

Seven point marketing plan

Second Life strategy

April 2007: Second Life, the 3D virtual world approaches 6 million global registered users. Major companies around the globe are setting up presences inside this world and creating new innovative ways of presenting their brands into the influential early adopter demographic groups. This document explains the seven keys areas marketers need to consider and address when developing a strategy to deploy their brands into Second Life.

What is Second Life?

The Internet as we know it today consists of static 2D pages. You visit a website and read/watch the information or media presented on it. Second Life is different. It is a 3D virtual environment accessed in real-time which allows people to walk, fly and teleport around a world created by the people who live in it.

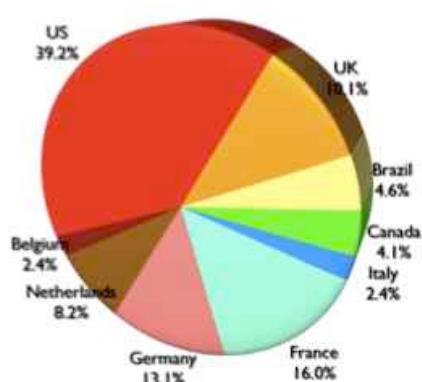
People can explore, examine and interact with the objects created within the world and uniquely, Second Life allows people to interact together in a shared collaborative space regardless of their geographical location.

Second Life is the first glimpse into the future of the Internet, a future of 'Places, not Pages'.

How and why is it growing?

Second Life is a global application, meaning that anyone can become a resident. Initially, North America drove take-up due largely to the fact that

the company behind Second Life, Linden Lab is based in San Francisco.



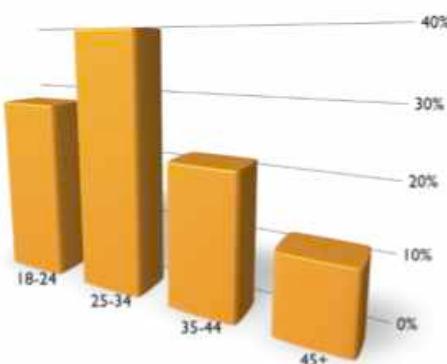
However, as the chart above shows, other regions and in particular Europe, have embraced this new platform.

In late 2006, resident numbers broke through the 1m mark, helped by significant media coverage. Since then, the population has grown by 1m per month and now (April 2007) stands at over 5.8m.

As explained in the following sections, the unique characteristics of a typical Second Life resident has expedited the take-up and the range of different countries represented.

Who is a typical resident?

Second Life is not a gaming application. There are no scores, no 'lives' to protect, no objectives and no end-result. Comparison has been drawn to World of Warcraft, an extremely popular MMOG (massive multiplayer online game) but the only real similarity is the fact that they are both virtual worlds. Importantly, whereas the average age of a Warcraft player is 17, for Second Life, the average age is 32. It is this fact which stimulated the interest in major brands to consider entering Second Life. Below is the age range spread for residents.



Also of note and further interest to brand owners is the fact that females account for 45% of users. A surprising, yet valuable piece of information.

Further analysis of the demographic profile of residents reveals that these people reside heavily within the Innovator and Early Adopter groups. Pre-December 2006, Innovators were the main types inside Second Life, but, as explained by the Rogers Technology Adoption Curve, Innovators act as a catalyst for Early Adopters. Whereas Innovators are very keen to trial new technologies, they have local social networks.

Why are early adopters important?

Early Adopters are tech-savvy, brand sensitive people. They are educated to a level higher than average and importantly act as opinion-formers. Their social networks are cosmopolitan, meaning

they have the ability to recommend brands,

products and services with influence to their friends, family and colleagues, across the world - another reason for the range of countries represented within Second Life. These types of consumers also have above average household incomes. Also, importantly for B2B brands such as technology and service-related companies, these residents in some cases hold-down middle to senior management positions in medium to large sized organisations.

Which companies are in already?

A range of companies across many different sectors are already in existence inside Second Life. These range from automobile manufacturers creating drivable and customisable versions of their cars, through to media companies such as MTV and NBC integrating shows through to apparel brands such as Adidas and Reebok creating virtual stores.

Below are the logos of some of these companies (no trademark infringement intended).

