

GROUP DISCUSSION NOTES – GROUP B

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Point 1: Applying the virtual asset business logic outside virtual worlds per se?

The group discussed the possibility of applying the “virtual asset business logic” outside actual virtual worlds. The “virtual asset business logic” can be seen as the effort to develop a user community where certain “imaginary” objects are very meaningful to the community and therefore valuable; and then selling those objects (or providing others with the means to sell them, see next point).

For example, even in a web or mobile-mediated community some graphical symbols could perhaps be imbued with special meaning and constructed as “assets” that one can own in the “social reality” of the user community. Ownership of those assets would then communicate status and values to others in the community. There are examples of this logic working, perhaps accidentally. The difficulty for the business is how to affect the social reality.

Point 2: Roles of various actors

The group discussed the possible roles of various actors in a virtual asset business. The value network around MMORPG virtual asset trade involves at least game operators, billing infrastructure providers, network and hosting providers, players, gold farmers, virtual asset trading companies (e.g. IGE) and marketplace providers (e.g. PlayerAuctions.com). This network has evolved in a somewhat ad-hoc fashion around the players’ unexpected willingness to pay for game objects.

It was thought that a more carefully planned virtual asset –based value network could start from e.g. a telco operator that builds a service platform offering customised hosting and billing infrastructure to companies operating virtual worlds such as Habbo Hotel or e.g. mobile community services where virtual assets are to be sold.

Point 3: Virtual assets vs. digital assets

The concept of “virtual assets” was discussed in relation to “digital assets”. Digital assets are defined as software, media and other content typically sold in digital form. Any digital asset can be described as a string of bits. Virtual assets, on the other hand,

cannot be described as a string of bits. They do have a “physical” representation as an entry in a database on a server, but they primarily exist in the shared social reality of the user community, and are thus more difficult to construct and measure.

Point 4: Durability of virtual assets

The group discussed whether virtual assets, e.g. virtual furniture in Habbo Hotel, should last indefinitely or wear out in time. Some examples from MMORPGs were given. Adding a “quality factor” (e.g. construction material) that determines how durable a virtual asset is would be interesting from an economist’s point of view, because it might introduce information asymmetry into the asset market and make virtual assets less like perfect commodities. Thus things like a trademark that guarantees the source and material of the asset might start playing a role in virtual asset markets.

As a side note, it was pointed out that trademarks could also be used to distinguish “Chinese gold farmer” produced assets from “ethically” produced ones.

Closing remarks

The key take-aways from the discussion towards HIIT’s future research agenda in this area could be the following: business models (including legal issues) and understanding the user community. Although MMORPGs and other virtual worlds could be the focus of data collection, actual concept and application development should aim outside the sphere of graphical virtual worlds – e.g. into web and mobile-mediated communities.