ADVERTISING IN VIRTUAL WORLDS: THE EXAMPLE OF SECOND LIFE

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ABSTRACT

As consumers become decreasingly responsive towards traditional forms of advertising, advertisers are turning towards more innovative methods. Virtual worlds provide an extraordinary potential for new and enhanced modes of advertising. This study examines the opportunities of the virtual world, Second Life, as a new platform for businesses' advertisement and promotional activities. First, we briefly introduce the concept of virtual worlds and virtual advertising. Then, we go on to explain the development of advertising, with special emphasis on its evolution alongside technological developments. Furthermore, we discuss how virtual worlds developed and how the features of these worlds lent themselves to advertising. Second Life, the most popular virtual world application, is given a special emphasis, and we shall explore opportunities and practices for virtual advertising in this virtual world application.

Keywords: Virtual Advertising, Second Life, Virtual Worlds, Advertising

INTRODUCTION

From Facebook to YouTube, Flickr, Wikipedia, Blogger, Digg, Instagram, Tumblr and Twitter, we have seen an increase in the diversification of social media applications. Among the various social media platforms, social virtual worlds that emulate the real world have received attention as growing virtual spaces. Today virtual world applications like “Second Life, Multiverse, Dreamworld, Microsoft Virtual Earth, Active World, There, Meet Me” are widely used today. We can explain how a social virtual as a three-dimensional (3D), Internet-based, immersive, massive multi-user virtual environment wherein participants interact with their virtual representatives for various purposes, including educational endeavors and business (Duncan, Miller, & Jiang, 2012; Jin & Bolebruch, 2009).

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Social virtual worlds resemble the real world, and an extensive number of participants engage, via their avatars, in various social activities and business transactions. Three-dimensional, virtual environments like Second Life, which is the most popular and fastest-growing example of such environments, offer a promising corporate communication channel for brand marketing, advergaming (Advertising in video games), and interactive advertising (Duncan, Miller, & Jiang, 2012; Jin & Bolebruch, 2009). In this regard, virtual worlds are not only designed to entertain users, but also to attract them into an experience. Advertising is much more effective when it appeals to multiple senses, and this effect is further heightened in emotional, novel, or unstructured, stimulating environments, such as the kind seen in many virtual worlds (Barnes, 2007).

Lee (2004, p. 32) states that availability is “a psychological state in which virtual objects are experienced as actual objects.” This definition offers prominence for research on interactive advertising in immersive 3D virtual worlds. The possibilities that are available within virtual worlds heighten customers’ responsiveness to advertiser presence; therefore, we could benefit greatly from studying the consumer’s point of view and experience inside such worlds (Jin & Bolebruch, 2009).

As advertisers try to find ways to reach more consumers, virtual worlds have become more attractive as a medium, like massively multiplayer online computer applications. Recently, the number of participants in massively multiplayer online computer applications has steadily increased, and this trend shows little if any signs of reversing (Marketing Weekly News, 2013).

Furthermore, there is a limited but growing literature examining the use of online avatars in marketing and advertising. Evidence suggests that avatars and virtual representations have the possibility of positively influencing trust and online purchasing intention (Barnes, 2007).

In this study, we will examine the advertising practices pursued by businesses in the platform of Second Life. Primarily, we will focus on what kind of opportunities the social virtual world Second Life holds as a new platform for businesses’ advertisement and promotional activities.

THE VIRTUAL WORLDS
In terms of virtual worlds, humans have always been virtual: “virtuality” has followed human culture from its origination. Symbols trigger imaginary worlds that inclined to be virtual worlds by containing traits that emulate real social worlds (Fornäs et al. 2002). Naturally, some have seen as the first virtual reality spaces the “subterranean cyberspaces” developed by prehistoric cave paintings (Rheingold 1991; Heim 1995; Cited in Boelstorff, 2008).

