

VIRTUAL CONSUMERISM

**Introducing the new
research project**

**Vili Lehdonvirta
12.1.2006**

HELSINKI
INSTITUTE FOR
INFORMATION
TECHNOLOGY

MOTIVATION

- **Shifts in time spending**

- In media consumption, interactive grows while newspapers and television wane
- More than 25% of young Finnish teenagers spend time in Habbo Hotel on a regular basis



MOTIVATION

- **Shifts in time spending**

- In media consumption, interactive grows while newspapers and television wane
- More than 25% of young Finnish teenagers spend time in Habbo Hotel on a regular basis

⇒ **In a “network society”, more and more aspects of human life are network-mediated**

- Social aspects in particular (e.g. work, hobbies, keeping in touch with friends and family)

HELSINKI
INSTITUTE FOR
INFORMATION
TECHNOLOGY

DEFINITIONS

- **Another aspect of life: consumption**

- “The selection, adoption, use and disposal of goods and services”
- “Building personal identity” (Simmel)
- “Signalling status to others” (Weber)



DEFINITIONS

- **Another aspect of life: consumption**

- “The selection, adoption, use and disposal of goods and services”
- “Building personal identity” (Simmel)
- “Signalling status to others” (Weber)

- **What is “network-mediated” consumption?**

- Buying a BMW from Amazon?
- Bits are inherently non-consumable

DEFINITIONS

- **“Virtual asset”**

- In physical reality: a server database entry associated with a particular user/avatar
- In the social reality of a network-mediated community: a signal of status, a symbol of membership, a useful tool, etc.

- **Artificial scarcity**

- ⇒ Economic value
- ⇒ Introduction of consumption into network-mediated contexts

DEFINITIONS

⇒ **“Virtual consumerism” - the culture of spending money on virtual goods and services as a way of e.g. building personal identity and signaling status to others**



OBJECTIVES

- **Understanding under what circumstances consumers perceive virtual assets as possessing real value**
 - How can such circumstances be produced in a network-mediated context other than virtual worlds?
- **Creating tools and methods for continuous and automatic collection and analysis of virtual consumption related data**
 - There is already a billion-dollar gray market
- **Understanding advertising and branding in relation to virtual products**
- **Developing future scenarios**

METHODS

- **Observing existing user communities and services especially in leading market areas**
- **Combining qualitative models with analysis of data from virtual asset marketplaces to form hypotheses**
- **Constructing concepts and prototypes based on the hypotheses in cooperation with industry partners**
- **Case studies tailored to partners' needs**

PROJECT STRUCTURE

- **HIIT Network Society**
 - SoberIT, TUKKK Economic Sociology, Futures Research Centre
 - HUT CS thesis workers and student groups for programming work
- **Two years, 250 k€ / year**
- **70-80% Tekes FENIX funding, DL 17.3.**
- **Pre-project preparatory phase in East Asia using grant funding**