Succumbing to the Dark Side of the Force

The Internet as seen from an Adult Website

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Fundamental Premises

• This talk will be as “gender neutral” as possible
• This talk will be rated \textbf{PG-13}
• I am not using this forum to espouse any particular set of moral values
  – Morality is left to your conscience
  – Ethics is left to philosophers
  – I’m talking business, technology, and money
Morality

• Which would you rather I do?
  – Peddle smut
  – Be a salesman

• The sex trade is arguably the world’s oldest profession
  – So why break with tradition?
Yes, my mother knows what I do for a living!

So does my wife, sister, neighbors, colleagues – and now you do, too...
So, Who Does This Stuff, Anyway?

- Slimeballs – gold chains and polyester
- The Trenchcoat set
- Guests on Leeza
- Ordinary people
The Adult Industry

• First tier (producers)
  – Film companies, magazines, writers
  – Semi-pros and self-promoting amateurs
  – Toy manufacturers
  – Streetwalkers, nudie bars, “massage parlors”

• Second tier (resellers)
  – Ye olde smut shoppe – magazines, videos, toys
  – Web resellers – legitimate and otherwise
  – Phone sex
Phone Sex

• A surprisingly large business
  – Get an adult magazine, and look in the back…
  – Not as successful with the PC set, but the human voice is a powerful magnet
• 1-900, 976, and credit card by-the-minute
• The new area codes are a boon to phone sex
  – “Free calls, only LD rates apply”
  – So where *is* area code 809, anyway?
Web Resellers

• Still Pictures
  – Original content
  – Scanned

• Video
  – Canned
  – Streaming
  – Live

• Ye Olde Electronic Smutte Shoppe
How Did I Get Into The Biz?

• Started by selling links to smut sites via First Virtual InfoHaus
• A friend runs digits.com web counter
  – He sold ads on his Top-10 pages
  – He suggested I create a picture of the day site
  – I eventually created member site
• Teamed up with a local photographer, videographer, and talent agent
What is out there?

• If it can be done to, with, on, in, or around the human body, there’s a site for it…
  – Straight, gay, lesbian, solo, transsexual, transgender
  – B&D, S&M, Q&A
  – Hardcore, softcore, pictures, text, sound, movies
  – Bestiality, pædophilia, coprophagia, and all manner of fetishes and paraphiliæ

• All the world’s queer save thee and me
  – And I’m not too sure about thee…
Let’s Talk About ““Product””

• If you’re looking for smut, the product is interesting

• If you’re in the biz, product is boring
  – “If you’re in the adult business for any reason other than the money, you’re in the wrong business”
  – Chocolate shop analogy
  – Ice cream shop analogy
So how much money can you make?

• Melissa Wolf (Penthouse Pet)
• Persian Kitty, Danni Ashe
• Hugh Hefner, Bob Guccione, Larry Flynt
• ClubLove, NetPics, UltraPics
• Me
How does one get “Product”?

• Scanned from magazines
  – Illegal and a violation of international copyright laws, and we don’t do it
• Video capture
• Garnered from newgroups
• Stolen from other sites
• Original content
Scanning from Magazines

- Playboy
- Hustler
- Penthouse
- Private
- others
Garnered from Newsgroups

• Reading the groups
  – Horribly time consuming
• Using an automatic unburster
  – Bandwidth and time consuming
• Newsgroup ➔ Web server
  – Netpics, ultrapics
• Copyright issues
  – Common carrier legislation
Stolen from Other Sites

- Webmirroring
- Snatch and trim
- Bandwidth thieves
Original Content

• Relatively easy to do
• Rather hard to do well
  – Photographer, director, lighting, makeup, sets, backdrops, costumes, props
• Models are easy to come by if you have connections
  – Release forms, medical checks, boyfriends…
• Reliable models are another story altogether
Copyright Protection

• The word “Copyright” or the symbol “©” are all you legally need on an image (or collection)
  – That is, in theory…

• It is a fact of life that people steal pictures
  – They don’t often view it as theft
  – Digital transmittal has made protection hard and enforcement harder

• Varying degrees of marking images as owned
So Where Do We Get Ours?

