

ISPs Should Resist the Temptation of Spammers' Cash

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Struggling Internet service providers (ISPs) such as PSINet will likely be tempted to use spam e-mail to generate needed revenue — but subscribers could make them regret it.

NEWS ANALYSIS

Event

PSINet recently acknowledged having entered into a contract allowing a marketing firm based in Louisiana to send bulk, unsolicited, commercial e-mail to PSINet subscribers.

Analysis

As ISPs come under increasing pressure to generate revenue, they will inevitably be tempted to get some of that revenue from spammers — firms that send out unsolicited commercial e-mail, including advertising. However, the experience of ISPs caught doing so shows that the decision will likely prove costly. Most consumers and enterprises do not want to receive spam, and many have made it clear that they will punish ISPs that knowingly do business with spammers. Subscribers who learn that their ISP allows spammers to send them unwanted e-mail may cancel their subscriptions. The damage to the ISP's reputation, as well as the revenue loss from canceled subscriptions, will likely outweigh the short-term revenue gains of the contract.

Even more important, other ISPs — responding to pressure from their own subscribers — may block all e-mail originating from the spammer-friendly ISP. Services such as Brightmail and Mail Abuse Prevention System (i.e., MAPS) maintain blacklists that can include spammer-friendly ISPs. Once subscribers of a spammer-friendly ISP realize that those practices make it difficult for them to get their e-mail messages through to their destinations, even more cancellations will likely occur — the last thing a troubled ISP can afford.

The bottom line is that ISPs must resist the temptation to turn to spammers for revenue, no matter how desperately they need it. The damage to an ISP's reputation — and the loss of revenue as angry subscribers cancel their service agreements — will more than offset any short-term gain in cash flow.

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