

# Defining rules for acceptable adware

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SPYWARE

PARASITEWARE

FOISTWARE

SCUMWARE  
**ADWARE**  
SLEAZWARE

STEALWARE

THIEFWARE

SCUZWARE

## What is adware?

- Advertising display software
- Delivers advertising to the desktop
- Subsidise own or third party products and services

## Does advertising work?



## Adware is failing to deliver

- Lack of consumer trust
  - Questions about security
- Aggressive application behaviour
  - non-consensual installation and functionality
- Aggressive business tactics
  - Exploiting the business model to increase profits
- Poor value propositions
  - Little value return for the consumer

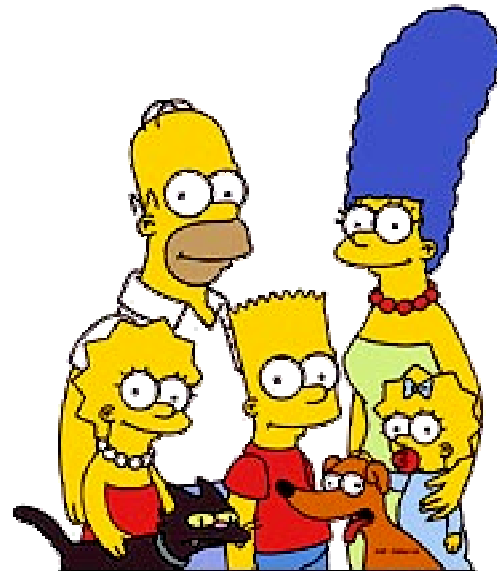
# **Adware business**

## How does the adware business work?

- The players
- The business models
- The pitfalls

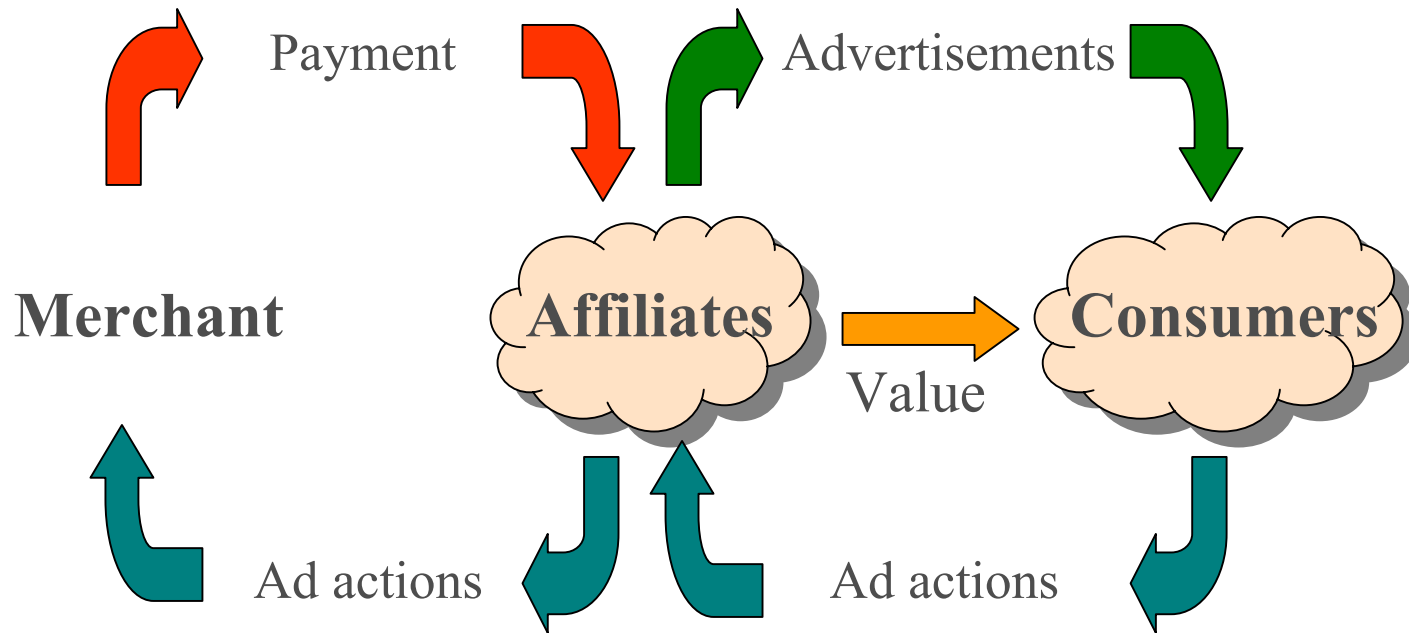
## Players

- Merchants
- Affiliate Networks
- Affiliates
  - Web affiliates
  - Adware vendors
  - Publishers
- Consumers

