Mr. Edelman has some thoughts on the "K's of the world."

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From: "Ben Edelman" <bedelman@mit.edu>
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Subject: New Research: "Pick-Pocket Pop-Ups" & Affiliate Commissions

Greetings, and thanks for asking for updates on my research. This week's news:

For the last two years, I've been writing (in part) about online programs, installed on users' PCs, that monitor users' online activities and sneak extras pop-up ads. Today I present research about another problem, quite distinct from pop-ups: programs that target users -- indeed, sites -- affiliate commissions.

Call the programs stealware, thieware, or even "pick-pocket pop-ups" (a term recently coined by Ben Cukier), but their core method is surprisingly simple. Stealware computers join the affiliate networks and merchants operate -- networks intended to pay commissions to independent websites that recommend the merchants to their visitors. Then when users browse to merchants' sites, the stealware programs jump into action, tracking merchants' tracking systems to think users reached the merchants thanks to the stealware programs' efforts.

I've begun my research in this field with a particular twist: I believe to be the largest and most prevalent of those that specifically seek to add and replace affiliate commissions. Like rSpy and Whisk, Bands (from 10e0olutions / MetricsDirect) monitors users' activities and sometimes shows pop-up ads (though 180's ads are particularly large), often covering the entire browser window. But the real news is that bands frequently sets and replaces affiliate tracking codes -- as in some 200+ major merchants, using at least 17 different affiliate accounts and <s>hers of redirect servers.

Details:

The Effect of 10e0olutions or Affiliate Commissions and Merchants
(http://www.genesys.com/papers/10e0olutions-affiliate.html)

Much of Bands' affiliate code replacement lacks any on-screen display. As a result, ordinary users (not to mention merchants) viewing (ad) are unlikely to notice what's going on. Where possible, I've captured some of
Zango's behavior with screenshots and videos. As to the rest, I've used my trusty network monitor to inspect the raw transactions passing over my Ethernet wire.

Steakware causes several major policy concerns. For one, merchants risk throwing away money -- paying commission when none are due, increasing their costs, and ultimately raising prices for everyone. For another, legitimate affiliates lose commissions when steakware programs overwrite their tracking codes with steakware programs' own codes. Finally, steakware puts affiliate networks like Linkshare and Commission Junction in a truly odd position: if the networks enforce their rules and remove steakware programs from their networks, then the networks shrink and receive smaller payments from merchants.

Ben Edelman

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