

The Financial Success Stormy Daniels Achieved in Porn Is Increasingly Rare

Stephanie Clifford, better known as Stormy Daniels, [rocketed to fame](#) recently by challenging a non-disclosure agreement tied to the US \$130,000 payoff she received to keep silent about her alleged sexual relationship with the president.

As a result, Clifford has secured numerous mainstream media appearances, including [a recent interview on "60 Minutes."](#)

Journalists and interviewers universally call her a "porn star." While it's true that she was a performer and has now become a successful producer, her story is exceptional. The vast majority of women in the industry suffer abusive working conditions and don't progress to real careers.

We – a [sociologist](#) and a [business professor](#) – have been studying the world of porn for years, chronicling how internet-fueled disruptions in the industry are causing conditions to further deteriorate.

'Corporatization' of porn

Well before her entanglement with President Donald Trump, Stormy Daniels was a well-known name in the porn industry.

Unlike most performers, who rarely last more than six months on the set, [Clifford has appeared in more than 250 films since 2000](#). In 2002, she entered an exclusive contract with Wicked Pictures, a studio that specializes in longer features with a pretense of a storyline. She is also one of the very few women who have transitioned to production, [directing more than 90 films](#).

Yet while she has prospered in the small and struggling feature segment of the business, the mainstream industry that mass-produces short hardcore segments has changed beyond recognition. Industry journalist Steven Yagielowicz [calls](#) this transformation the “corporatization of porn.”

“It’s Las Vegas all over again: the independent owners, renegade mobsters and visionary entrepreneurs pushed aside by mega-corporations that saw a better way of doing things and brought the discipline needed to attain a whole new level of success to the remaining players,” he wrote in 2009.

This has generated a monopolistic system of distribution, while production has become more fragmented, with dire consequences for performers.

The MindGeek monopoly

The early days of the internet [enabled rapid market growth](#) and attracted a proliferation of new entrants eager to make easy money.

Over time, the porn industry pioneered new business models and innovated new technologies that [subsequently permeated](#) the wider economy. Few people realize that porn has driven the development of cross-platform technologies for data compression, file-sharing and micropayments.

It also developed the “free platforms” model that monetize user traffic through sophisticated techniques that cross-link numerous websites and encourage upgrade to “premium” pay-to-play sites. This allowed a few better resourced companies to grow rapidly and swallow up their smaller competitors who lacked the scale and capabilities to compete.

The biggest winner from this process was MindGeek (formerly called Manwin), which gained a monopolistic dominance over the distribution of mainstream porn. As the company rather

grandiosely [proclaims](#) on its site, it drives “the state of technology forward, developing industry-leading solutions enabling faster, more efficient delivery of content” and “thrives on a sustainable growth trajectory built on innovation and excellence.”

[MindGeek owns most](#) of the top free “porn-tube” sites, including Pornhub and RedTube, as well as at least a dozen prominent branded pay-sites, such as Reality Kings and Brazzers, each of which contains thousands of videos organized by genre. Users click through from site to site, without realizing that they are in a highly structured network optimized to maximize revenues. MindGeek is secretive about its finances, but just one of its subsidiaries that processes subscriptions [disclosed 2015 revenues of \\$234 million](#), or more than \$600,000 a day.

Porn sweatshops

This concentration at the distribution end of the value chain gives MindGeek and a few other large companies tremendous [market power over producers](#), who find themselves fragmented and squeezed financially as they supply cheap, usually unbranded commodity videos to the big distributor networks.

The business model mirrors that of YouTube, where consumers surf for free, and content providers hope to make some money from popular videos they upload. But it is the platform that makes the [lion's share of profits](#). Many producers also [complain that the porn tubes engage in rampant piracy](#), further weakening them.

The model is also similar to that of other platforms that connect consumers with service providers, such as Uber and TaskRabbit, where the platform holds a dominant market position and controls the conditions for drivers or other service providers.

With the internet facilitating the globalization of value chains, and a [growing movement to regulate health and safety conditions](#) for porn production in California and elsewhere in the U.S., production is increasingly moving offshore. This is giving rise to a sweatshop model resembling that of the clothing industry before anyone had heard of corporate social responsibility.

Studios such as Daniels' Wicked are now struggling to survive as the industry moves to low-cost production, less regulated "amateur-style" porn. As a result, applications for porn-shoot permits in Los Angeles County [fell by 95 percent](#) from 2012 to 2015. Even [Wicked's website is now managed by MindGeek](#).

The concentration of power with porn distributors and the fragmentation of production has hurt performers, who mostly toil without contracts or benefits in a "gig economy" controlled by the distribution platforms. They are paid per sex act, and [wages have declined](#) across the board. In addition, performers need to cover significant out of pocket expenses themselves, including HIV tests.

As a result, performers are under pressure to do more dangerous acts, such as anal sex or double penetration, that pay more but increase risks of disease or physical damage. Many [supplement their income](#) with webcam shows and prostitution, which are known in the industry as "privates."

The [Adult Industry Medical Health Care Foundation](#), a Los Angeles-based organization (now closed) that monitored the health of performers [listed on its website the injuries and diseases](#) to which porn performers are prone, including HIV, rectal and throat gonorrhea, chlamydia of the eye, and tearing of the throat, vagina and anus. It's no surprise, then, that the average performer's "career" is less than six months.



Former adult entertainment actresses and others campaign in 2011 for a Los Angeles ballot initiative that would have required performers to wear condoms. Phil McCarten/AP Images for AIDS Healthcare Foundation

Porn and politics

Despite the industry's efforts to [portray itself as progressive and sexually liberating](#), it has been especially aggressive in organizing against regulations to protect performers. And MindGeek's market muscle has translated into political power.

This is most evident in its [campaign to defeat Measure B](#) in Los Angeles County, which mandates the use of condoms and requires production companies to obtain a health permit. The company poured over \$300,000 into this effort, mobilized business allies, and set up fake "astroturf" groups such as

the Council of Concerned Women Voters. All of this was to promote the message that Measure B was unwarranted and intrusive government regulation that infringed on the performers' rights.

At other times MindGeek appears to support "intrusive" regulation. It recently backed U.K. proposals for mandatory age verification for viewers on porn sites and has already established its own platform, [AgeID](#), for this. The motivation isn't exactly altruistic, however, as [industry observers suggest](#) that not only will MindGeek make money by licensing this product, it will also serve a gatekeeper function that will further consolidate its monopoly control.

Ultimately, in our view, the industry is unsalvageable. The porn industry has always been abusive, and the situation has only deteriorated as distribution has been monopolized. Whatever [some might say](#), there is no such thing as "socially responsible" porn.

Stephanie Clifford is now trying to hold accountable the most powerful man in the country for his alleged abuse of power. We argue it is time to do the same for the porn industry.

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