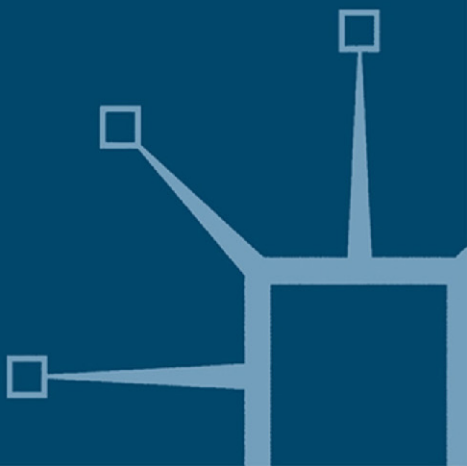# BRAND AVATAR

TRANSLATING VIRTUAL WORLD BRANDING INTO REAL WORLD SUCCESS

Alycia de Mesa

BRAND AVATAR

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TRANSLATING VIRTUAL WORLD BRANDING INTO REAL WORLD SUCCESS

Alycia de Mesa

palgrave
macmillan

This book is dedicated to brands, branders, tech geeks and the people who love them all.

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INTRODUCTION

I remember as a ten-year-old kid being so excited about my new prize possession. Gifted to me by my uncle, I was the proud new owner of a matte white, Commodore Vic 20 personal computer. The year was 1981. As I recall, I barely knew what to do with it and had no idea what it was actually capable of, but I was determined to use it even if it meant playing Space Invaders until I could dream of nothing but Blue Meanies (and I think I did). Thus began my love affair with technology. It's true that life may have been more or less the same 20 years ago, but it's hard to believe that we didn't have laptop computers, faxes were still a luxury, and iPods and cell phones weren't even imagined:

> **"Those of us who take Second Life seriously like to compare it to the Web in 1994. The Web back then was slow, and a lot of the technologies we take for granted today hadn't been invented yet. Indeed, many smart people believed in 1994 that nobody would ever trust the Internet for e-commerce." —*Mitch Wagner***

As a branding and naming consultant in the 1990s, I was able to marry my branding skills with burgeoning new technologies known as dotcoms in San Francisco. It really was an exciting time to live in the Bay Area, because change, we all knew, was imminent. It was thick and palpable even if they didn't know it

yet in Indiana. Everyday citizens were going to be interacting with technology in a way that would shape their everyday habits in a completely different way than they had known before. Groceries on demand delivered in vans, a vast array of books for purchase mailed straight to you, news and political information reaching every end of the Earth instantaneously, a new type of letter writing, which would trump all previous forms of communication, would become a daily routine and habit. And what was more new generations would grow up not knowing a world without this technological way of life.

I remember that when the Internet began to emerge for the masses, agencies, marketers and big brands alike just scratched their heads wondering what to do with this technological wonderland – much less how to explain what to do with it in regard to branding and marketing. It's funny to recall how marketing strategies involving coupons emailed to a consumer was a truly revolutionary idea in its day. E-commerce was a concept sneered at and highly distrusted, while designers were still trying to figure out the basics of web design. I even recall being red in the face, laughing hysterically the first time my best friend showed me what AOL chat room cybersex was like.

While everyone is well aware of the dotcom collapse at the end of the decade, what most people don't realize was during the time prior to the bubble bursting, there were a handful of innovative thinkers who were not only dreaming but actually creating three-dimensional (3D) virtual reality environments to be the next generation of the Internet. Some of them even convinced a few major brands to jump in on the great experiment, but more on that later.

As the new millennium has unfolded, a new wave of the Internet has presented itself with more in-depth ways to do the things that come most naturally to human beings: communicate, interact, and socialize with other people and to

express individual creativity. Because the success of social media sites like Facebook, MySpace, YouTube, Twitter, etc. has led to increased interest in richer, more creative and collaborative forms of community, virtual worlds have and are filling a niche through not only their customization and personalization features, but through their highly visual and audio experience on the Internet – as if you had actually stepped into them. Inspired by video games and science fiction, virtual worlds are the much more graphic representation of social media on the Internet. Not so surprisingly, brands of various sorts are diving into these new interactive worlds hoping to capture tech-forward audiences with non-traditional marketing. The result is a chameleon of computers, entertainment and brand building that (hopefully) deliver a range of experiences versus one-way, marketing-driven messages.

Intel, the company, has stated that the digital universe itself is expanding. In 1998, Internet use was estimated to be 150 million users. As of 2008, that number is approaching a billion. Think Web 2.0 is just a silly catch phrase that will fade away? Think again. Although the present forms of virtual worlds such as with the big players: Second Life, There.com and Kaneva may ultimately not be the face of the 3D Internet, they are the great labs of experimentation necessary to get us there.

