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

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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?

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Kolstad's story about salesmen closing deals

I do what I do with a clear conscience

No one is forced, everyone is paid

Yes, not everyone is like me – but *I* am!

Note on 2nd oldest profession

In humans, war is possibly #1

Other primates peddle sex for food

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

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

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More on mom later…

Does “coming out” hurt me?

My history on coming out (and no one seems to care, but I don’t live near Jerry Falwell, either - Thank God!)

So, Who Does This Stuff, Anyway?

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

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Slime: Bob Burt, club owners on the make, Lisa Caine and massage parlors, private dancers – the stereotypes have a real-life basis!

Leeza - JenniCam

Richard's Realm – kid on shoulder

Blondie/Jake – white couple, black adopted son (they didn't go to college, he is)

Danni Ashe, PK – just a housewife

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

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Video discs – Sony and Pioneer initially refused to license the technology to Adult movie houses.

The creators of DVD’s have no such issue

Meet interesting people – Improv Sex Script writer, assorted strippers, dungeonmasters, photographers

CUSeeMe – no talking, just video. “Penis Alert”

Your largest erogenous zone is between your ears

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?

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By the minute means "keep them on line as long as possible"

Housewives, etc., doing phone sex.

809 is in the Virgin Islands (an interesting choice of name)

Web Resellers

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

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Pictures - BMP, GIF, JPG, fractal compression, incremental JPG

Canned video - Animated GIF, MPG, AVI, MP3

Streaming video - RealVideo, jpg, Visio

Live video - babe in a box, Danni's bedroom

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

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Talent agent – describe Blondie (ex-dancer, now largest booking agent in tri-state)

I come by this honestly – mom

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…

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Your wildest dreams, darkest fantasies (and scariest nightmares) are but a click away

Philia, phobia, mania, pathia

A woman patting her husband's stomache, and getting there via a rather circuitous route. The non-priapic response and complete detumescence indicates that the gratification might be other than sexual (perhaps more along a psychological line). I refuse to classify it as "perverted", and instead say only that this particular paraphilia is beyond my ken. Yet obviously, there are those who enjoy both the participatory, exhibitionistic, and voyeuristic aspects of the act. (The nice thing about a PG-13 talk is that you can talk dirty, you just have to use big enough words so the kids won't understand).

And how much is out there?

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

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Product is what you're looking to buy, but it's not always what sites are selling (more on this later)

Product is boring… Melissa Wolfe – crotch shot

Ice cream - Shauna liking all kinds of ice cream now

Pornography leads to promiscuity – no. Pornography leads to comfort with yourself and others. Hustler cartoon – fantsasy vs. reality. Condoms in schools.

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

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Melissa Wolf – 15K sf house in Atlanta, no mortgage

Persian Kitty $900K her first year

Hugh Hefner, Bob Guccione, Larry Flynt – Hugh bought hotels

ClubLove, UltraPics – Netpics had a T3 ($40K/month expense), Ultrapics has 14,000+ members @ $11.95/mo

Me ($2-3K/month, group $10-12K/month)

None of us will do the Al Capone routine (we all pay our taxes)

Clublove had 20x more hits in a day than whitehouse.gov had in a month (Time, January 6)

How do you 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

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Scanning from Magazines

- Playboy
- Hustler
- Penthouse
- Private
- others

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others include fetish mags, european mags, films

Some sites (like hustler.com) sell their own stuff, of course

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

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Stolen from Other Sites

- Webmirroring
- Snatch and trim
- Bandwidth thieves

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Snatch and trim are two euphemisms (along with Yoni, zush, quim, quiff, (BZM's list)

Old hat (because frequently felt)

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

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A set is more than a bed – hottub, poolside, doctor's office, dungeon (some say they're the same), meadow, playground

Good lighting is an art form (a good flash is N Ws, a home flash is M Ws). Look in their eyes for flash… highlight, backlight, "subject matter" light

Props – you have a dirty mind! (candles, mirrors, motorcycles, "toys")

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

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Owned: large obnoxious logos in pictures, watermarks, GIF comments, etc.

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?

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Data mining – porno mining

Server Load Issues

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

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Load Reduction

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

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Noise files: backgrounds, frames, javascript, consoles, audio…

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

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Hit statistics – more on Monday (and also AM) than any day. Brassiere curve on M-F (peaks at 8:30-11:30 and 4:30-7:30, 10:30-1:30), bell curve on Sa-Su, smallest on Sunday

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`*)

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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!