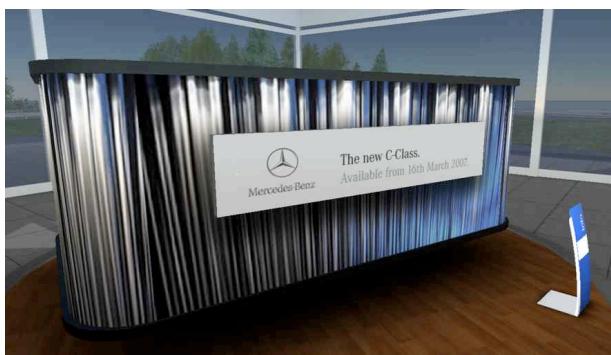


Point one: This is marketing, so have a plan

Putting Second Life (and metaverses in general) into context, it's just another marketing channel in the mix. And, just like every other channel, consideration needs to be given when developing a campaign or on-going presence.

A dedicated marketing plan is required well before development takes place in-world (inside Second Life). The first aspect of the plan should be an assessment of your brand - its values, positioning and the specific target markets it addresses. This is necessary to start to understand how the brand can be leveraged in a virtual world. Taking this thought further, the easiest (and most appropriate) place to start is to think about why the brand exists in the real world - what service does it provide?, how does it differentiate itself from the competition? From here, on the basis that Second Life is a virtual world, you should explore how these attributes can be deployed and then expanded upon in a platform which makes a lot more things possible than the real world.

Secondly, real world marketing strategies and plans should be assessed and analysis should take place on how best to dove-tail planned marketing programmes into Second Life activity. This is particularly useful for areas such as product launches, major events and R&D. For example, the Mercedes Benz Second Life strategy used the launch of the new C-Class as the driving rationale for entrance. Mercedes opened their virtual showroom several weeks before the real-world launch of the new model and used Second Life to generate interest in the car pre-launch.



A launch party was held in-world and the car was re-created virtually with the ability for residents to take test drives.

Thirdly, phasing and timing needs to be carefully considered. A typical Second Life development programme takes in the region of six to ten weeks, so if the objective is to tie-in with events happening in the real-world, then careful project

management is required to ensure maximum synergy.

Competitor activity should also be closely examined. This point will become increasingly more important as the number of companies and categories represented in Second Life increases.

'Me too' strategies are currently present in Second Life as companies see a competitor entering and decide it's time they did the same. Adopting a similar strategy to the first-mover is not a good idea, not just because its unoriginal but more importantly, the brand-sensitive nature of residents will mean negative experiences (and even backlashes) against a brand.

Lacoste, for example, opted for a virtual beauty competition in Second Life as their first activity. This promotion was a direct copy of a L'Oreal campaign deployed several weeks prior.

The bottom line here is that a company following a competitor into Second Life should closely observe their strategy and execution and strive to create a venue more engaging, more original, better planned and more integrated than the competing company.

Point two: Keep the builders at bay

Second Life is a highly visual experience and in many ways, a blank canvas for creativity. Because of this, it is very easy to start thinking about how products/brands will look and be presented in Second Life as well as how the overall island or venue will be designed.

Furthermore, due to the highly technical nature of developing inside Second Life, some of the companies already offering marketing/design services are primarily graphic designers, turned virtual builders. They possess the technical capabilities to create objects but often place design way ahead of strategy. You need both, but strategy should always have greater importance, with design being a tactical element within an overall plan. To use an analogy, when you're thinking of building a house, you meet with the architect first, not the builders.

On this basis, creative concepts should be developed outside of Second Life initially. If a concept is strong enough, then it can be explained without the need to develop it in-world. On approval of the concept, initial design prototypes should then be created and it is at the point of this sign-off that development starts in Second Life.

But what about the overall design? Well, of course, it's easy to create a 200 story building in Second Life. But just because you can, doesn't mean you should.

When considering how an island will be created, the most important aspect is the user-experience - will a visitor understand how to move around? Are areas clearly sign-posted? Is interaction made as easy as possible? Just as website creation is based around ease of information assimilation and navigation, Second Life design should follow similar methodologies, a virtual site-map if you will. Most companies set the teleport point (the place that visitors are first taken to when they arrive at an island) as the most central place on the island, and will also have a billboard showing the map of the venue, with additional teleport functionality at this point as well.



