

Non-Compliant Affiliates and Internet Marketers as a Complex Adaptive System.

It is said that if you know your enemies and know yourself, you will not be imperiled in a hundred battles; if you do not know your enemies but do know yourself, you will win one and lose one; if you do not know your enemies nor yourself, you will be imperiled in every single battle."

- Sun Tzu, The Art of War

"My father taught me many things here — he taught me in this room. He taught me — keep your friends close, but your enemies closer."

- Michael Corleone, The Godfather Part II

Abstract:

Non-compliance in Affiliate and Internet Marketing poses threats to legitimate affiliates and marketing partners, to the advertisers, to the online ad networks, and to the Internet at large. There is a vast range of non-compliant promotional methods, however the root reasons for the activity(ies) are relatively simple - greed, coupled with a varying degree of disrespect-for-authority/rules. Research and investigation has shown that monitoring and enforcement has had a perturbation effect on non-compliant marketers, responsible, in some ways, for their adaptive behavior. It should be duly noted that competition with both compliant and other non-compliant marketers, as well as changes in the "Internet environment" are also prime-motivators for the emergence and necessity of evolutionary non-compliant behavior. This paper investigates non-compliant Affiliate and Internet Marketers (black hats) as a Complex Adaptive System (CAS). In it, I hope to describe how CAS behaviors can be applied to black hats, define a mechanism for their behavior (Zorro Syndrome), and offers suggestions for non-compliance detection and enforcement, consistent with CAS.

Introduction:

The impact of non-compliance within Affiliate and Internet Marketing is difficult to quantify, as there is no centralized agency providing reliable reports and figures on these issues. Although the scope of the problem is unknown, the fact that the problem exists, in spite of suppression efforts, points to the behavior being profitable enough for the perpetrators to continue and display evolution characteristics to that behavior. For the purposes of this paper, non-compliant Affiliate and Internet Marketers are defined as: Those seeking to earn commissions/payments through non-legitimate Internet Marketing methods or other fraudulent activity.

This definition establishes the fundamental criteria for non-compliant (black hat) Affiliate and Internet Marketers: Illegal, criminal, and/or fraudulent activity.

Complex Adaptive Systems:

Complex adaptive systems are defined as systems in which, "a great many independent agents are interacting with each other in a great many ways....the richness of these interactions allows the system as a whole to undergo spontaneous self-organization." *aldrop, M. (1992). Complexity: The Emerging Science at the Edge of Order and Chaos. New York: Simon & Schuster*

The abilities for self-organization improves the systems capacity for adaptability, so the system(s) is both complex and adaptive. The model of CAS is used to describe the behavior of human systems, in both literal and metaphorical contexts. In this way, "the CAS behaves/evolves according to two key principles: order is emergent as opposed to predetermined, and the state of the system is irreversible and often unpredictable." Dooley, K. (1997). *A complex adaptive systems model of organizational change. Nonlinear Dynamics, Psychology, and Life Sciences*

Example of such systems can be found in nature, in addition to human society. Developing cells interact and organize with each other in complicated ways. Birds flying in groups adjust speed and direction to generate familiar formations and patterns. Talented individuals working together demonstrate productivity that is superior to the sum of the individuals (Goldstein, J. (1994). *The Unshackled Organization. New York: Productivity Press*).

In each of these cases, individuals interact to form a recognizable, emergent pattern. The pattern, once it has formed, influences the behavior of the individuals within the system.

Likewise, non-compliant Affiliate and Internet Marketers can be described as a complex adaptive system. It includes a large number of interacting parts, including 'black hats', 'white hats', compliance assurance teams/processes, search engines, ad networks, advertisers, online resources, etc. They have also demonstrated the ability to self-organize by establishing and utilizing "Undernet" resources. From these interacting parts emerge the behaviors identified with non-compliant Affiliate and Internet Marketers.

CAS Behaviors and Non-Compliant Affiliate and Internet Marketers:

In addition to complex interactions and self-organization, the 'Black Hat' CAS shares other characteristic behaviors, including:

- Competition
- Non-linear and Feedback Loops
- Differences in Initial Conditions

Competition:

Any CAS brings together divergent parts into a recognizable system. Yet there are discrete differences in the parts and conflict can emerge where different aspects of the system meet, creating competition with compliant and other non-compliant Affiliates and Internet Marketers, between 'Black Hats' and compliance teams/networks/search engines, etc.

