

AFFILIATE PROGRAMS: LEGITIMATE BUSINESS OR FUELING CYBERCRIME?



USA + 2011

EMBEDDING SECURITY

AGENDA

- » What are Affiliate programs?
- » How much mullah?
- » What effect can we have by going after affiliate programs?
- » Determining the difference between the good ones and the not so good
- » How to go after the not so good affiliate programs

HOW LEGITIMATE AFFILIATE PROGRAMS WORK

- » Merchant wants to sell product
- » Publisher/marketer wants to make money
- » Affiliate Program brings these two together



Publisher



Affiliate Program



Merchant



HOW DODGY AFFILIATE PROGRAMS WORK

- » Merchant wants to sell product
- » Spammer wants to make money
- » Affiliate Program brings these two together



TYPES OF AFFILIATE PROGRAMS

The Bad ones...

- » Spam marketing
- » Pay-per-install (PPI)

Examples of good...

- » Selling books
- » Gambling sites
- » Selling/marketing about any legitimate product on the Internet

TYPES OF PAYMENTS

- » PPI – Pay-per-install
- » PPC – Pay-per-click
- » CPO – Cost-per-order
- » CPA – Cost-per-action

HOW MUCH MONEY CAN YOU MAKE?

» Glavmed generated US\$150m in sales between May 2007 – June 2010

- Earn up to 40% through the affiliate program on sales
- This spammer made between US\$5k to 50k p/month



The screenshot shows the Glavmed affiliate dashboard. At the top is the Glavmed logo. Below it is a 'CONTROL PANEL' with a 'Statistics' section containing links for Total, Detailed, By date, Referrals, Traffic, Goods Sales, Campaigns, and Sales growth. The main section is 'PAYMENTS HISTORY' with filters for 'SHOWED' (23:21), 'USA (PST)' (12:21), 'USA (EST)' (15:21), and 'EUROPE (GMT)' (19:21). A welcome message reads: 'Welcome to Partner Statistics Reports. Summary. Please find total summary of all your orders for specific date or time period.' Below this is a table titled 'Payment History' with columns: Payment date, Payment type, Amount, Fee, Transferred, Comment, and Protection. The table contains six rows of payment data.

Payment date	Payment type	Amount	Fee	Transferred	Comment	Protection
2010-08-31		\$2006.31	\$35.34	\$1967	27/08/10 31/08/10	3WtLubG
2010-08-26		\$1706.46	\$33.46	\$1673	22/08/10-26/08/10	Vw672w
2010-08-21		\$2148.12	\$42.12	\$2106	17/08/10-21/08/10	Tb135Tol
2010-08-19	from account	\$1043.92	\$0	\$1043.92	april-egust charity	
2010-08-16		\$3508.8	\$68.8	\$3440	09/08/10-16/08/10	R66wJmf
2010-08-08		\$1853.34	\$36.34	\$1817	04/08/10-08/08/10	4w28KCV8

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HOW MUCH MONEY CAN YOU MAKE?

- » Yabucks PPI
 - Paid per successful, unique installs



A screenshot of the YA!BUCKS website. The header features the logo "YA!BUCKS" with the tagline "YOUR TRUSTED PARTNER" and navigation buttons for "HOME", "REGISTER", "FAQ", and "CONTACTS". The main content area includes an "ABOUT" section with text describing the pay-per-install affiliate program, a "LOG IN" form with fields for "Username" and "Password", and a "LOG IN" button. At the bottom, there are sections for "WHAT WE CAN DO FOR YOU?" and "YOUR OPINION".

Country	Rate per 1,000 installs \$US
USA	170
Canada	120
United Kingdom	110
Australia, Europe	50

HOW MUCH MONEY CAN YOU MAKE?

- » Amazon (Legitimate) Affiliate program
 - \$US\$1-25 or 4-10% for each completed order