From another perspective “Virtual reality is older than sin. It is the illusion of heaven, the peyote vision, the Dionysiac confusion. It is the play, the distinctive, the opera, any system envisioned for losing ourselves in another world (Schwartz 1996). Imagination, dreams, rituals, language and etc., could all be deliberated virtual (Boelstorff, 2008).
Antiquity aside, general agreement can be found in the literature that virtual worlds as we conceive of them today arose during the 1970s. The exact date depends on whom you ask. The following narrative highlights prominent contributors to the three generations of virtual worlds and how their milestone contributions affected future worlds (Downey, 2014).

Early stages of virtual worlds’ virtual environments were largely based upon the gaming community (Hodge, Collins, & Giordano, 2009). Thus virtual worlds’ origin began in the first implementations of text-based role playing games. The first multi-user dungeon (MUD) was programmed and with the spread of the Internet, these computer games became available beyond the boundaries of the university networks in 1979 (Pannicke & Zarnekow, 2009).

In today's world Virtual worlds are part of a larger group of Internet-based applications called social media or web 2.0 which build on the ideological and technological foundations and allow the creation and interact of user-generated content. Other social media related applications consist of blogs, social networking sites (e.g., Facebook); collaborative projects (e.g., Wikipedia), content communities (e.g., YouTube) (Kaplan & Haenlein, 2009).

“Virtual” here is an adjective describing “an object, a service, or an activity that is situated or is performed in a cyberspace, that is, on the Internet” (Buha, V., Janičić, R., Filipović, V., & Gligorijević, 2011, p.51). From a different viewpoint the term of “virtual world” describes an electronic ecosystem that visually mimics physical spaces where people can meet and communicate with virtual players and virtual objects and things (Bainbridge, 2007). In other words, in three-dimensional (3D) virtual worlds, users are represented by their virtual faces and identities with animated characters called “avatars” that interact with other actors by texting or through voice communication (Jin & Bolebruch, 2010; Fiedler, 2009).

Virtual worlds are often developed to apply online entertainment and social networking for users through a kind of alternative world (Barnes, 2007). Furthermore, virtual reality enables various activities in an artificial environment through simulation (Buha, V., Janičić, R., Filipović, V., & Gligorijević, 2011).

In this respect, virtual worlds are delineated with regards to startlingly futurist capitalist hype. Firstly, all they seem new, and this clear novelty is primarily to their being shed light on as heralds of a forthcoming utopia of unexpected chances hint of a looming dystopia of alienation, or trinkets of a passing fad (Boelstorff, 2008).

Nowadays millions of people on a regular basis get involved in virtual worlds, adapting to them with varying degrees of ease, demonstrating that something is staying the same; something is acting as a cultural environment upon which these resolute new virtual worlds are figured (Boelstorff, 2008).

Further investments and the development of new virtual worlds consist of four key element: the enormous growth of internet connections, decreasing prices for these
connections, the large progress of computer technology and graphical user interfaces, and the development of business models which assured secure revenue streams (Pannicke & Zarnekow, 2009).

Present debates in Virtual Worlds literature have not definitively emphasized the media’s beneficialness for allocated work. Besides that the concept of Virtual Worlds’ capacity to get their users engaged to many kinds of activities over geographical boundaries is intelligible embedded in much of the reasoning in Virtual Worlds literature yet (Hakonen & Bosch-sijtema, 2014).

As it can be seen in Figure 1: virtual worlds from the first generation were principally text and fantasy based, small in scale (250 users or less), (e.g., Dungeons & Dragons and Middle Earth). Second generation worlds were larger scale systems (1,000 or more users) and witnessed the growing use of graphical worlds, the introduction of social-oriented worlds, and the development of worlds in which users could generate objects and shape their world in real time. Besides that the third (current) generation notes that the age of massive systems (10,000+ simultaneous users), visually striking 3D worlds, and a growing range of genres and types of virtual worlds (e.g., Massively multiplayer online games (MMOGs), multi-user virtual environments (MUVEs), and Massively Multiple On-Line Educations (MMOLEs) demonstrate an affinity for fantasy, science fiction, pseudo-reality (Downey, 2014).

