

Second Life: A Virtual World Lying Beyond Technology

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Second Life (SL) is hip. This type of online video game competes for the virtual time of Web denizens with its Massively Multimedia Online Role-Playing Games (MMORPG), whose user base is currently some 15 million strong. MMORPGs have become a fine meeting point where users can have a good time carrying out missions, forming teams, conducting a little business or multitasking a number of socio-virtual activities.

These are apparently the activities pulling in the inhabitants of Second Life, a virtual world created in 1999 by Linden Lab, which lets users take on the appearance and identity of their choice and live a virtual life parallel to real life (RL).

This year, Second Life was not only featured at one of the sessions of the latest World Economic Forum, it also pulled off the coup of having the session be held simultaneously in Davos (Switzerland) and in the virtual world of Second Life. The president and founder of the Davos forum, Klaus Schwab, has an alter ego (known as an avatar) in the digital realm. Meanwhile, the Swedish government has already announced it will open a virtual embassy where it will provide information on how to obtain a visa for entering the country. There has even been the first virtual Big Brother: fifteen people—rather, fifteen avatars—will spend at least eight hours a day in a glass house specially built for the occasion. And the prize? An island, the latest fad among the pricey items that can be acquired in Second Life.

It remains to be seen whether Second Life will achieve long-term success, or if it will go in the opposite direction as have technologies like videoconferencing via DSL, which was originally seen as a significant increase in the quality of communication. Nevertheless, despite the sizeable investments going toward its deployment, DSL videoconferencing has been relegated to a small niche of the market. Thus it is about finding out who benefits from

Highlights

1 According to Mitchell Kapur, president of Kapur Enterprises and designer of the software application Lotus 1-2-3, within 20 years social use of virtual reality will be as routine as email use is today. There will come a time, he says, when the borders between physical space and cyberspace will dissipate.

2 A study by the American Advertising Federation published in February 2007 shows that the success of Second Life is a surprise to 77% of American advertisers, who nevertheless did expect the surge of social networking sites and Web TV.

3 Many advertisers consider that Second Life allows them to establish a more direct and hands-on relationship with consumers. The auto manufacturer Toyota, for example, simultaneously unveiled two new models from its Scion line at the Chicago Auto Show and in Second Life.

4 The unofficial site SecondLifeSpain and the consulting firm The Cocktail Análisis are planning to a study that allows marketing professionals to optimize their strategies in Second Life. Both organizations also want to create an international panel of Second Life users that enables market studies to be performed in this virtual world.

the MMORPG industry and what the chances are of branching out to other areas of human activity, beyond the initial limits of games. For example, whether or not it is feasible for the last syllable of the term MMORPG to be replaced by “L” for learning, “B” for business, or any other letters that stand for multiple variants of the realms in which this activity could lend its huge potential.

At the moment, it seems as though Second Life is undergoing an evolution similar to that of the Internet, which came to life within an environment of free information exchange and today has become an effective sales and advertising tool. The makers of Second Life maintain that in 2005 the worldwide MMORPG market generated \$3.5 million in revenues.

This type of environment presents different business models. Second Life, for example, charges users a monthly fee for its premium services. The virtual world of Linden Lab also gives incentive for exchanging virtual money for the real stuff, allowing for an economic system with real price fluctuations for their currency and its parity against the dollar, which in turn allows players to exchange money freely.

Furthermore, Second Life seems to have become a successful marketing tool. Many companies—including Sony BMG Music Entertainment, Sun Microsystems, Nissan, Pontiac, Dell, Sears, Circuit City, Accenture, Hewlett-Packard, Cisco, American Express, Adidas/Reebok and Oracle—already have a presence in Second Life. Another company that is banking on the success of SL is Toyota. The auto manufacturer recently made a parallel unveiling of the two newest models from its Scion line—one at the Chicago Auto Show and the other on Second Life. In fact, one American consumer organization maintains that Toyota has already sold about 500 virtual Scion cars at the price of 300 Lindens (\$1.20 dollars in the real world), the legal currency in Second Life.

However, companies need to be aware of the fact that Second Life is a marketing tool controlled by the users. As with blogs and email, where the consumer is the one stating opinions or sending information to other users, in the virtual world it is very fast and simple to spread messages about a company (both positive and negative).

There really isn't much of a choice: some users decide to unofficially recreate products from the real world in Second Life, meaning without authorization from the proprietary company. Therefore, there will always be more control if it is the company itself introducing its products in the virtual world. Lest we forget figures such as the 3.5 million users, or the more than \$850,000 spent in the last 24 hours, that make Second Life an interesting market to explore.

Second Life has become one of those innovations that is not based on a complicated technology but has still managed to hold a preferential place in the lives of Internet users. The same is true of websites such as YouTube and MySpace. The success of these projects shows that sometimes the solutions that seem the simplest for the user are the ones that stick, and that on many occasions creativity prevails over sophistication.