

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 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 newsgroups
- 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 has `` 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 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 0(20-95%) ads
 - Time, Newsweek \Rightarrow 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 \neq 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?