![Figure 1. Generational Traits of Virtual Worlds. Source: (Downey, 2014, p.57).](image)

These hundreds of virtual worlds that players have to choose from each target a distinct class of people. There are virtual worlds for children such as Disney's Toontown, Club Penguin, and Pirates of the Caribbean. Some virtual worlds for teens include Whyville, Habbo Hotel and Second Life for Teens. There are also virtual worlds targeting adults such as The Sims Online, World of Warcraft, and Second Life. Hence, every virtual world shares the attributes outlined above while targeting a distinct set of people (Papp, 2010). As these environments become more pervasive, research examining this phenomenon will be needed to better understand these 3D spaces (Mennecke, Mcneill, Ganis, & Townsend, 2008).
Some other important features of virtual worlds identified by (Book, 2004) are listed below:

1. Shared Space: the world permits users to get involved the same ambiance.
2. Graphical User Interface: the world represents space visually, ranging between in style from 2D “cartoon” to more immersive 3D settings.
3. Immediacy: the world allows real-time interaction
4. Interactivity: users may modify, develop, and generate personal content.
5. Persistence: the world’s existence does not correlate to users logging in.
6. Socialization/Community: the world allows the formation of real life social groups such as clubs, cliques, housemates, neighborhoods, guilds, etc.

Lately, virtual worlds have become open to new forms of interaction and commerce. Therefore, virtual worlds have the capacity to become new channels for marketing content and products, amalgamating virtual e-commerce (“V-Commerce”) (Barnes, 2007).

There are more than one hundred virtual worlds, and even more are under development. Increasingly, online virtual worlds are becoming a technology of substantial importance for marketers and advertisers (Barnes, 2007). Moreover, companies realize the importance of advertising on the web (Barnes & Mattsson, 2011).

**ADVERTISING IN VIRTUAL WORLDS**

It is traditional to contend that pre-modern advertising developed to sell goods in a distinct form of an economic system. Word of mouth and pictorial signs were the main methods of advertising during the middle ages. Modern advertising came to light from a systemic situation in capitalism. Advertising generates a crucial field of continuity between the end of Fordist growth in the years 1970s and the transition to flexible specialization and post-Fordism (Odih, 2007).

The global reach of companies has grown to surround the world during the last two decades (Hakonen & Bosch-sijtsema, 2014). While the Internet was originally seen as a hazard to brands, the essential attributes of e-commerce have had quite the opposite effect. The Internet has rendered the successful establishment of brands on the Web more pivotal instead of reducing the value of these brands (Jin & Bolebruch, 2010).

Postmodern advertising in the hyper-real world, where each thing evolves into everything else, is based upon the intersections between image, appearance and simulation. Clear understanding of these alterations in the deciduousness of advertising esthetics is the ‘convergence’ of advertising mediums and their enhancement into the diaphanous streams of new electronic media (Odih, 2007).

From this aspect primary attribute of advertising media, the advertisements can be separated into two groups: the physical advertisement and the virtual advertisement (Chang, Hsieh, Chiang, & Wu, 2010).
The decreasing success of known forms of advertising due to an increasing resistance of audiences induces advertisers to act towards newer and more innovative forms of advertising (Sander & Altobelli, 2010). Thus, advertising in virtual worlds is a newer form of reaching recipients. Organizations and brands in all areas of business have utilized the existence of virtual reality to reach their recipients; a cheap form of advertising, many more are trying the phenomenon of virtual world advertising. Virtual advertising is also a new way regarding customization and flexibility. Besides that virtual worlds allow sponsorship events, selling virtual products, establishing opportunities for virtual commerce and broadcast advertisement through virtual malls, radio stations and billboards (http://emerging-advertising-media.wikispaces.com/Advertising+in+3D+or+Virtual+Worlds).