Non-Linear and Feedback Loops:

The non-linear dynamics of the CAS are based on feedback loops that carry information and resources from one part of the system to another. These feedback loops can both amplify and dampen the behavior of the system's parts and the emergent structure. Non-compliant Affiliates and Internet Marketers have very clear and identifiable feedback loops: money and fear. Money, of course, is the amplifier and fear (of getting caught, losing income, etc) is the dampener. The counter flows of money and fear provide the lifelines that allow the non-compliant Affiliates and Internet Marketers to be an adaptive system. Non-compliance, therefore, is a non-linear behavior, and provides the feedback loop necessary for Non-Compliant Marketers to continue their evolution and development.

Differences in Initial Conditions:

The behavior of a CAS is sensitive to differences in starting conditions. Small differences at early points in development may result in vastly different outcomes. This is sometimes referred to as, "The Butterfly Effect". In computer simulations of the Earth's atmosphere, the flap of butterfly's wings in Africa may be an amplifying effect that will, eventually, generate a typhoon over the Pacific Ocean.

Non-Compliant Affiliates and Internet Marketers frequently demonstrate sensitivity to initial conditions. Early detection and decisive compliance action/punishment could be the proximate cause of enough 'fear dampening' to turn a novice non-compliant actor into a compliant one. Likewise, 'slap on the wrist' measures may not generate enough 'fear dampening', and, theoretically, become the proximate cause of the evolution and adaptation of the non-compliant behavior.

The proposed CAS model for non-compliant Affiliate and Internet Marketers depends on set of simple rules that determine the behavior of the individuals, as well as the system as a whole. Over time, and various scenarios and circumstances, the system demonstrates emergent patterns of behavior that can be different from, but still emerge out of, the behavior of the individuals. The Zorro Syndrome is a model for the behavior of individual 'black hats', as well as the CAS as a whole.

The Zorro Syndrome:

The name Zorro Syndrome was chosen to describe the CAS model for the behavior of non-compliant Affiliate and Internet Marketers for a number of reasons. First, Zorro has a heroic image that highlights the importance of perspective in the analysis of the CAS. To some, usually representing 'The System', Zorro was a thief, traitor, and - these days he'd be called 'a terrorist'. To others, he was revolutionary, champion-of-the-people, and courageous hero. This dual perspective exists for 'black hats' and their activity as well. Second, Zorro, through his true identity, Don Diego de la Vega, had a deep understanding of "The System", believed it corrupt (or, at least corruptible), and used his knowledge, and position, to the benefit of the Zorro persona and mission. Black hats, using their knowledge of "The System" do the same to further their goals. Third, while having compatriots and sympathizers, Zorro almost always acted against "The System" alone. Non-compliant Affiliates and Internet Marketers generally follow the same pattern, seldom actively working with anyone, yet there are still levels of contact and communication. Fourth, central to the Zorro legend is mistrust of authority. While enjoying a position of wealth and nobility, Don Diego/Zorro, believed "The System" was corrupt and exploitative, and acted against it. A hallmark of black hat psychology is mistrust of authority, which can have both an amplifying and dampening effect on an individual's response to compliance actions. Lastly, Zorro wore a black hat, and there is no rule saying that a research paper cannot also be 'a little fun'.

Zorro Syndrome encompasses a variety of behaviors, which arise from the application of a short list of simple rules that exist within the context of the complex adaptive system. Meaning, that the emergent behavior of individuals, and of the CAS, results from the iterative application of these rules. Additional research is required to increase the list and the extent of the behavior. The rules are:

- The future is uncertain.
- You will either be a Master of The System, or its Servant.
- They are out to get you.
- The ends justify the means.

The Future is Uncertain:

You may wake up one morning to find one of niches you have had a monopoly on suddenly has competition, from both compliant and non-compliant marketers. So, you 'get to work' to reclaim your lost 'turf' but, it ends up, that you are not able to, and have to 'pick up and move' to another niche and wait for the cycle to begin again. Or, a random algorithmic change results in lower-ranking, or delisting, of your pages and sites from major search engines.

This rule is consistent with a non-compliant Affiliate or Internet Marketer's perspective of their complex adaptive environment. In addition, the Future is Uncertain rule provides a casual feedback loop, in-and-of-itself. If changes can occur without warning, then the individual will take actions to ensure as much stability as possible, and instability is still the result. The rule becomes a self-fulfilling prophecy to the individual, and CAS as a whole.