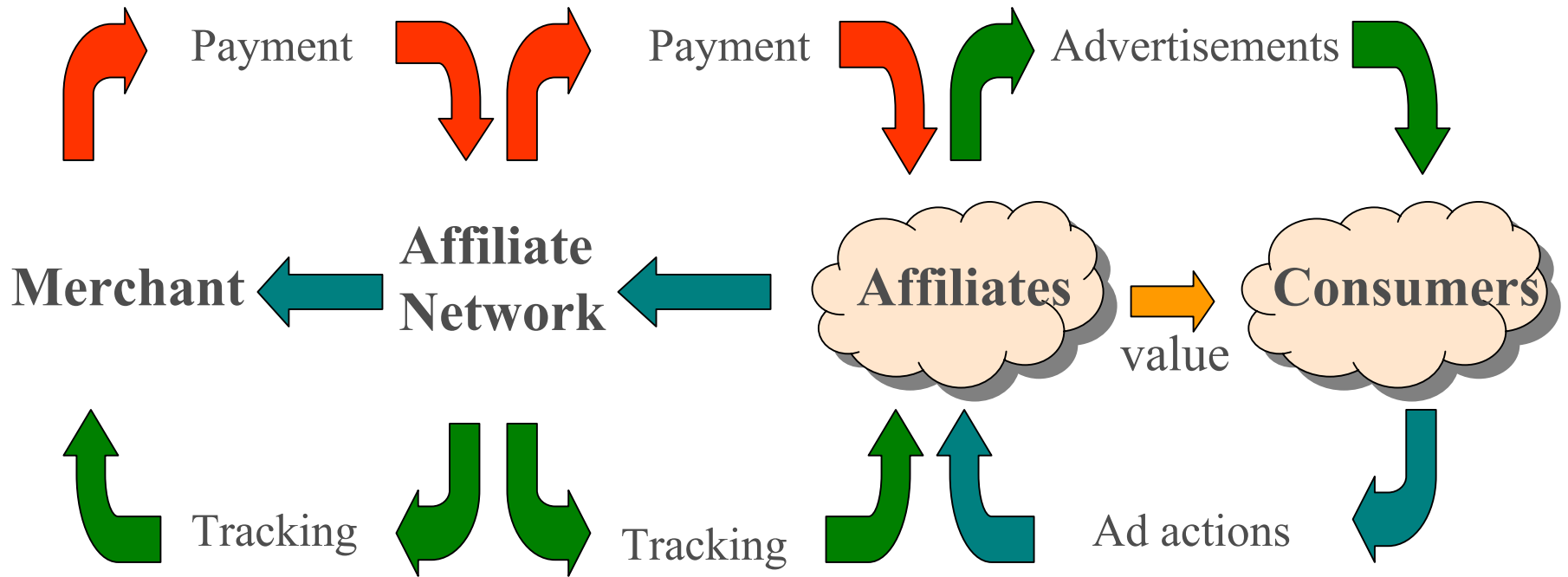




## Business model

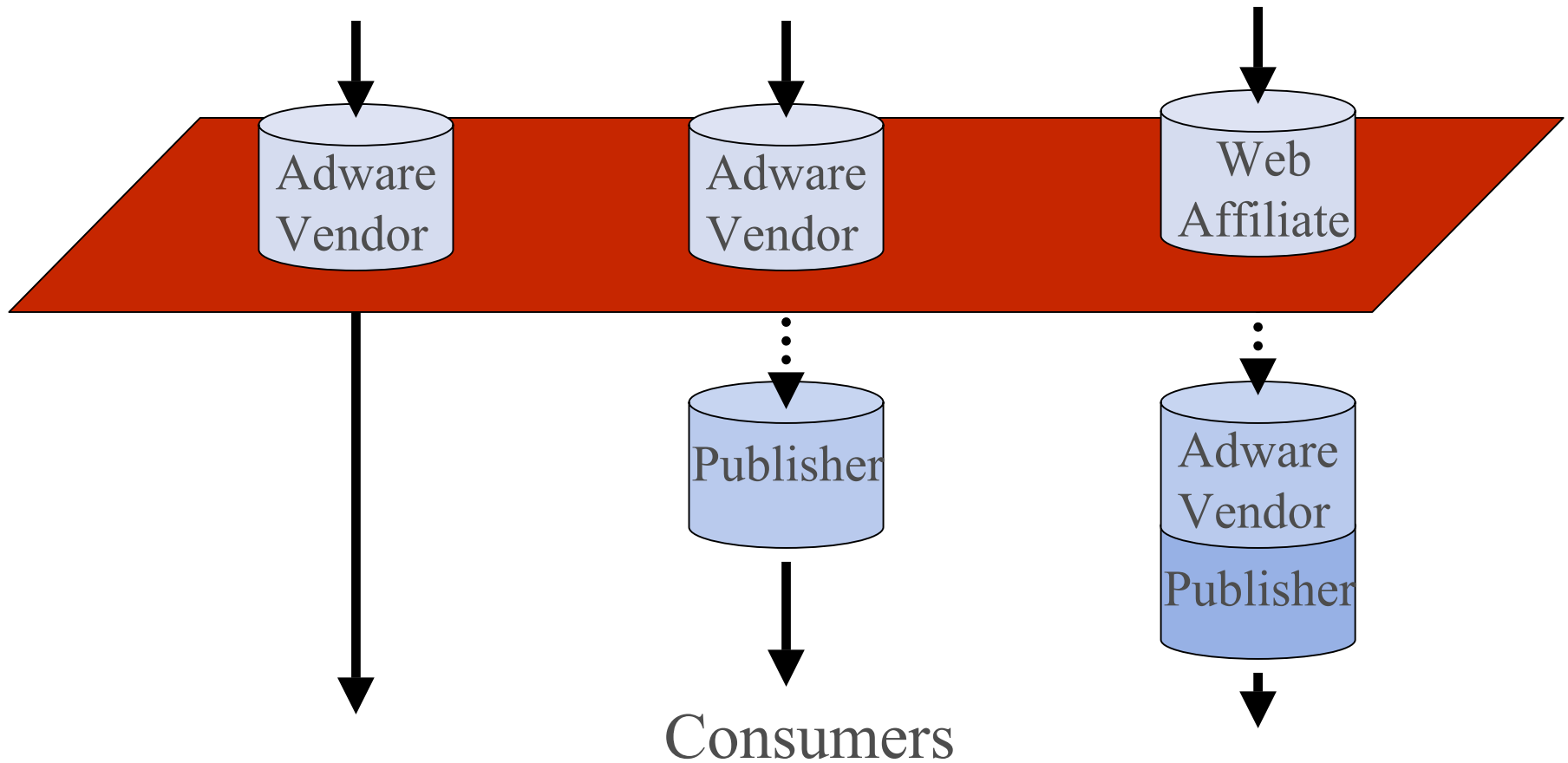


## Business model




## Affiliate arrangements


Affiliate Network/Merchant




## Revenue models

-  Pay-per-install
  - Adware Vendor -> Publisher
- Criticised for encouraging deceptive downloads

## Revenue models

-  Impression models
  - CPM - Cost per thousand ad impressions
- Criticised for encouraging frequent pop-ups

## Revenue models

-  Action models
  - CPC - Cost for every click-through
  - CPA - Cost for every click-through conversion
- Open to fraudulent practices
  - link replacement
  - forced click-throughs

# **Adware Products**

## Adware products

- Deliver advertisements to consumers desktops
- Installed on consumers desktop computers
- Packaged with other software
- Disputed functional and behavioural characteristics



## Product issues - installation

- Poor disclosure and consent
  - functionality
  - behaviour
- EULA - End User Licence Agreement
  - long and complex pseudo legal ramble
  - used to deceive rather than inform



## Product issues - profiling

- Data collection for targeted advertising
- Data disputes
  - Confidential
  - Personal Identifiable Information (PII)
  - Anonymous

## Product issues - system impact

- System changes
  - Changes to browser settings and TCP stack
- System impact
  - Impaired stability and performance
- Removal
  - Incomplete

