# VIRTUAL CONSUMERISM

Branding and Advertising

in Virtual Worlds

**Fernando Herrera**
**DCC**

# Agenda

- **Why Virtual Worlds?**

- **Branding and Advertising**

- **Real World Examples**

- **Some open issues**

# Why Virtual Worlds?

HELSINKI
INSTITUTE FOR
INFORMATION
TECHNOLOGY

# Why Virtual Worlds?

**Audience Size**



• Xbox Live had over 2 million subscribers as of 06/2005
• WoW alone reached 5 million subscribers as of Last December

# Why Virtual Worlds?

## Demographic Profile



- Average age of MMORPG players is around 26
- Only 25% of MMORPG players are teenagers
- About 50% of MMORPG players work full-time
- Both male and female gamers are commonplace

# Why Virtual Worlds?

## Media Consumption Pattern



In the case of MMORPGs an average player:
- plays ~21 hours a week
- watches an average of 7.7 hours of TV a week

That is about 21 hours below the US national average of 28 hours of TV a week

Source: The Daudalus Gateway http://www.nickyee.com/daedalus/gateway_demographics.html

# Why Virtual Worlds?

## Willingness to Pay



• Just ask Vili ☺

# Why Virtual Worlds?

- **A huge audience**

- **of an attractive demographic**

- **that have Virtual Worlds as preferred medium**

- **and demonstrated a high willingness to pay for things inside the world**

# Different Approaches

- Using Virtual Worlds as a medium to advertise "real" goods and services

- Advertising of virtual goods and services inside and outside Virtual Worlds

- Branding virtual goods and services with "real" world brands

- Developer/operator originated vs. 3rd party originated

# The Matrix Online

- **Billboards in the game are updated dynamically with real world advertisement**

- **One player concern was that real world adverts would replace their favorite "fake" advertisements**

- **Sony is considering the idea of running contests in order to select player generated ads**



10

# Second Life

- Some players are purchasing parcels of land next to established residences and shops and putting billboards on them

- Player reactions have varied from people ignoring the ads, to asking the company to remove them, to buying back the land that contains the billboards to remove the ads

# World of Warcraft

- Using the trade chat for players advertising the trade/sale of game items

- Player's that form a "party" to spam the group chat with a marketing message

- Using of the in-game mail system to send SPAM, while accompanying the message with some of the game's currency

- Guild's advertising events or services through the guild chat (e.g. arranging of a guild lottery)

- Similar thing going EveOnline and Habboo...

# Some branding examples

- **Levis (There.com)**

- **McDonald's (Sims Online)**

- **Mountain Dew (Habbo)**

- **Preen Fashion (Second Life)**

- **Uber-Guilds in WoW**

- **Lineage Coca-Cola Cans**

Hmmm?

# Some open issues...

- **Acceptability**

- **Effectiveness**

- **Privacy**

- **Impact on RMT**

- **Impact on business model**

- **EULA**

- **What metrics should be used?**

# What about in game services?

- **Operator Created**
    - Habbo activities (jumping from the high-tower)
    - Guest stars (Habbo and Gorillaz)
- **Player Created**
    - Habbo activities (cruising boat)
    - Bodyguard services in WoW
    - Lotteries in WoW
    - Building contractors in Second Life