You will either be a Master of The System, or its Servant:

Control and power are prime-motivators and fundamental values to non-compliant Affiliate and Internet Marketers. If another marketer invades your 'turf', then choice is either to take control of the situation, or give control away. Likewise, if, for instance, Google makes a change to their algorithm, the choice is to accept lower-rankings/delisting, or "get it back". Likewise, manipulation of "The System" allows black hats to exercise their control and power, as well as provide feedback loops necessary to gain additional control and power.

Often, this rule is the framework that leads individual Affiliates and Internet Marketers to first become non-compliant. If you can earn \$100-per-day promoting via paid search with legitimate keywords, but can earn thousands-per-day by bidding on trademarks, and get-away-with-it through a re-direction scheme, then why not be a "Master of The System"? The alternatives are to be controlled by others or seize the opportunity to be in control.

They are out to get you:

This rule is an extension of the Master/Servant rule, but it alternates perspective to a collective, "they", which allows for the rise of an opposing collective, "us". This is representative of the self-organization capacity of a CAS. Changes in how search results are displayed can be random, but they can also be purposeful. Ad networks, search engines, white hats, other black hats, compliance teams, together with a naturally competitive environment all act to reinforce this rule. To an individual non-compliant Affiliate or Internet Marketer, it is possible to believe that there are legions of 'the enemy'.

The Ends justify the Means:

Justification ties in with Zorro Syndrome. "The System" is corrupt and exploitative; therefore, what is done to exert your power over "The System" is 'okay'. In a chaotic, competitive, combative environment, where the future is uncertain, where one must control or be controlled - and "The System" is very much out to control you, then there is no moral or ethical 'wrong' with manipulating the same system to one's advantage.

One will note that this list of rules is not, at all, restricted to non-compliant Affiliate and Internet Marketers. Some of these rules have found themselves embedded in contemporary civil society as well. High consumer debt, the housing market, short-term business failures - all of these phenomena point to a culture that shares a skepticism regarding the future. Preoccupation with power, economic structures, interpersonal relationships all can act as amplifiers to the "control or be controlled" concept.

Options for Detecting Non-Compliance:

Given that non-compliant behavior can evolve in response to external forces, such as compliance operations, it is important for tools and processes to evolve, to maintain pace with the methods of non-compliant activity. However, it is equally important to continue to use, and improve upon, already proven techniques and processes. This allows for early introduction of appropriate 'dampening fear', with the hopes that the non-compliant actor will rehabilitate into a compliant one. Use a variety of detection methods: automated and manual, active and passive, so that you have the potential for multiple points-of-opportunity to dampen the feedback loops back to the non-compliant actor. Reliance on simple methods of compliance detection will certainly detect and deter a significant population of non-compliant Affiliates and Internet Marketers. But it will also become a constant, and static, component in the evolutionary process of non-compliant behavior.

Options for Enforcing Compliance:

Although compliance enforcement can act as a motivator for the evolution of non-compliant activity, it is, barring an incredible change in human society where greed disappears, also the most effective demotivator available. By controlling the dual levers of money and fear, prime-motivators for black hats, compliance enforcement is the only pro-active influencing mechanism that can be used to deter and eliminate non-compliant activity. To maximize the dampening effect, and restrict the risk of 'positive feedback', it is usually better to 'strict' than 'lenient'.

Remember that, confronted with enforcement; greed, disrespect for authority, the Zorro Syndrome, the Master/Servant rule, etc, will all act as positive feedback loops to the black hat perspective that led to the non-compliant behavior in the first place. There is no getting around this fact. Only by generating dampening feedback loops and contradicting the rule of "The Ends Justifying the Means" can enforcement hope to achieve goals consistent with compliance.

Conclusion:

This research has presented a model for non-compliant actors in Affiliate and Internet Marketing as complex adaptive systems. Behaviors are summarized; the Zorro Syndrome was defined as a combination of behaviors that emerge from a simple set of rules. Based on this model, the paper proposed strategies for the non-compliance detection and methodologies of compliance enforcement. The Zorro Syndrome represents a powerful model for understanding the behavior and motivations for non-compliant actors. By understanding black hat psychology, we believe new options for detection and enforcement are created.