# General annoyance

# **Rules and regulations**

## Legislation



- Plethora of bills to clarify US legislation including
- I-Spy & Spy Acts



- CMA & DPA stand the test of time

## Self regulation

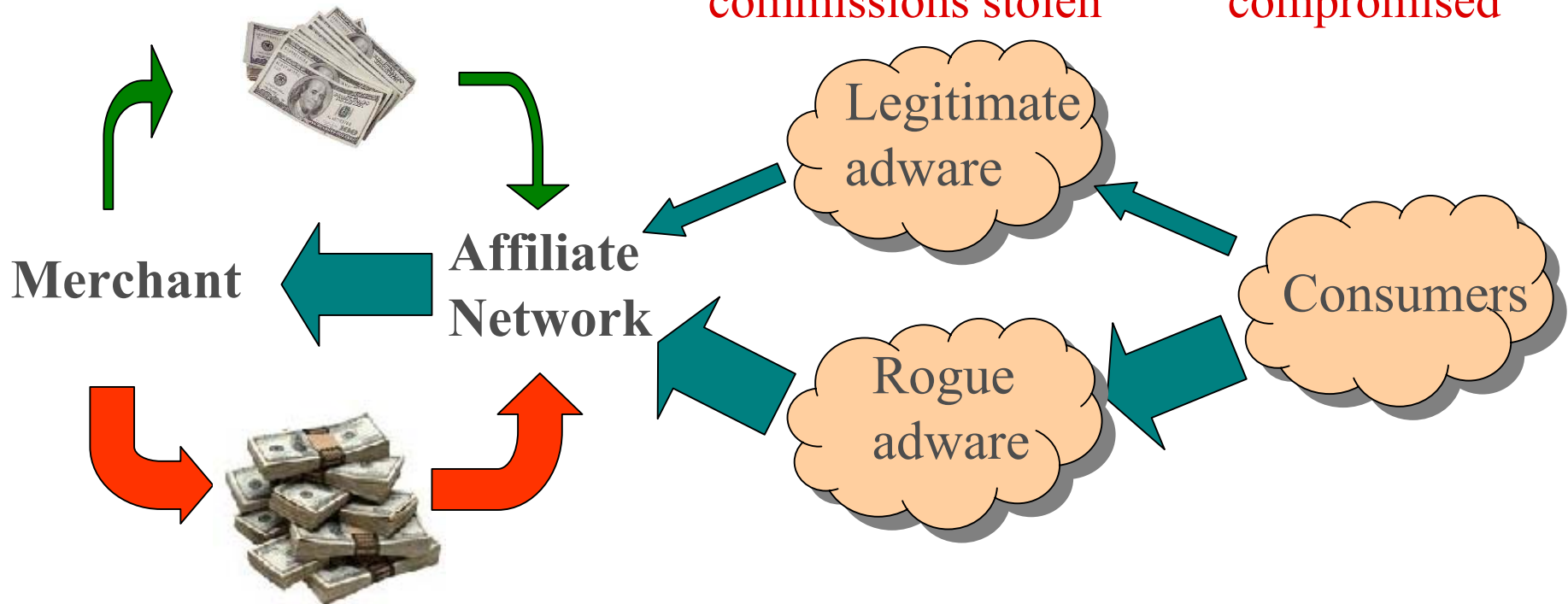
- Affiliate networks already set out detailed rules of conduct
- How well are those rules adhered to?
- How active are the networks at holding those who break the rules to account?
- The network arguably has the least to loose from turning a blind eye

## Winners and losers

Merchants pay unearned commissions

Legitimate adware vendors have commissions stolen

Consumers systems are compromised





## Rules and regulations

- No official standards body to
  - Protect consumers
  - Protect merchants
  - Protect legitimate adware vendors and other affiliates

# **Changing the rules**

## Changes

- Tighter controls on affiliate networks and programs
- Application standards
- Co-operation from AV/AS vendors
- Bring value back to the consumer

## Affiliate program regulation

- The large networks already have detailed rules of conduct
- Independent regulations issued by standards agency
- Independent monitoring ensuring regulations are adhered to
- Define areas of accountability
- Stop the profits on successfully contested adware

## Application standards

- Clear disclosure and consent
  - function summary to complement the EULA
  - double opt-in to install and activate service
  - requested updates
- Profiling
  - clear description of profiled data
  - industry standard definition for PII and anonymous data

## Application standards

- Pop-ups
  - Clear branding
  - Frequency in compliance with recognised standards
- Coverage
  - Practical for the consumer
  - Fair competition

## The role of AS/AV

- Detect adware run by rogue affiliates
  - Protect the advertising business model
  - Protect the consumer
- Allow legitimate adware to operate
  - Allow the advertising business model to prosper
  - Allow the consumer to make unbiased choices

## Value for the consumer

- Use the business model to support quality products and services
- Better integration of adware with supported products
- Clear consumer choices



## Summary

- Address the problems in affiliate networks
  - Independently defined and monitored rules of conduct
- Application standards
  - Focus on disclosure and consent
- Co-operation from security vendors
  - Sort the good from the bad
- Add value for the consumer
  - Use the business model to support quality products and services

**A new label for adware**

PARASITEWARE

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**Questions?**