve consumer preferences.*
PrivacyWidget

Implements on any website in minutes with six lines of Javascript code

Consumer can open from a link placed in any text, icon or tab

Lists all targeting networks present on the webpage and/or site

Provides company descriptions, privacy-policy excerpts and opt-out links

Requires no ad-network backend changes

Available now for pilot testing
Methodology

Comprehensive database of ad-targeting company policies and practices

173 companies, including ad networks, exchanges and optimization platforms

For each ad-targeting company, the data include:

- Tracking domains used
- Opt-out cookies and opt-out URLs
- Key privacy-policy classifications and excerpts
- Utilization of Flash cookies

Policies and opt-out operations are continuously monitored and updated

Database of ad-targeting company presence on top websites

Spider regularly samples pages for presence of ad-targeting companies

- Selective weekly sample of most popular pages (based on search engine listings) and individual pages scanned by 25,000 TrackerWatcher users
Ad-targeting companies studied

Includes ad-related networks or platforms that appear to collect or use consumer information for advertising across multiple sites.

NAI membership in bold
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| Conclusions and recommendations | Disclosure requirements
|                                 | Technology requirements
|                                 | Website requirements
Policies

Not all ad-targeting companies have consumer privacy policies

In many of these cases, companies have a corporate privacy policy that does not apply to consumers.
Anonymity

Nearly all ad-targeting companies promise to keep you anonymous

Anonymity confirmed in policy
92% (133)

Anonymity not confirmed in policy
8% (12)

A company confirms anonymity by stating that they do not collect personally identifiable information or that they do not associate it with your activities and interests.
Sharing

Policies of most ad-targeting companies permit conveyance of anonymous profile information

- No information is conveyed: 41% (60)
- Anonymous profiles information may be conveyed: 55% (80)
- Any information may be conveyed: 4% (5)

“Convey” does not include sharing with vendors, transfer in an acquisition, or pursuant to other legal process. Some policies provide that information is only shared under confidentiality agreements.
Out-of-Bounds

Relatively few ad networks promise to stay out of sensitive areas like financial and health

- No enumerated exclusions: 73% (106)
- Enumerated exclusions: 27% (39)

NAI members are assumed to be bound by NAI principles for sensitive categories, even if they have no express statement in their own policy.
Deletion

Relatively few ad-targeting companies tell you how long they keep the information they collect.

- No published deletion policy: 75% (109)
- Published deletion period 12 months or less: 13% (19)
- Published deletion period over 12 months: 12% (17)
Opt-out availability

Over one-third of ad targeting companies offer no consumer opt-out

- Opt-out available: 62% (107)
- No opt-out available: 38% (66)
Flash cookies

Some ad targeting companies use flash cookies

Based on Flash cookies found on 17 actual user computers.

No known Flash cookies
91% (160)

Known Flash cookies
9% (16)
Tracking domains

Many ad targeting companies use tracking domains that are different from their principal corporate domain.

Using domains other than principal corporate domain

25% (43)
Industry oversight

Less than one-fifth of all ad targeting companies are subject to oversight by the NAI or TRUSTe

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<th>NAI members</th>
<th>TRUSTe certified</th>
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<td>14% (25)</td>
<td>13% (23)</td>
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NAI coverage

NAI-members represent a minority of all ad targeting companies present on top traffic websites

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<th>4.4</th>
<th>Average number of all ad targeting companies present per site</th>
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<tr>
<td>2.3</td>
<td>Average number of non-NAI ad targeting companies present per site</td>
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<td>2.1</td>
<td>Average number of NAI member companies present per site</td>
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Based on pages sampled on ad-supported websites in the top 500 traffic networks (ranked by Quantcast.com)
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- Deletion
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- Flash cookies
- Industry oversight
- NAI coverage

### Conclusions and recommendations
- Disclosure requirements
- Technology requirements
- Website requirements
Disclosure requirements

Privacy disclosures from most ad-targeting companies are substantially incomplete as to data retention and use of sensitive information.

Recommendation: All ad-targeting companies should provide minimum disclosures across key areas.

Missing and incomplete privacy policies and use of multiple tracking domains undermine transparency and accountability.

Recommendation: Ad targeting companies should specifically register the domains they use for tracking and the privacy policies applicable to those activities. This will enable industry and consumer groups to create more effective and complete tools to implement consumer preferences.
Conclusions and recommendations

Technology requirements

The wide reach of non-NAI member targeting companies limits the effectiveness of self-regulatory efforts.

*Recommendation:* Effective technology solutions for consumers must encompass all industry participants, whether or not NAI members. Disclosure and opt-out tools cannot assume voluntary compliance with best practices.

Technologies used to signify consumer choices (browser cookies) are less effective than technologies used to track behavior (Flash cookies).

*Recommendation:* Every ad-targeting company should provide an opt-out mechanism no less durable than those they use to track behavior. This principle can apply to Flash cookies as well as to future potential tracking methods, including technologies such as HTML5.
Website requirements

Website publishers are not fully considering privacy impacts when they enable ad targeting on their websites.

*Recommendation:* Websites employing ad targeting should provide enhanced disclosure and choice at the webpage and website level. This supports greater accountability among websites and advertisers and provides the easiest and most complete user experience.

*Separate disclosure directly within ads, while helpful, cannot alone provide an acceptable consumer experience.* In-ad disclosure depends upon separate interactions for each ad, gives no single view of all relevant companies and opt-out choices, and does not easily provide visibility on multiple companies that may be involved in selection of a single advertisement or all advertisements on a page.
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