

# Make Love Not Porn

## Analysis of an Open Innovation Platform

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### 2 INTRODUCTION

Cindy Gallop gave a 4-minute presentation at TED2009 (Gallop, Cindy Gallop: Make love, not porn (Adult content), 2009) wherein she argued that based on her personal experience; mainstream, hardcore pornography had equipped young men with a wholly unrealistic perception of sex. Believing that in the context of a political and social climate where sex is not discussed openly or honestly, one of the ways she could fight back was by launching an information site “makelovenotporn.com”. The website aims to clarify porn myths, and following the success of the site she launched a commercial, crowd sourced porn platform, “makelovenotporn.tv” (hereafter simply “MLNP.tv”) to further her goal of a world where sex is a socially acceptable topic.

**Hello, sweetie... It's time to makelovenotporn.tv**

Pro-sex. Pro-porn. Pro-knowing the difference.

In 2009, Cindy Gallop spoke at TED about her direct, personal experience of technology's hardcore impact on our sex lives, and launched makelovenotporn.com.

You responded. Young and old, male and female, straight, gay and every which way, from every corner of the world you said, 'Me too', and 'Yes', and 'More'.

This is for YOU. MakeLoveNotPorn.tv-Of the people, by the people, for the people, makelovenotporn.tv is you in all.

your #realworld glory. What you see here is not porn. It is not 'amateur.' 'Amateur' implies the only people doing it right are a little the professionals and the rest of us are bumbling idiots.

Honey, please - #realworldsex is the hottest sex there is.

Welcome to our little experiment that celebrates all of us who makefunnymagnificentcrazydirtysexyemessygloriouslovenotporn.

Love, The MLNP TV Team

Figure 1 - makelovenotporn.tv

This report analyses MLNP.tv within the frameworks of Verna Allee's Value Network Map (Allee, 2011) and Osterwalder's Business Canvas (Osterwalder et. al., 2014). By analysing the business within these frameworks we are able to understand and critically assess the merits of their business, enabling us to identify the company's various strengths, weaknesses and future opportunities. The report concludes with a discussion of the nature of "openness" in the context of the platform.