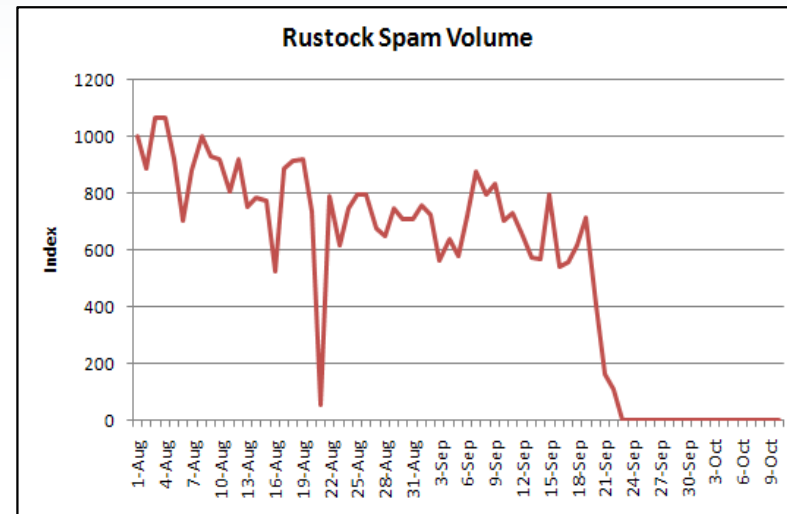
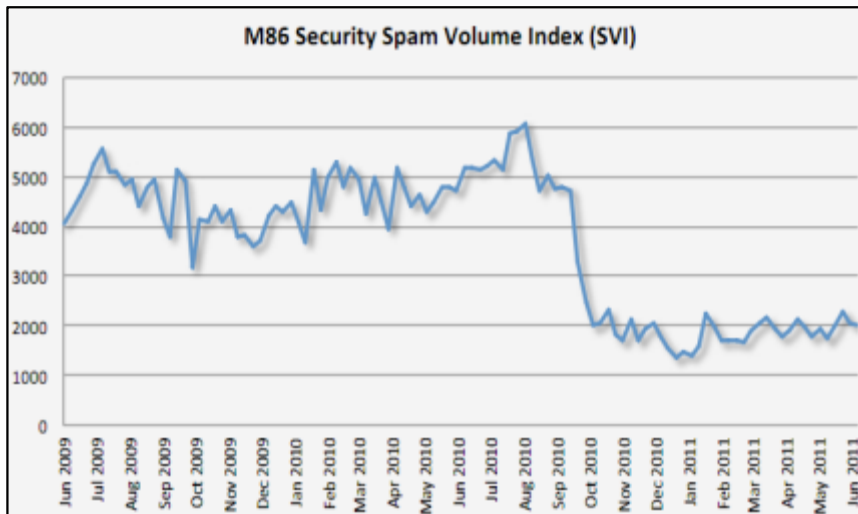
QUICK FACTS			
www.amazon.com		PAYMENT FREQUENCY:	MONTHLY
GLOBAL ACCEPTANCE:	YES	REALTIME STATISTICS:	YES
ONLINE SINCE:	1996	CONVERSION RATES	MEDIUM
TRACKING SOFTWARE:	AMAZON	LIFETIME PAYMENTS:	NO
BASE COMMISSION:	\$1-25 OR 4-10%	CO-BRANDED:	YES
COOKIE TRACKING:	YES	PAYMENT THRESHOLD:	\$0
COMMISSION TYPE:	CPO	TELEPHONE:	YES
IP TRACKING:	YES	AFFILIATE MANAGER:	N/A
2 TIER EARNINGS:	YES	SUPPORT:	E-MAIL, PHONE
2 TIER COMMISSION:	0%		

TRAFFIC ALLOWED			
Organic:	✓	Lead Batch Uploads (Real-time delivery):	✓
Search Engine Optimization:	✓	Hosted Co-Registration (link Outs):	✓
Pay-Per-Click:	✓	Non Hosted Co-Registration (link Outs):	✓
E-Mail:	✓	Exit Popups:	✓
Incentives:	✓	Blogging:	✓
Contextual:	✓	Ad Networks:	✓

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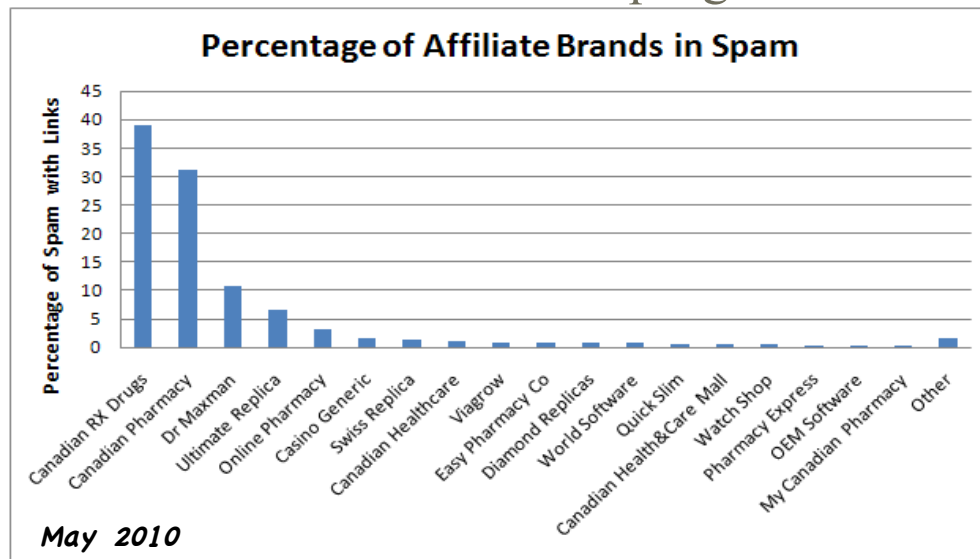
WHAT EFFECT CAN WE HAVE?

» SpamIt closed late September 2010, overnight effect on Spam volumes...



DETERMINING THE DIFFERENCE BETWEEN THE GOOD, THE BAD AND THE DODGY...

- » Very difficult to do!
 - Products/services being offered?
 - Method of payment?
 - Business behind the program



Top 10 Affiliate Programs			
PROGRAM	CATEGORY	COMMISSION	REVIEW
1 EuroPoker	Poker	\$175 CPA	REVIEW
2 Betboo	Casino	50% CPO	REVIEW
3 CasinoRoom	Casino	\$175 CPA	REVIEW
4 AvaFX	Forex	\$250 CPA	REVIEW
5 Party Poker	Poker	\$150 CPA	REVIEW
6 Global Live Casino	Casino	35% CPO	REVIEW
7 EasyDate	Dating	\$80 CPA	REVIEW
8 Victor Chandler	Casino	\$160 CPA	REVIEW
9 MedStore	Health	29% CPO	REVIEW
10 AffiliateBOT.com	Affiliate network	\$90 CPA	REVIEW

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OK, WHAT NOW?

- » Make sure you have properly identified your target!
- » Share this information with the authorities
- » Embarrass them
 - Blogs, articles, press interviews...
- » If that does not work, start on their business partners
 - Payment providers
 - Hosting partners
 - Their Merchants
- » Make sure you stay on the right side of the law...



Thank you for your time and interest...



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