• Half our sites are original content sites
  – All softcore
  – Legally easier to deal with
• Half our sites are Usenet images
  – Huge volume of images
  – Often blocked by major ISPs
• So, how do we deal with copyrights?
Server Load Issues

- Load reduction
- Load sharing
- Load shedding
- Load boosting
- Load stealing
Load Reduction

- JPEG vs. GIF
- Image quality vs. browser abilities
- Image size vs. screen size
- Cache images, not pages
- Noise files
Load Sharing

• What happens when the load on one server goes through the roof?
• Load sharing is a way of splitting the load amongst multiple servers
  – Round-robin DNS is typical
  – In practice, few adult servers bother
Load Shedding

- Load Shedding is when a “front-end” server hands off to a “back-end” server
- Two common methods:
  - Front page points to a dynamically determined server that handles all but first request
  - Front-end server connects to back-end server on a different network (e.g., 10.0.x.y)
Load Boosting – Javascript Slamming

• Pages have Javascript that opens other pages in new windows
  – Can be done with `onLoad` methods, or just part of a simple script
  – Opens often cascade – one page I surveyed opened 23 new browser windows
  – Page loads means higher placement in Top-10

• `onUnload` methods also used – no escape!
Load Stealing – Obvious

• One server has pages which have `<IMG>` tags that point to another server
  – My page has the text (and most importantly, the click-through banner ads)
  – Your machine gives me the images on my page

• Servers with static images are most vulnerable to this “bandwidth theft”
Load Stealing – Subtle

• <META> tag hijacking
  – Put a popular name (e.g., “Playboy” or “Persian Kitty”) in your meta tags

• Search-spider spoofing

• Content spoofing

• Keyword spoofing

• Domain name spoofing
Domain Names are Gold

• A good domain name is worth *real money*
  - shopping.com reportedly sold for $750,000
  - pittsburgh.com is selling for $10,000
  - desktop-banking.com is asking $2,000,000
  - klein.com is worth at least $30,000

• A well spoofed name is worth money, too

• A domain name and it’s content are usually inseparable
Top-10 Lists and Consoles

• Not a *measure* of popularity – they *make* popularity!
  – The higher you are on a list, the more hits you get
  – Javascript slamming raises your position “legally”
  – Click-bots and load-bots also do wonders
  – Once you’re up on top, you stay on top
  – Bottom feeders are really just food
Click-bots

#!/usr/bin/perl

use HTTP::Request;
use LWP::UserAgent;

$ua = new LWP::UserAgent;
$ua->agent("Mozilla/3.01 (CacheFlow-Cache/1.1 - 10787.R)");
$req = new HTTP::Request(GET => "http://sex.com/count/143");
$req->header(accept => '/*/*');
while (1) {
    $response = $ua->request($req);
    sleep int rand 15;
}
Top-10’s – Raison d’être

• Every time you visit my site, you also hit the Top-10 list via Javascript or <IMG> tag
  – They provide a rating service at no charge
  – They have lots of load and no product to sell

• So how do they make money?
  – One word: Advertisements!
Advertisements Fuel the Market

• Free sites give away 1–N images, sell ads
• Consoles list you for free, sell ads
• Link sites list you for free, sell ads
• Search engines list you for free, sell ads
  – Not purely an adult-market phenomenon
    (Lycos, AltaVista, HotBot, WebCrawler…)
Ads are sold in many ways

• Per impression – best for provider
  – Usual approach for “legitimate” sites

• Per click – a (sometimes) fair middle ground
  – Prices range from 2.5¢ – 18¢ per click
  – Raw click-through rate is O(15%)
  – Click-bots burn everyone

• Per sale – best for advertiser
  – Usually 50–100% of first sale, not renewals
    • When renewals are involved, rate drops to 20%
Internet vs. Magazine Ads

• Immediacy of feedback
  – Can track impressions, clicks, and buys

• Micro-transactions
  – No need to run them for a week/month

• Highly directed
  – Per page or keyword based
What kind of ads work?

• In the non-adult market, two kinds:
  – Directed ads with clear statement of purpose
  – “Whuzzat?”