### 3 VALUE MAP

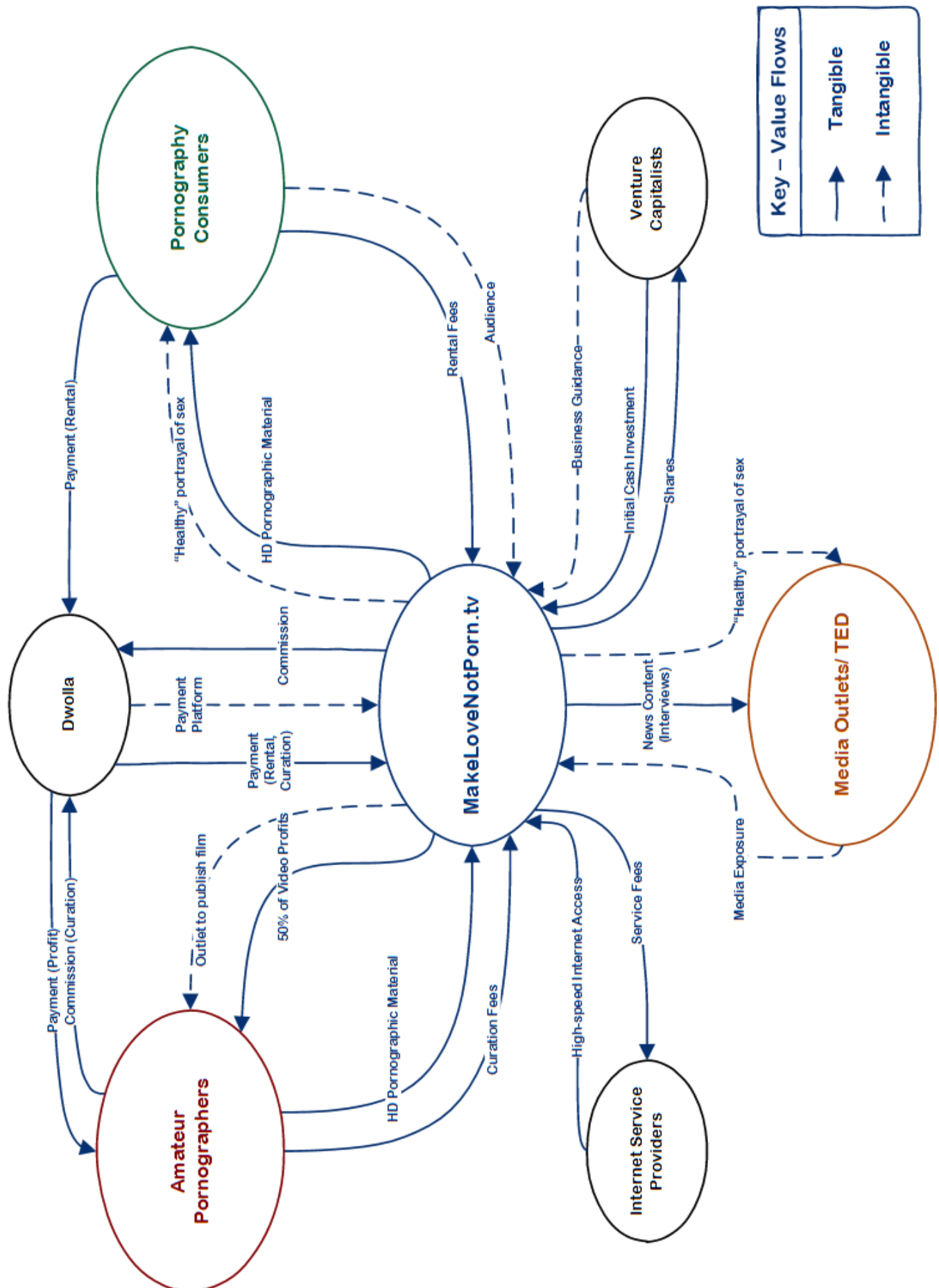


Figure 2 - Allee's Value Map

## 3.1 ANALYSIS

### 3.1.1 Overview

Name	Category	Description
Amateur Pornographers	Primary Actor (supplier)	The people who film themselves having “real sex”, and upload their content to MLNP.tv, paying a curation fee in exchange for a 50% share in video revenue.
Pornography Consumers	Primary Actor (customer)	The customers of MLNP.tv – a diverse group of couples, singles and other Amateur Pornographers in pursuit of high-quality, curated, alternative pornography. They pay \$5 to rent a video for 3 weeks, and represent the primary source of revenue for MLNP.tv
Media Outlets / TED	Primary Actor (marketing)	A variety of media outlets (TED being the most significant, but also Salon and Business Insider to name a few), that promote MLNP.tv’s mission and business, attracting new consumers and filmmakers to the company.
Dwolla	Secondary Actor (supplier – transaction platform)	A low-fee payments platform that enables MLNP.tv to conduct financial transaction with other parties. MLNP.tv has had difficulty in securing banking services (e.g. business accounts) from conventional suppliers who do not want a business with the word “Porn” in the name (Gallop, 2013)
Venture Capitalists	Secondary Actor (supplier – capital)	Investors who provide the company with funds to develop the business, in exchange for a share of the company.
Internet Service Providers	Secondary Actor (supplier – telecommunications)	Telecommunications providers who provide the internet infrastructure necessary for MLNP.tv to receive and deliver high-definition video content.

### 3.1.2 Strengths

At the core of this value map is the “shared-value” principle that Gallop so strongly believes in (Harquil, 2014). Splitting the revenue of video rentals 50/50 provides huge encouragement for creators to produce increasingly large volumes of high-quality material. This creates a powerful feedback loop wherein by simply maintaining the website and facilitating the trade in videos, the overall quality of film should improve over time, where the creators earning the most from their work in turn produce the most. Similarly, due to the scientifically proven tendency for humans to seek out novel pornographic material (Wilson, 2012), customers should continue to rent new videos over a long period of time.

Equally noteworthy is the dual-revenue streams captured by MLNP.tv. By not only charging customers but content creators, MLNP.tv discourages low-quality or pirated material whilst recuperating some of their own costs. This is an important distinguishing factor for the company, in contrast to the majority of internet startups that start with only one or no revenue streams (Panayotov, 2012). Combining this revenue structure with their already significant media presence will be key to the firm’s success.

### 3.1.3 Weaknesses & Opportunities for Growth

The key weakness of MLNP.tv’s value network is the overall lack of actors. Whilst the company should be commended on their two primary revenue streams (curation and rental), there is huge opportunity for alternative streams from sponsors and advertisers. For example, a key point of pride for the company is that condom use shouldn’t be marginalised – they even recommend that creators “sex-up” condom use (MLNP, 2013). To go one step forward – MLNP.tv should engage with companies, such as condom and sex toy manufacturers to sponsor videos (namely those which showcase their goods) and advertise on the website. MLNP.tv would gain a significant avenue of additional revenue, and provide advertisers and sponsors with access to their audience.

