Virtual worlds – An Overview

Helping our clients to innovate, collaborate and educate using virtual worlds
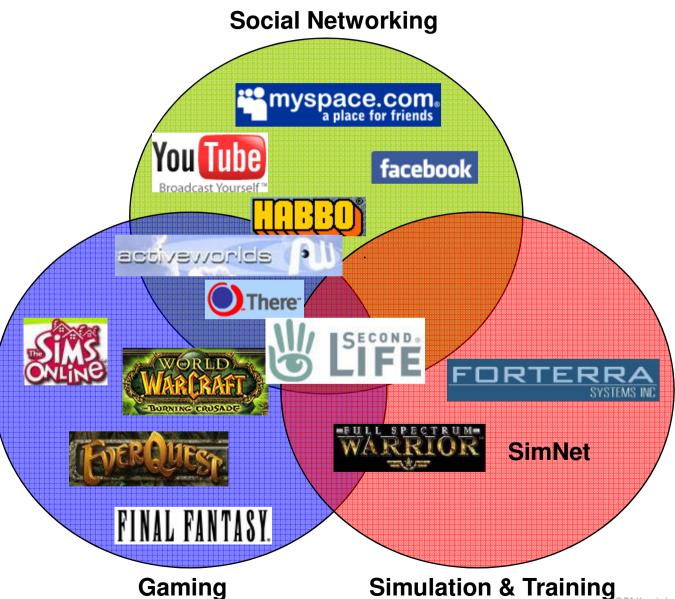
Claus Nehmzow

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A virtual world is a computer-based simulated environment intended for its users to inhabit and interact via avatars

Social Networking

Gaming   **Simulation & Training**

SimNet

Virtual worlds in development

Home (PS3)

"By the end of 2011, 80 percent of active Internet users (and Fortune 500 enterprises) will have a 'second life,' but not necessarily in Second Life,"

(Source: Reuters, Gartner)

Virtual worlds continue to grow exponentially – with Second Life the "petri dish"

- Virtual environments, originated in text-based environments in the '70s, then moving to "Massively Multiplayer Online Games (MMORPG's)" and games, with one of the most popular, World of Warcraft, boasting more than 8 million concurrent users

- "Second Life", by Linden Lab, a privately owned company financed by VCs and Jeff Bezos, founder of Amazon, Pierre Omidyar, founder of ebay, and Mitch Kapor, founder of Lotus-1-2-3, with CEO Philip Rosedale went live in 2003 and has been growing at 20% per month (!)

- As of July 07 there are >7 million users, with up to 50,000 concurrent users (up from 2,700 in March 06)

- To a large extend the "population" can and is being actively influenced by companies and public sector entities setting up interesting content/presence/events in Second Life (most have a link from their website to their SL presence, some their own branded "orientation islands")

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The demographics of Second Life are interesting for many b2c brands

Residents*

- 65% have a college degree or higher

- Nearly 40% earn $90,000 or more

- 28% "managers and senior officials"

- 29% "professional occupations"

- 70% married or cohabitating

- Nearly 60% have one child or more

- 68% spend 10 hours or less per week inside Second Life

- 37% say "yes, definitely" and 41% say "maybe" they would be more likely to purchase/use a brand in real life that is represented in Second Life

Companies

- IBM
- PA Consulting Group
- Cisco
- Sun
- Intel
- Reebok
- Coca-Cola
- Sears
- Circuit City
- Toyota
- Sony
- Vodafone
- Pontiac
- NBC
- MTV
- AMD
- BMW

*Source: Global Market Insite, Inc., April 2007

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There are many potential business applications using SL

Collaborative design - peers, customers and partners in disparate locations co-creating a real-life product/service in real-time. Simulation of real-life environments can be done at low cost enabling anonymous feedback

Marketing – SL marketing campaign to test a real world campaign, virtual focus groups on real brands, product placement and brand positioning

Learning - peer to peer and group communication of complex information using the 3D spatial element of virtual worlds

Virtual conferences and meetings - using the multiple communication streams, and audio and video media gives participants a rich experience and an environment to be innovative

Recruitment – can be used for candidates to ask anonymous questions

Training - customers and/or employees can be trained in an immersive environment using realistic role play scenarios to practice business processes

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Different groups of SL characteristics offer opportunities for applications for business

Business applications

	Customer, supplier and partner interaction	Collaborative product design	Internal comms and idea generation	Internal/ External conflict resolution	Employee/ Customer training, eLearning and role play scenarios	Recruitment Q&A
Real-time shared experience	✓	✓	✓	✓	✓	✓
Multiple communication methods (with seamless switching)	✓	✓	✓	✓	✓	✓
Anonymous intimacy	✓			✓	✓	✓
Spatial navigation		✓	✓		✓	✓
Multi-media content	✓		✓		✓	✓
Social interaction	✓	✓	✓	✓	✓	✓

The unique characteristics of Second Life™