• In the adult market, explicit is best
  – Directed – advertise in a similar market
  – Be (or appear to be) honest

• Good ads violate textual layout rules
  – Motion, blinking, color, cropping, break the box
Ads vs. Subscription Sales

• Magazines range from O(20-95%) ads
  – Time, Newsweek ➞ Vogue, Elle
• Websites (should) limit the number ads
  – But usually they don’t
• Both magazines and websites have the motivation to expose the ads
• Advertisers want to sell their product!
  – Ad efficiency
What Sells?

• The same old stuff
  – CD-images (Z-Master, *et. al.*)
  – Newsgroup ➔ web conversion

• Original or directed content
  – New faces
    • “Amateurs”, local photographers
  – “Gee-whiz” factor
  – Niche marketing (tickle someone’s kink)
“What sells” may not matter

• Lots of adult sites with no product!
  – Persian Kitty
  – Naughty Links
  – Many sites with ads and alleged content…
• What draws clicks is what matters
Other Ways to Make Money

• Original ideas are hard to come by
  – Adult Verification Systems
  – Search Engines
  – Video Streaming
  – Link Collections
• realdoll.com
Running the Site – Human Factor

• First and foremost, you’re in a service industry
  – Develop the proper attitude – smile – the customer is almost *always* right
    • No matter how moronic, rude, or threatening
  – AOL users are largely ignorant – plan for it
  – Some users are smart – listen to them!

• Your server software and logs are your friends
  – Don’t throw data away
  – Historical data helps you plan for the future
Site Automation

• Do you want to update your site daily?
• Our sites are 50-100% automated
  – Original contents sites are 50% automated
    • New images need to be shot and scanned
    • Enrollment, sales, and tracking is automatic
  – USENET contents sites are 100% automated
    • Data mining is still manual
    • Memberships, advertisement, updates, all full-auto
• Some other sites are manually driven
Security

- Get it right the first time!
- Good passwords are a must
  - Force your customers to use them, too
  - Password theft (and publication!) is rampant
- Firewalls are a must
- Predictability is bad
- Free software is often a security disaster
Keeping the Kids Out

• You can’t do it! (But try anyway)
• Due diligence is the next best thing
  – Javascript warnings
  – Age-screen front door
  – Fraud on your part is not negligence on mine
• Advertise NetNanny, CyberSitter, etc.
Avoiding the Law – The Right Way

• Be nice
• Use only original content, or buy licenses
  – Have signed model releases with proof of age
  – Videotape everything
  – Don’t tempt fate
• Incorporate (and don’t be an officer)
• Co-own your house
• Have a good attorney & know the law yourself
• Move your operation offshore
Avoiding the Law – The Usual Way

• Avoid blatant copyright violations
• Be honest
• Encourage and listen to cease-and-desist orders
• If they look too young, they are too young
• Don’t tempt fate
• Know a good attorney
Keeping Your “Friends” Away

• Always use email aliases on your site
  – Avoid webmaster@yoursite.com
  – Have good anti-spam filters

• Use email aliases on your NIC records

• Avoid mailto links
Getting Hits

• Really old days – create a site, and people will come to it
  – No publicity ≠ no knowledge
  – Accidental popularity
• Old days – “hey, let’s trade links”
• Today – advertisements, Top-10 lists, spamming, circles of traffic, usenet postings
Getting Paid

• Credit cards
  – Do-it-yourself
  – Billing services
  – Recurring billing
• 900 numbers
• First Virtual
• Microtransaction
Getting Screwed

• Banner Ads
  – Non-payment
  – Late payment
  – “Uniques” and other trimming techniques

• Console slamming

• Your images, their ads
Ruminations on the Present

• Sex is natural, sex is healthy, sex is good
  – Repression of sexuality causes perversions
• By and large, the adult industry is providing a therapeutic vehicle to people in need
• Patrons of the business are largely healthy, normal people doing healthy, normal things.
  – And who am I (or you) to say what is normal?
Ruminations on the Future

• The sex trade is here to stay
  – Major advances in software algorithms and image manipulation have been drive by it
  – The “feelies” of Aldous Huxley’s *Brave New World* are not far away

• Adverse legislation will only drive it underground, making it dangerous

• It will always be worth a lot of money
Conclusions

• Draw your own!

• The adult industry is not for everyone
  – Many people purchase
  – Far fewer sell
  – Fewer still provide

• The adult industry is not going away
  – How can you comfortably live with its presence?