



## Second Life has some firms second guessing

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While Second Life is indisputably the largest virtual world in which corporations are setting up shop to reach customers and prospects, limitations such as security and scalability are causing some b-to-b marketers and agencies to re-evaluate the venue's potential.

Second Life, a 3-D digital environment created and operated by Linden Lab, San Francisco, has attracted many of the biggest b-to-b marketers, including Cisco Systems, IBM Corp., Intel Corp. and Sun Microsystems. These marketers use the environment to hold virtual events, media conferences, training seminars and other communications with key audiences.

Ad agencies and media companies are also jumping on board, setting up virtual shops and supplementing their real-world businesses with Second Life services.

CMP Technology, for example, last month announced that it had become the first global media company to become certified as a full-service Second Life content developer.

"The immersive, 3-D world of Second Life is a powerful way to bring buyers and sellers together," said John Jainschigg, director of online technology and new business for CMP's software group.

### Beyond Second Life

While marketers and agencies don't argue with this, many of them are expressing concern about some of the current limitations of Second Life and are exploring other interactive opportunities, such as private virtual worlds, to reach target audiences.

"We have counseled our clients to stay away [from Second Life] for the time being," said Drew Neisser, president-CEO of Renegade, a New York-based integrated marketing agency. "The quick-hit PR route is now closed, so marketers need to carefully consider why they want to be in Second Life and make sure they have a sincere commitment to the betterment of Second Life."

Neisser pointed to issues such as technical glitches, security concerns (for example, hackers breaking into presidential candidate John Edwards' virtual campaign headquarters on Second Life) and difficulties attracting a sizable audience.

"There are a lot of other ways to engage your targets online and offline that may in fact be more cost-effective and more rewarding than Second Life," he said.

However, he added, "We are monitoring Second Life on a continuous basis and will let [clients] know if and when the time is ripe for their participation in Second Life."

### Overcoming limitations

Marketers and media companies that currently participate in Second Life also acknowledge the limitations and have found out ways to overcome them.

"Because of the current scale, which is small, one has to be very careful about finding the right audience to create a positive ROI," said CMP's Jainschigg. "We've had a great deal of luck in reaching out to our own audiences in our various constituencies and messaging them clearly about what we are going to show them. There are a few hundred senior-level engineers or senior IT managers with considerable buying power who are also familiar with Second Life."

CMP has had success hosting live events in Second Life, such as *Dr. Dobb's Journal's* Life 2.0 Spring Summit in April, which attracted more than 1,000 software developers. Participants created avatars that could attend "live" keynotes, presentations and panels involving metaverse experts.

"The top 50 avatars averaged 12.5 hours each, and the top 21 averaged 21 hours each. That is a huge time commitment from a qualified group of people," Jainschigg said.

While attendees can create avatars with fictitious names and titles, CMP requires attendees to provide their real name and title when registering for virtual events.

"That way we can secure the locations to prevent known breachers from entering," Jainschigg said.

Also, when avatars interact with each other in CMP virtual events, their real identity is visible.

### **Security, scalability issues**

Some Second Life marketers are putting measures in place to address issues of security and scalability.

Intel Corp., which has set up a presence on Second Life to hold forums and engage users in games and activities, requires its employees to use "Intel" as the last name for their avatars. Intel also has policies that regulate what its employees may say and not say when presenting themselves in Second Life.

"We want to position ourselves as a leader and make sure we're in this space," said Stephanie Dillard, global media manager at Intel. "One of the biggest problems with Second Life is not having anyone there [representing Intel]. We want to make sure we have Intel team members there and provide guidelines for them."

Intel currently has at least 10 people who are dedicated to Second Life marketing efforts.

Dillard noted there can be some technical difficulties when hosting larger events on Second Life. When the event audience gets to about 60 attendees, the system slows down and sometimes crashes, she said, adding that Intel typically attracts 15 to 20 people to its forums on Second Life.

"It is really more about dialog and engagement," Dillard said. "If you have something too large, it takes away from the experience."

Another issue is developing metrics to measure ROI for Second Life activities, Dillard said. Intel currently tracks metrics including number of attendees, dwell time (how long they stay) and how they interact with content.

"Second Life and Linden Lab might have some technical issues going on, but virtual worlds are the future of where we're going," Dillard said. "We are focusing on Second Life right now—it is really the primary virtual world."

Meanwhile, other virtual worlds that offer smaller scale or propriety experiences are also attracting b-to-b marketers.

BrandGames, for example, develops private virtual worlds and gaming experiences for b-to-b clients, including Deloitte U.S. and Arrow Electronics.

### **Virtual recruiting**

For Deloitte, BrandGames developed a virtual world experience that the company uses to recruit employees. The recruits enter a private virtual world, join a team of players and solve real-world business problems.

"The entire program is built based on the skill sets required at Deloitte. If you are good at the game, you are demonstrating the

skill sets that would make you a good fit for Deloitte," said Jim Wexler, exec VP-marketing at BrandGames.

Other virtual worlds, including Kaneva, ActiveWorlds and There, are gaining audience size but are still geared mainly toward consumers.

Kaneva, for example, is a virtual world modeled after the real world, where users can create online personalities and visit malls, restaurants, theaters and other places in which to interact.

"Within our world, if you go into the mall, everyone is human. You won't see any dragons or spaceships," said Christopher Klaus, CEO of Kaneva.

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