Continuing the theme of few revenue streams – MLNP.tv has thus far neglected to consider alternative distribution channels for their content. As a champion for the normalisation of sex in society, should themselves consider selling merchandise – “Best Of” compilations, products of the aforementioned sponsors are just a few that come to mind. Alternative payment options to the \$5 for 3 weeks rental (e.g. flat subscriber fees) could also prove hugely popular (Villano, 2013), and increase customer loyalty. These new products and service arrangements would significantly diversify the value and revenue flows between MLNP.tv and its partners.

## 4 BUSINESS MODEL

<b>Partner Network</b> <ul style="list-style-type: none"> <li>• TED</li> <li>• Media Outlets</li> <li>• Amateur Pornographers</li> <li>• Venture Capitalists</li> <li>• Internet Service Providers</li> <li>• Dwolla</li> </ul>	<b>Key Activities</b> <ul style="list-style-type: none"> <li>• Funds Transactions</li> <li>• Distribution of Videos</li> <li>• Curation of Videos</li> <li>• Development of website</li> <li>• Promotion of media presence</li> </ul>	<b>Value Propositions</b> <ul style="list-style-type: none"> <li>• For Creators: An innovative, open platform to share your content, and share in the value created.</li> <li>• For Consumers: Real-world sex – videos that are honest, funny, diverse and above all real.</li> <li>• For Society: To break down the societal barriers that impede the frank, honest and healthy discussion and celebration of sex.</li> </ul>	<b>Customer Relationships</b> <ul style="list-style-type: none"> <li>• Value-sharing of video revenues</li> <li>• Shareable porn playlists</li> <li>• Porn-optimised User Interface</li> <li>• Subscribe to creators</li> </ul>	<b>Customer Segments</b> <ul style="list-style-type: none"> <li>• Solo Consumers</li> <li>• Couples</li> <li>• Consumer-Creators (Amateur Pornographers)</li> <li>• Various Fetishes</li> </ul>
<b>Key Resources</b> <ul style="list-style-type: none"> <li>• Sex Videos</li> <li>• Media Presence</li> <li>• Venture Capital</li> <li>• Experienced staff</li> <li>• Payments Platform (Dwolla)</li> </ul>		<b>Distribution Channels</b> <ul style="list-style-type: none"> <li>• Websites <ul style="list-style-type: none"> <li>• MakeIlovenotporn.tv</li> <li>• MakeIlovenotporn.com</li> <li>• Cindygallop.com</li> </ul> </li> <li>• Social Media <ul style="list-style-type: none"> <li>• Twitter</li> <li>• Youtube</li> </ul> </li> </ul>		
<b>Cost Structure</b> <ul style="list-style-type: none"> <li>• Web Hosting <ul style="list-style-type: none"> <li>• High-speed Internet Bandwidth</li> <li>• Hardware and running costs</li> </ul> </li> <li>• \$2.50 per video to creators (50% of rental)</li> <li>• Staff (development, media, curation, admin)</li> <li>• Transaction fees (to Dwolla)</li> <li>• Premises (office lease)</li> </ul>		<b>Revenue Streams</b> <ul style="list-style-type: none"> <li>• \$5 per video upload by creators (curation fee)</li> <li>• \$5 per video rental</li> <li>• Venture Capital (One-off investment)</li> </ul>		

Figure 3 – Osterwalder's Business Model

## 4.1 ANALYSIS

Many of the elements contained within the business canvas have already been analysed within the Value Map or are sufficiently detailed by the business model and do not require further discussion here. However there are a few areas which would benefit from further clarification, and by combining the insights from both sections of the report we come to a greater understanding of MLNP.tv.

### 4.1.1 Key Activities

Obviously MLNP.tv's key activities are distributing videos to their customers (via online streaming) and transacting funds between themselves, customers and their filmmakers. What sets MLNP.tv apart from conventional porn websites is their curation of submissions – videos are manually screened for content and quality before being made public. This ensures a high standard of quality for the company and protects their brand from potentially poor material (albeit at the cost of fewer total videos). In addition, the website remains in beta development (MLNP, 2013), so the ongoing development of the site, as well as expanding their media presence (thereby expanding their audience) will also be essential for them.

### 4.1.2 Key Resources

MLNP.tv has already established a strong media presence (considered a highlight of TED2009 (Gallop, 2009)), and has made very meaningful progress in developing their video collection. The payments platform Dwolla is exceptionally important due to the aforementioned difficulties with bank accounts, however venture capital was secured after a 2 year long search. Cindy Gallop and her team have been able to overcome these issues of taboo thanks largely to their experience – Cindy herself has decades of experience in marketing, and developed Bartle Bogle Hegarty's American operations from scratch. Her success as a director of the US agency earned her the title of "Advertising Woman of the Year" in 2004 (Helmore, 2004). This wealth of experience and talent provides them with a huge advantage over their competitors.