Point three: Integrate

Integrated marketing is a strategy specifically designed to create synergy and maximum effectiveness for campaign planning. TV adverts often use tactical websites to support campaigns, companies often use cinema, radio and print channels to deliver the same messages and sales promotions (for example) promoted via direct mail typically have a call-to-action of calling a phone number or visiting a participating retail outlet.

Integrated marketing means a marketing message can be delivered across a variety of complementary channels to ensure maximum exposure to a campaign - and Second Life is no different.

Marketeers should actively seek ways of integrating real-world marketing activity into Second Life and vice versa. A great example of this is Nissan. They opted to use Second Life to promote the launch of the Sentra. The real-world campaign (Seven Days in a Sentra) used TV, print and online executions to

explain the versatility of their new vehicle. Virtual marketing was integrated into this plan and Nissan Island was created, giving residents the ability to obtain and drive the virtual replica of the model.

On the island itself, virtual screens display the real-world TV adverts and advertising artwork used in print campaigns has been uploaded and re-presented around the venue.



Another example is Microsoft. They integrated Second Life into their European launch of Vista with launch parties across the mainland areas, carefully selected to 'seed' activity into areas frequented by different European nationalities.

Looking at integration inversely, a trend likely to emerge is a Second Life campaign being taken out of the virtual platform and integrated into real-world activities. This concept is ideally suited for companies who have strong brand advocacy and design values. Second Life is a world full of creative thinkers who can (and often do) add value to existing brands by recreating them. It will not be long before a product created in Second Life is produced and promoted in the real world.

Point four: Giving is better than receiving

'Let's launch into Second Life and loads more people will see our products and then click through to our website and buy them.'

People used to think that having a website was enough - people will find the site and buy the products without encouragement or advertising. If this was true, Google wouldn't have made \$3.66 billion in Q1 2007.

Second Life is about interaction and engagement in a collaborative environment. It's not about opening a virtual store as an exact clone of a real-world building and putting product replicas of the shelves.

It's also not a platform purely for lead generation or harvesting prospect contact data. Sure, this is possible in Second Life and should always be considered but this tactic should be an outcome from activity.

Marketeers need to look closely at their product and services and explore ways to bring their brands to life virtually. Doing this can bring residents closer to brands and makes them more receptive.

Making brands and product 'do something' interesting and/or more than they can do in the real world is an excellent way of engaging visitors to a venue.

Furthermore, these virtual products should proactively be promoted and given away (either free or for a very low cost) to residents. Let them take them, customise them, show them off and take them around the virtual world.

Giving something back to the population of Second Life should be a key objective of any strategy. Adidas, for example, allows visitors to purchase the Microride - a virtual trainer, with special properties.



STA Travel provides virtual guidebooks for the destinations offered by their website.



And, most companies will present a 'Note card' as soon as someone first teleports to their venue. A note card is a simple text file saved in Second Life which contains information about a venue, a destination business card if you will.

Giving something back to the residents as opposed to sitting back and expecting them to interact with your brand is an crucial way to perceptionally dilute the commercial aspect of a brand existing in Second Life.

This objective will also if designed and implemented well, stimulate possible viral activity and ultimately leverage virtual (and then real-world) brand advocacy.

Point five: Keep the seats warm

One of the biggest mistakes a company can make when establishing a presence in Second Life is treating activity in the same way as a website.

A website in its typical form is a notice board - a one-way communication platform giving information to site visitors.

Second Life on the other hand is a virtual environment and by design, this environment is constructed to allow virtual attendance and interaction by avatars. Venues in Second Life look like real places - they have doors, walls and objects and on this basis, have to be treated in some cases, as offices, shops and exhibition areas.

There has been a lot of coverage of the corporate venues inside Second Life as looking empty at certain times of the day and in particular not managed or frequented by personnel working for the company whose venue it is. The aspect of company attendance on a digital platform is over-emphasised in Second Life because visitors can see who else is in the same place as them. This is different to website activity because when people visit websites they have no idea how many other people are also looking at the same pages as them.

So, an important aspect to cover off when marketing departments are developing entrance strategies is how best to provide visitors with company staff to be on-hand to assist residents.

This does not mean you need to provide 24/365 coverage on a venue but it does mean that when launches and other key events are taking place in-world, you need to have people who can speak with authority about the company present.

