# Katicus Sparrow welcomes you to Second Life and congratulates you on your expansion into virtual worlds!

# Teleclass Information

**Topic**
Second Life .... an opportunity to build your business through virtual world participation.

**Date**
Thursday, February 21, 2008

**Time**
5:00PM PST, 6:00PM MST, 7:00PM CST, 8:00PM EST

**Duration**
60 minutes

# How to Get the Most Out of this Teleclass

1. Print out this sheet before the call so you have something to write notes on.

2. Write down 1 question you want answered during this call.

3. Decide on what 1 action you will take after the call.

## Introduction: What is Second Life?

Second Life is a 3D virtual world where individuals, represented by an avatar, can interact with each other.  In Second Life, avatars can create content, for which they own the rights, or offer services, that they can sell to other avatars for real currency.

There are several dozen Virtual Worlds on the market right now.  Many of them cater to children, but some are designed for adults.    Virtual worlds can be 2D (Neopets), 2 1/2D (Habbo Hotel) or 3D (Second Life).

In most virtual worlds, you can create your avatar – it is your representative in the world.  Social Networks and other online services have the same idea of an avatar – for example, on Facebook or Flickr or a discussion board you may have participated in, you are represented by a small picture – this picture indicates that the content you have created (a comment, a note, a photo) is yours.

In a virtual world, your avatar can typically take on different appearances.  You can change shape or race.  You can change clothes, hairstyle or skin colour.  Think of it like paper dolls for adults.

Three things that make Second Life a unique Virtual World:

1.  Second Life is not a game.  There is no end-goal as there might be in virtual worlds such as World of Warcraft.

2.  Creators own, and can sell, their content.  This is unique across virtual worlds.  In other virtual worlds, avatars may create content, but they do not own it and there isn't a free market where they can offer it for sale.

3.  Control over avatars is very high. Some people call SL simply a glorified chat room – but there is something very compelling and memorable about a 3D avatar.  This 3D representation, coupled with voice (whether native to SL or using something like Skype) essentially mimics a real-world experience.  I have been to conferences and have had interactions that are equal to "real-world" memories and emotions.

# Who is living a Second Life?

## Current Number of Avatars:

TOTAL:      11,175,710          Premium:      92,595

## Gender Split

Male:      58.37%          Female:      41.63%

## Age Range of Avatars:

18-24:  25%          25-34:  36%          35-44:  24%          45 plus:      15%

## Geography Details

| Country | Total Avatars | % of Avatars | Total Hours | % of Total Hours |
|---|---|---|---|---|
| United States | 197638 | 36.37% | 8,995,641.48 | 36.74% |
| Germany | 41141 | 7.57% | 2,376,654.33 | 9.71% |
| Japan | 30793 | 5.67% | 1,922,348.47 | 7.85% |
| United Kingdom | 41685 | 7.67% | 1,596,843.57 | 6.52% |
| France | 29432 | 5.42% | 1,424,075.63 | 5.82% |
| Netherlands | 17512 | 3.22% | 1,012,926.75 | 4.14% |
| Italy | 23168 | 4.26% | 979,612.10 | 4.00% |
| Canada | 18477 | 3.40% | 880,381.77 | 3.60% |
| Brazil | 27532 | 5.07% | 816,918.28 | 3.34% |
| Spain | 18084 | 3.33% | 791,573.78 | 3.23% |
| Australia | 11982 | 2.21% | 493,584.57 | 2.02% |
| Belgium | 5516 | 1.02% | 254,121.30 | 1.04% |

## Economic Details

| USD Equivalent PMLF | November 2007 |
|---|---|
| < $10 USD | 25,591 |
| $10 to $50 USD | 14,156 |
| $50 to $100 USD | 3,145 |
| $100 to $200 USD | 2,210 |
| $200 to $500 USD | 1,848 |
| $500 to $1,000 USD | 820 |
| $1,000 to $2,000 USD | 484 |
| $2,000 to $5,000 USD | 297 |
| > $5,000 USD | 154 |
| Total Unique Users with PMLF | 48,705 |

*All Metrics from Nov 2007 issued by Linden Labs*

# Case Study 1: House of Nyla - www.HouseOfNyla.com

**RL Identity**:  Nyla Kazakof

**SL Identity**:  Nyla Cheeky

## Who:

Nyla Kazakoff is a real-world fashion designer based in Vancouver.  She designs high-end dresses, beaded cloche hats and masks for costume balls.  About two years ago, Nyla discovered Second Life and decided that it would be an interesting market in which to showcase her fashions as well as get new ideas.

## What:

She built the House of Nyla in Second Life.  A flagship store where all her fashions – both the virtual versions as well as the real-versions are showcased.

