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 Compaq or used car 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…

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

So, Who Does This Stuff, Anyway?

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

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…

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, pedophilia, coprophagia, and all manner of fetishes and paraphilias
• 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
- Alex Delean
- 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. Really. No, really!
- 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 (chocolate shop…)
- 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?

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
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>
</body>
</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>`
  - 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/5.01 (CacheFlow-Cache/1.1 - 10787.3X)");
$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 vs. 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
  - Link Collections
  - Search Engines
  - Adult Verification Systems
  - Video Streaming, Web Cams
  - 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 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

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
- Avoidmailto 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, 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 therapeutical 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/