Practices of virtual advertising first came to light in the Europe regarding sport properties, broadcast companies and event managers was a premium alternative application to advertising in the soccer games because the lack of commercial breaks within these broadcasts (Boddy, 2004; Cited in Tsuji, 2007).

Virtual worlds’ exceptional flexibility and potential for new and enhanced modes of advertising facilitate people to utilize it as all in one channel. These features of Virtual Worlds include the product placement of 3-D objects on real world billboards and radio analogs, advergames and cross-promotion coupons (Vedrashko, 2006; Barnes, 2007).

Virtual advertising has some benefits over traditional advertising media. One of the advantages of virtual advertising is that placing advertising within the game does not permit players to change it even if they stop following the program. A further advantage is that virtual advertising allows people to embed companies’ emblems on any surface of the broadcast, which then boosts brand advertising exposure. This means that virtual advertising enables companies to repeatedly expose their products and brands to their target audience. One last crucial advantage is that a virtual advertising platforms allow for the animation of brand signs (Tsuji, 2007). But still, regarding virtual advertising, the Return on Investment (ROI) for many of the companies is not sufficiently high. The reason for this is that many of the companies are advertising through a new medium and they want to benefit from it while remaining low priced. In this respect, in second life platform, players can hire a virtual billboard that has 200,000 impressions (measured a single impression as 15 seconds of cumulative exposure) is only costs at $30 which would mean a CPM (Cost Per Thousand) of a really low amount at $.15. (http://emerging-advertisingmedia.wikispaces.com/Advertising+in+3D+or+Virtual+Worlds).

**ADVERTISING IN SECOND LIFE**

Second Life is an Internet-based virtual world developed by Philip Rosedale and the team at San Francisco-based Linden Lab and launched on June 23, 2003. It had, in 2014, about 1 million regular users (http://en.wikipedia.org/wiki/Second_Life; Hodge et al., 2009). Second Life is the most popular and fastest growing virtual world on the Internet (Jin & Bolebruch, 2009). According to statistics as of the date of March 15, 2015, there are currently close to 41 million avatars in Second Life, with a daily New Signups: 8000 to 11000 (https://danielvoyager.wordpress.com/sl-metrics/). Therefore, in 2015 Second Life is the leading 3D virtual world. As a unique space where you can
be whoever you'd like, build and sell whatever you can imagine, and have fun with others from all over the globe while you explore this interesting virtual world, listen to live music concerts, play games, shop in the world's largest user-generated virtual goods economy, and much more (http://www.lindenlab.com/products/second-life).

Second Life is rapidly being realized as a significant new medium for brand building. Hence, nowadays some companies are located in the Second Life platform as can be seen below from Table 1.