### 4.1.3 Value Propositions

The business model clearly outlines the value propositions to pornography creators and consumers, however it is important to take additional note of the value proposition to society. Above all else, they view their work as beneficial to society, disruptive of the mainstream porn industry and championing real world sex. Because of this commitment to breaking down social barriers, they refuse to trade under an alternative business name, which has made opening a business bank account impossible (Steensig, 2014). Similarly, they have not been able to utilise PayPal or Amazon, who do not provide services for "adult content", and have been turned down by many potential partners due to social taboos.

This does however highlight the extraordinary untapped potential within taboo industries. For as long as mainstream companies refuse to trade with such "adult content" providers, innovators and entrepreneurs are uniquely situated as those most able to capture value from an industry valued (in 2006) at approximately \$97 Billion USD worldwide (Rosen, 2013).

### 4.1.4 Customer Relationships

MLNP.tv has followed a "lean startup" model of development, wherein the site is launched with the minimum level of functionality, and features are expanded incrementally (Gallop, 2013). Consider some of the features already implemented, as well as those in development – MLNP.tv seeks to provide a truly unique pornographic experience. Features such as shareable porn playlists, subscribing to specific creators, and user ratings for each time segment of a video (ingeniously implemented to require only one hand to rate) will set the company apart from conventional pornography websites, and help them to develop loyal and recurring customer relationships.

### 4.1.5 Revenue Streams

As mentioned previously, MLNP.tv has two revenue streams, with the potential to increase and diversify revenue through mechanisms such as advertising and merchandise. However, it is very significant that the current revenue streams are already showing promise. Without identifying exact figures, MLNP.tv has over 75,000 members and has revenues in the tens of thousands (Smith, 2013). Such success in the early stages of the business are unheard of for most startups, and a testament to the growth potential in this industry.

## 5 REGARDING THE NATURE OF OPENNESS

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When we consider how MLNP.tv is an “open” platform, we need consider different aspects of openness. For this company, their biggest objective (after turning a profit) was to achieve openness in society – honest dialogue and a dismantling of entrenched social taboos. Conveniently, that works out to be the best solution for filmmakers – a transparent pornography platform that is open to individuals from all walks of life.

### 5.1 OPENNESS FOR CREATORS

Compared to conventional pornography websites that host ‘amateur’ content, MLNP.tv’s distinguishes itself in how content creators are reimbursed. If we consider Pornhub (arguably the market leader in free, online porn platforms), most users are not reimbursed for their content. Pornhub sources material from a network of partners as well as its users, yet charges consumers no fees to access their content (Holmes, 2013). This poses a dilemma – Pornhub is heavily dependent on advertising for its revenue, which makes it difficult to clearly link specific videos with revenue earned. Much like YouTube, some users are paid a portion of advertising revenue (Madam Silence, 2013), but the specific mechanism by which Pornhub determines payment is hidden to users – a closed system.

By contrast, as mentioned previously in this report, MLNP.tv has a very open revenue-sharing scheme. It’s cunningly simple – 50% of rent revenue. That’s it – if anyone rents your content, then you are guaranteed to share in the revenue. For content creators this is as open and transparent as it gets. Of course this restricts MLNP.tv to a degree – they have very defined obligations when it comes to paying filmmakers, but in the long run MLNP.tv is poised to attract the best creators and best content.

### 5.2 AN OPEN SOCIETY

Cindy Gallop’s primary goal, throughout MLNP.tv, her TED talks and media appearances has been to promote an open society. The issue isn’t that people watch porn, or that mainstream porn isn’t anything like sex in the real world. In an open letter to David Cameron, retaliating to his “war on porn”, Cindy argued that the problem, is that in our society, there is a “complete lack ... of an open, healthy, honest, truthful dialogue around sex” (Gallop, 2013). Fixing these artificial barriers and taboos – creating an open society should be dealt with in two key ways. Firstly, the social solution – just talk about. Instigate a cultural transformation in schools and media by talking about porn without bias or judgement, but rather facts and an acceptance of porn in society. The second solution – was to allow business to disrupt Big Porn.

This is the goal of MLNP.tv – to directly challenge and provide a meaningful alternative to mainstream porn. MLNP.tv only promotes content which is consensual, safe and reflective of real sex. It refuses to mislead viewers or exploit actors – it should be a socially acceptable alternative. And yet, it exists as an outcast business – excluded by financial institutions, video servers and email partners because it deals in pornography. The more MLNP.tv achieves in reaching its business goals, convincing partners and suppliers to look beyond the taboos of sex – the closer we will be to achieving an open and honest society. A society where sex can be talked about in an open and honest manner, is also one where porn doesn’t serve as primary sex education.

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