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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”

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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

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Meta tag hijacking – Playboy

Copy the tags from a top listed page (one site has 75 different "index" pages,one for each search engine)

Content Spoofing – information Viagra

Keyword spoofing – IBM bought DEC at Lycos, 1-800-OPERATER

Domain spoofing - whitehouse.com, alscan.com, dbscans.com, netscpae.com

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

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alscan.com, dbscans.com, netscpae.com

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

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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;
    }
```

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This script adds 11,520 hits/day

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!

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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…)

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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%

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Ads - who pays for bandwidth?

Click price - competition history

Click rate is influenced by number of ads, number of pages with ads, quality of ad, age of ad, location of ad vs. content (12% for customer X, dropped to 4% when set up multiple pages) (38% click rate for blow ad) (legitimate industry average of 1-2%)

Where is the click counted? Uniques?

Per sale - how much is the first sale, how long is the renewal period?

HotHotHot credits 15%, but cookie is only valid for 7 days

Strip-a-Gram credits 20%, but cookie is valid for 12 months

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

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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

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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

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Magazines care less if your ad sucks than a web site does – magazines are per impression based only!

Why advertise at the superbowl – cachét vs. selling product (branding)

Psychic friends – who is up at 3am? Why not advertise on soaps? And why couldn't they forsee their bankruptcy?

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)

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“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

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Other Ways to Make Money

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

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Used panties and dildoes

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
  - 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

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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

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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

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alt.sex.passwords

Matt's scripts – bboard system passwd.txt is stored under DOCUMENT_ROOT, mail program uses -t but not -oi

Adult sites have better security than banks and federal sites in all but denial of service vulnerabilities (Dan Farmer, `http://www.trouble.org/survey`)

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.

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Self censorship – ROT13

Don't bookmark your smut, so kids don't find it (bookmark site)

All AVS does is verify that you have a credit card

Magazine rack analogy

The law is undecided

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

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Be nice – handle all complaints by losing money

Bestiality is illegal almost everywhere

So is kiddie porn

FBI sting letter

Playboy lawsuits

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

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"Sixteen" headbands

Tempting fate – fisting, trimmed images

Be able to swear in court

Be honest (don't attract angry clients), Respect privacy

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

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Yablon story

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

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sexy.html

NIC Record surfers (Pittsburgh Domains)

Getting Paid

- Credit cards
  - Do-it-yourself
  - Billing services
  - Recurring billing
- 900 numbers
- First Virtual
- Microtransaction

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Galaxy-net story

Getting Screwed

- Banner Ads
  - Non-payment
  - Late payment
  - "Uniques" and other trimming techniques
- Console slamming

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AssMeat – $2000 (0% up front)

Barmore – $500 (w/25% up front)

We're now 50% up front, 50% after half-done

IEG sending 1099 w/no check! (sent me cancel but not IRS, then paid 14 months late)

Trimming – page 2 (3, or 4)

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?

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Comments by my mom… (Master's and Johnson, Kinsey, Shere Hite, John Money, Ashley Montague, etc…)

"Normal" is merely a statistical term

There, you should now all have warm fuzzies when viewing smut…

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

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In spite of Biblical, fundamentalist, societal, moralistic, political, sociological, or medical proscriptions – it's been with us for > 4,000 years (or perhaps 400,000,000, if you consider evolutionary evidence). Animals seek pleasure, sometimes over food (cf. cocaine). Pictures are "safe sex".

Science fiction has largely be the predictor of science fact – and Huxley is not alone in his predictions

There is already a "game chair" with complete surround sound built in (including a speaker between the legs, reminding me of the Sybian)

The moral fabric of a people is not woven with the thread of law. The law is merely a reflection of the whole cloth. You cannot legislate morals – you can only teach them by example (ex. crooked politicians)

Prostitution in Netherlands and Germany; abortion in countries where it is illegal

A fool and his money deserve to be parted, but not all procurers are fools. Vice is nice! Pelf, filthy lucre, ill gotten gains, paying the mortgage.

Conclusions

- Draw your own!
- The adult industry is not for everyone
  - Many people purchase
  - Fewer sell
  - Fewer still provide
- The adult industry is not going away
  - How can you comfortably live with its presence?

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Sodom and Gemorrah – Even God couldn't get rid of it