Avatars can visit her store and purchase her virtual products.  If they are interested in her real-life products, they have a way to contact her.

Her costs to be in SL are about $250 to $300 a month.  This is mainly for land fees for her location.

## Result:

Revenue: She makes between $1,000 and $2,000 a month from her SL business.

Press: She has been featured in German Vogue and on Italian radio programs; she is starting to build an international clientele.

Product Research: She talks to her in-world group regularly about what they like and what they don't.  She is also able to try new products out in SL.  For example, she doesn't currently create lingerie in RL, but she has created a lingerie line in SL – so she is getting experience designing different types of outfits.

# Case Study 2: AskPatty.com

**RL Identity**:  Jody Devere, President of AskPatty.com

**SL Identity**:  Patty Streeter

## Who:

Jody Devere runs AskPatty.com – a world-renown website for women to get information about buying cars.  AskPatty also has a female-friendly certification training program for car dealers who want to improve their communication (and ultimately conversion) with women customers.

## What:

In 2006, Jody and her team discovered Second Life through Pontiac.  Pontiac created an island in Second Life for car enthusiasts.  Residents could apply for free parcels of land to develop either their own in-world car designs or host their car-related services.

AskPatty.com set up shop and created a virtual environment where women can visit and get more information about car purchasing.  The environment was designed to be the ideal experience a woman wants when buying a car.  This environmental experience also makes it easier for dealers who want to better serve their female customers.

AskPatty.com also has a weekly meet-up in SL where women can ask questions either of Jody or someone else on her team about car buying.

## Result:

The AskPatty.com SL build continues to be a marketing tool for them.  It creates awareness not only of the site, but more importantly of their dealer training and certification program.

An unexpected benefit of being in SL is that AskPatty.com now films a number of their training videos in SL.  Videos that are created in a virtual world like SL are called MACHINIAMA.  Jody uses machinima to show different role playing scenarios between car dealers and their female customers.  It is a low cost way to create training and promotional videos and be consistent in your branding.

# Case Study 3: Yacht Charter Guide

**RL Identity**:  Mike Poole, Yacht Charter Guide - www.yachtcharterguide.com

**SL Identity**:  Hans Zinneman, Zinnemann Boat Builders – www.zinnemann.com

## Who:

Mike Poole, an avid sailor from Scotland, created the YachtCharterGuide.com in 2001 after having a frustrating experience trying to find a good yacht charter for Europe.  Seven years later, the site is ranked number one in most search engines for "yacht charter" and makes a living for Mike from advertising revenue and from brokering Yacht Charters across the globe.

## What:

As a complement to his website and as a way to further develop a community around his service, Mike created an in-world yacht building company called Zinnemann Boat Builders, specializing in Catamarans (specifically the Zinnemann 40), that is run by his avatar Hans Zinnemann.

He also created an island that is connected to other islands in SL where sailors hang out and race.  He also created a specific race for catamaran sailors (whether they use his model or not) – essentially the American's Cup of Second Life called the Big Cat Cup.

## Result:

The ZInnemann 40 is one of the top selling yacht's in SL.  It sells for $L 950 – about 4 US dollars.  So, he has created an additional revenue stream for himself.

However, the most important benefit of his presence is as a pre-sales tool for his Yacht Charter brokerage.  Mike is an avid member of the global sailing community in SL (even in places where he can't sail physically) and has created a brand and trust.  If these sailors ever go looking for a service in RL, you can bet that they call Mike first!

**Eight Potential Benefits to Being in Second Life**

1. Reach Internet Power Users across a global audience

2. Drive traffic in-world to RL website

3. Expand your business into new global marketplaces

4. Explore creativity in marketing (e.g. charity events)

5. Participate in an experiential way with your community

6. Be seen as an innovator

7. Get media and press attention

8. Co-branding opportunities for small and large businesses to work together

## Three Steps to Getting Started?

1. Read a few blogs about business in Second Life. There will be examples here of both big and small companies that are using SL.

2. Watch a few machinima to see how Second Life looks – there are also some great training videos that will give you a sense of what to expect

3. Jump in – go to the signup page at SL, choose and avatar and get started. If you choose one of the communities when you join, you will get a customized orientation experience (e.g. CSI, the L-Word, Dublin or Scion City – to name a few).

## My Two Most Important Pieces of Advice

1. Set aside enough time to experiment. Getting into a virtual world is not like visiting a web page. You will want to have at least 3 hours set aside to download the software, configure your avatar, go through orientation and start exploring.

2. Do not get too attached to your first avatar. Likely, you will want to have what we call an "alt" – a private avatar that you can learn with, look a little goofy with, etc. Once you get comfortable in-world, create an avatar with an appropriate name that will be your public face in SL.

## Resources

Available at **www.mynameiskate.ca/smt2008.html**