<table>
<thead>
<tr>
<th>1-800-flowers.com</th>
<th>Crayon</th>
<th>Logica CMG</th>
<th>Random House/Bantam</th>
<th>Text 100</th>
</tr>
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<tr>
<td>ABN AMRO</td>
<td>Crossguard IP Attorneys</td>
<td>Make Magazine</td>
<td>Reebok</td>
<td>Thompson</td>
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<tr>
<td>Adidas</td>
<td>Daily Telegraph</td>
<td>Major League Baseball</td>
<td>Regina Spektor</td>
<td>Thompson NETg</td>
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<tr>
<td>AJAX football club</td>
<td>Dell</td>
<td>Manpower Inc.</td>
<td>Renault (Formula 1 Team)</td>
<td>TMP Worldwide</td>
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<tr>
<td>Aloft Hotel Suites</td>
<td>Edelman</td>
<td>Marketing Magazine</td>
<td>Reuters</td>
<td>Toyota</td>
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<td>Amazon</td>
<td>Endemol</td>
<td>Mazda Europe</td>
<td>Sapphire Technologies</td>
<td>UGS</td>
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<td>AMD</td>
<td>Europ Assistance</td>
<td>Meme Science</td>
<td>Save the Children Charity</td>
<td>Unitrin Direct</td>
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<tr>
<td>American Apparel</td>
<td>Exploratorium Museum</td>
<td>Mercedes Benz</td>
<td>Saxo Bank</td>
<td>Universal Motown Records</td>
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<td>American Cancer Society</td>
<td>Faassen &amp; Partners</td>
<td>Microsoft</td>
<td>Scion</td>
<td>Uitvaart.com</td>
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<td>Australian Info Ind Assoc (AIIA)</td>
<td>Field Fisher Waterhouse (FFW)</td>
<td>MovieTickets.com</td>
<td>Sears</td>
<td>Vauxhall</td>
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<td>Fox Atomic</td>
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<td>Semper International</td>
<td>Visa Europe</td>
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<td>Bain &amp; Company</td>
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<td>Munchester Castle</td>
<td>SirsiDynix</td>
<td>Vodafone</td>
</tr>
<tr>
<td>Bartle Bogle Hegarty (BBH)</td>
<td>H&amp;R Block</td>
<td>Nat. Basketball Assn (NBA)</td>
<td>Softlab Group</td>
<td>Weather Channel</td>
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<tr>
<td>BBC Radio 1</td>
<td>Harvard Law School</td>
<td>Nat. Oceanic &amp; Atmosp. Adm (NOAA)</td>
<td>Sony</td>
<td>Wells Fargo</td>
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<td>Best Buy Co. Inc.</td>
<td>Hipcast Expo Center</td>
<td>NBC</td>
<td>Sony-Ericsson</td>
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<td>IBM</td>
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<td>Springer Verlag</td>
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<td>NicoBloc</td>
<td>Sprint</td>
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Table 1 Alphabetical List of Prominent Real Life Brands in Second Life
Source: http://www.nbhorizons.com/list.htm 2015 (as of April 19, 2015)

For instance, in Second Life, application consumers navigate their customized avatars in the three-dimensional (3D) environment. Such avatar-based 3D virtual environments offer promise as a corporate communication medium for brands and interactive advertising, in the sense that companies can create spokes and sales avatars that personate their brand and product (Jin & Bolebruch, 2009).

Figure 1. Snapshot: Example of advertising in Second Life

Apart from getting publicity as mentioned on blogs or the web, the Second Life platform has the potential to allow for brand marketing advertisement for companies
and businesses. Some companies, for example, have created a presence in Second Life that drives people to their own land by organizing engaging events like lectures, talks, competitions, or concerts. Through these events, new people and new buyers can be introduced to a business or a company or even to the services provided by them. Companies such as Apple, Coca-Cola, Dell, MTV, BBC, Amazon, Sony, Mercedes-Benz, Kraft Food, Intel etc. have presence on Second Life and are engaged in publicity activities and advertising on their own land. To Jin and Bolebruch (2012, p. 3) “the ability to offer vivid and engrossing social interactions with spokes-avatars within 3D environments is the key advantage of interactive marketing in Second Life.”

Another option for businesses and companies is that, instead of renting their own land, to use the services of agencies who are organizing publicity events on 3D Virtual Worlds. For example, DBC is an interactive cross media content maker, broadcasting on the web, in virtual worlds and social networks, filming and photographing live events, producing content and bringing it to the audience (http://www.dbc-tv.com/). These agencies create their own presence and land for such events and provide advertising activities and content for the advertisers.

Furthermore, being present within SL can be assumed to improve brand awareness and brand image, which subsequently contributes to improvements in brand knowledge and customer-based brand equity (Keller, 1993; Cited in Kaplan & Haenlein, 2009).

Companies and businesses who have a presence on the Second Life Grid should also keep the people on their sim and engage the visitors with different techniques such as advergames. Advergames could range from allowing visitors to hunt for gold or fish, to manipulate a virtual product to earning discounts or coupons for real products in real life while spending time playing advergames on Second Life land of the business.