There are many benefits to this approach. Firstly, having company personnel present gives a clear message to residents that as a company you are committed to Second Life, the company activities and the residents present.

Secondly, you normally do not know who the actual person is 'behind the avatar'. They could be your next customer, a key journalist or even your next boss.

Thirdly, being able to interact with the people visiting your venue means you can initiate

conversations with them. This is real-time market research.

The concept of manning venues can in some instances be managed to limit the requirement of providing resource, but typically only when the venue has sufficient interaction to not require company avatars present. The Weather Channel island for example has a series of interactive elements which can be accessed and used without needing a third-party.

However, service-led companies, more often than not in B2B sectors will require support. One company in Second Life which has set the bar for company support is PA Consulting. Using proximity tools placed near to teleport points, emails are generated when residents first enter their venue thus meaning PA Consulting personnel can quickly teleport into Second Life and provide meet and greet services. This is a good use of technology in-world.

Another option is to provide clearly marked contact details of nominated personnel at the venue, allowing visitors to send messages in-world.



Point six: Stoke the fire

The majority of this document so far as focussed on the planning required to develop an effective launch into Second Life - the Entrance strategy.

However, during the development programme consideration should be given to how to stimulate on-going interest of the venue. This is the Existence strategy.



Existence strategies give residents reasons to return. Which can only be a good thing. 'Stoking the fire' can involve several activities.

Firstly, hosting regular events at a venue not only demonstrates on-going commitment but also seeks to cultivate a valuable community of residents interested in your brand. These events can take many forms, the best ones usually involving 'experts', opinion leaders or individuals associated with a brand and getting them to engage visitors.

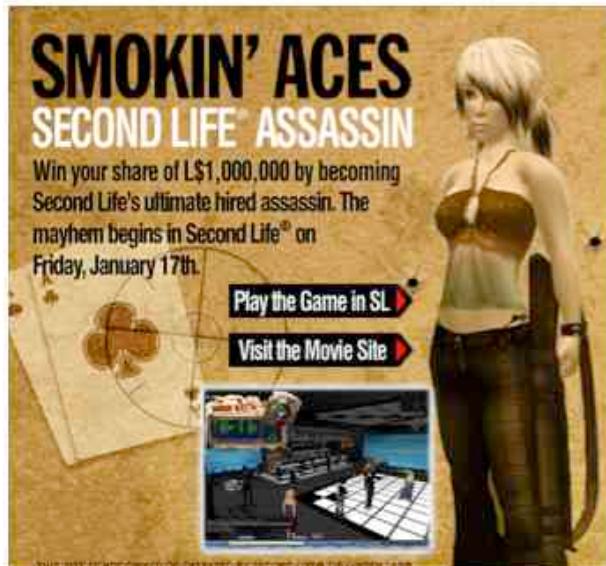
Other tactics designed to stimulate interest can involve promotions or competitions which are time-based. Universal Pictures chose Second Life to deploy an interactive tie-in with the launch of the movie 'Smokin Aces'. The film, involving several hit-men tracking down a target, was re-created in Second Life and allowed residents to become virtual hitmen, roaming the world looking for other players. This then took the form of a competition for the residents to accumulate points based on how many hits they made.

Point seven: Promote and cross-promote

So, you have your venue, you've done your planning, your integration, your giveaways and an on-going programme of events. Now it's time to tell people about it.

It will not be long before Second Life venues are promoted in TV, print and other mediums as promotion and then cross-promotion initiatives are used to attract as many visitors as possible.

Another promotional technique already being used by some companies is the use of tactical websites and blogs specifically designed to support Second Life activity. This mechanic allows people to learn about in-world activity without needing to be logged into Second Life.



In summary

Second Life is not a golden bullet to solve all the marketing challenges facing marketers. Instead, it is an emerging, exciting platform facilitating engaging interactive brand communications. It is of note to point out that although Second Life is the headline virtual world of the moment and will continue to grow in popularity, it may not be the leading virtual environment in the medium term. However, the concept of metaverses - virtual environments is here to stay and is the way the Internet will evolve.

Brands who are already in or about to enter are doing so to discover new ways of communicating and experimenting with how best to deploy their brands - whilst enjoying significant coverage whilst doing so.

The Seven Points explained in this document highlight the planning, assessment and strategic decisions required by marketeers prior to entering Second Life, as well as the importance of developing on-going activities.

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