There are other agencies and networks providing brand marketing advertisement; Metabizlist lists 67 advertising and marketing companies in Second Life (http://www.metabizlist.com/). These agencies help with distributed advertising in Second Life by putting up posters or kiosks that can distribute information, links, objects, or provide teleports to the sponsoring location for a small fee on many popular venues in Second Life, from malls to clubs to gathering points (http://wiki.secondlife.com/wiki/Advertising_in_Second_Life). Also, some companies could pay per click for those adverts of pay per impression. For instance, SecondAds charges 15 L$ per click on the advertisement or 50 L$ (0.05 L$ per ad view) per 1000 impressions in the form of an ad board located in a busy sim (www.secondads.com). They also pay people with land on Second Life who are willing to host such an advertisement board.

Companies and businesses could also engage in active and interactive advertising of their products in the form of wearables such as T-shirts and caps on which they could put their logo or write scripts around their virtual products so that potential buyers engage in interaction with those virtual products. Companies could also provide
a hat with their logo which people could give to others, creating viral distribution for their brand. The hat could be scripted so that giving it to someone could open a website or a Second Life notecard with more information about the product or a coupon for a discount on the product.

Figure 2 Snapshot: Another Example of advertising in Second Life

Many businesses and companies could also use avatars as a promotional vehicle. The use of recommendation avatars and immersive, realistic interactions with them increase favorable brand attitudes and brand-self connection among consumers. In avatar-based 3D virtual environments, corporations can establish locations as information databases for their companies (Jin and Bolerbruch, 2012, p. 5). Avatars could engage people in conversation and offer links to websites, coupons, or other direct followup actions. These avatars could be either real people or scripted bots to engage in conversation and each time another avatar clicks on them or talks to them they give away a notecard of a product. “An expanded form of person-to-person advertising can take the form of brand personification, whereas brand icons or personalities are realized in Second Life for engagement with Residents. An example of this would be “Nestle Nesquik”, where the Nesquik Bunny Avatar entered Second Life and attended a variety of events.” (http://wiki.secondlife.com/wiki/Advertising_in_Second_Life).

However, Jin and Bolerbruch (2009) in their study found out that human avatars generate better results with the customers than with the bots although they “confirm that avatar-based advertising in Second Life can contribute to increase product involvement and positive attitudes toward a product and regarding regard to modality effects, these results also offer empirical support for the importance of multiple modalities in advertising; advertising messages conveyed through multimodal 3D spokes-avatars are more effective in terms of improving product involvement and attitude toward the product than is mere exposure to unimodal audio messages.” (p. 56).
Second Life platform allows for the incorporation of diverse media, including Shared Media audio and video streams. In addition, there are radio and TV stations in Second Life which provide streaming broadcasts. These streams can incorporate advertising, as radio and TV do in real life.

**CONCLUSION**

Virtual worlds are involved in a bigger group of Internet-based platform called “social media,” which create the technological and ideological foundations of Web 2.0 and allow for the creation and exchange of user-generated content (Kaplan & Haenlein, 2010). From this standpoint, virtual advertising is a unique and innovative type of advertising. The Second life platform, certainly the most popular and fastest growing one amongst the virtual worlds, is a three-dimensional virtual environment. Second Life is rapidly becoming recognized as an important new channel for advertising. Eventually, the Second Life platform has the great potential to allow for the advertisement of companies and businesses. This young platform of advertising is still in its early and experimental stage, but in our current world it is too important an opportunity to take advantage of the new generation target audiences. Besides that, many of the companies prefer this new platform for their advertising practices due to its low pricing policy.

Our study was conceived as an exploratory analysis and can only be seen as a first step toward a better understanding of advertising on Second Life, and there are several areas of future research that merit deeper investigation. Moreover, future research could measure the impact of virtual advertising compared with other types of advertising such as TV spots or sponsoring, in order to evaluate the effects of integrated communication and cross-media advertising and the effectiveness of different kinds of virtual advertising.
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