What this book is about is how the matrix of virtual worlds, business and brands come together. *Brand Avatar – Translating Virtual-World Branding into Real-World Success* is a look at business and branding strategies within the Internet's current landscape of virtual worlds. Virtual-world websites such as Second Life and There.com have already garnered millions of users around the world, representing a cross-section of ages, ethnicities and purchasing power. Virtual-world "residents" use and spend real money within the fictional-turned-real-life economies. Companies as diverse as Adidas, Saturn, Jean-Paul Gaultier, MTV, governmental agencies, and virtual-world

agencies based on real-life marketing/media agencies have all plunged into these previously unchartered waters to give their brands a virtual presence, using an assortment of strategies and tactics:

> **"While more traditional 'advertising-type' tactics can deliver a message, they don't provide an experience."** *—Carol Kruse, vice president of Global Interactive Marketing at Coca-Cola*

Brand Avatar – Translating Virtual-World Branding into Real-World Success covers the emergence of virtual worlds, the culture and psychographic profile of virtual-world users, the companies represented and the effectiveness of their business and branding strategies as well as the challenges that have emerged as a result of these worlds such as creating worldwide virtual-world standards and intellectual property theft. The intent of the book is to provide an overview of the represented companies and then spotlight global brands such as Pepsi, CosmoGirl!, Playboy and others as specific case studies in strategy, creative execution and outcomes/effectiveness of their virtual campaigns and products. The book also covers "grass-root" brands found only on Second Life and reviews what lessons can be learned from their successes:

> **"It's been said that there's too much brand noise out there to make much of a dent in the consumer's consciousness. So if this world's saturated, why not move on to the next virtual one?"** *—Alycia de Mesa, brandchannel.com article 2007*

What this book is not about is in-world gaming otherwise known as MMPORGs (massively multiplayer online role-playing games) where many players come on-line and into 3D worlds to accomplish goal-oriented quests and tasks, such as the wildly

popular World of Warcraft. While a few MMOs that also incorporate virtual-world qualities are mentioned, the primary focus is on virtual worlds that have communities combined with in-world economies (featuring currencies and micro-transactions).

Since beginning this project, one thing is very clear: change is rampant and occurs with whiplash quickness when it comes to virtual worlds. In 2006 and 2007, the press itself could find almost nothing wrong with vws (virtual worlds) and hailed them as the next great boom. By the end of the year, vws and the brands within could seem to do nothing right. Old news is a few seconds ago, but it's my hope that this book will take you on a guided journey through the vw landscape, trends, and the brands that are exploring these new worlds to create value for everyone (and also happen to be learning many lessons along the way). I hope you enjoy the show.

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1

THE EMERGENCE AND CHARACTERISTICS OF VIRTUAL WORLDS

brand |brand|
noun
1 a type of product manufactured by a particular company under a particular name

avatar |ˈavəˌtär|
noun
1 an incarnation, embodiment, or manifestation of a person or idea

• derived from the Sanskrit word for the visible form that gods take on earth

"In a few years, I think everybody will walk around cyberspace as an avatar." —*Franz Buchenberger, former President, Black Sun Interactive, as quoted in 1996*

The programmer looks down at his hands and scans his arms and torso . . . they've been rendered. In a split second he realizes that his entire body is morphed into a seamless integration with the computer animated screen. He's not just playing the game, he's a *part* of the game. And what's more he can control the outcome of it, shaping his own world, his own experience and own destiny.

THE EARLY WORLDS

The year may have been 1982, but the scene from the Disney science fiction film *Tron* portrayed a graphic picture of life in the new millennium beginning to imitate art. Back then, Steve Lisenberger, *Tron*'s producer was, according to a Wikipedia entry, "frustrated by the clique-ish nature of computers and video games and wanted to create a film that would open this world up to everyone." Little did Steve know that only 20 years later his film would be echoed in the wave of the interactive and democratically collaborative Internet known collectively as "Web 2.0." or more colloquially as "social media". I've always found it interesting how science fiction entertainment tends to spark the imagination and inspire the genius of man to make something a reality – or on the flip side scare them enough to think twice about bringing something with potentially devastating effects to fruition.

A decade after *Tron* Neal Stephenson envisioned what he called a "metaverse" in his 1992 novel *Snow Crash*. The metaverse, a black ball 1.6 times the size of earth with a huge street around its equator, was what Stephenson called his virtual world where the novel's characters uploaded self-designed avatars to interact in the singular metaverse as they played, conducted business, went shopping, danced at nightclubs and strolled the streets while meeting and conversing with other virtual citizens. It held the vision for a 3D experience of surfing the Internet – and not long after, real-life companies from the corridors of Silicon Valley and Europe began to bring this fictional account to life.

Ever since the Industrial Revolution, man has been fascinated with technology dreamt by innovators such as da Vinci and others. The mad relationship of creating, using, and controlling technology to do bigger and better things – to make man more productive, more powerful and somehow larger

than life is what spurs us to keep creating and engaging with technology. And yet, the awesome force of technology's power makes us feel the exhilarating rush of riding its super-human abilities *and* absolutely fear the control it may have over us.

There are many gruesome sci fi tales of technology gone awry to lament over and point at due to the dark nature of man. A simple recall of Orwell's *1984*, *Bladerunner*, the retina-reading billboards that adjust an ad based on the profile of the passerby in *Minority Report*, and many other similarly themed films and literature are testament that more than anything, we fear the loss of our freedom and selves to the bidding of ever-more sophisticated technology. But lest we digress, that is not the point of this book.

You need only to look to technology's trends – both hard-ware and software – to see what percentage of the population dives head first into the bleeding-edge of new technology, and what percentage stands back, saying "now wait a minute . . . I think I need to wait and see about this" – or how many even get angry that they may have to deal with change *yet again*. And there are how many more that dig their boots into the sand and resist changing at all.

Technology is all about change. And as such, some people embrace the thrill of its unknown, chaotic nature, and others pull an ostrich moment and put their heads in the proverbial sand out of sheer fear. Whenever a new technology trend comes along, there are obvious cycles and patterns of adop-tion. What I'm about to go over has been cited in a host of ways and variations on a theme in various business and inno-vation books. While the concepts presented below are not new, it's important to re-state them to put virtual worlds into context to other trends.

In the beginning there are those pioneers who begin using a technology just after the developers release them. Maybe the pioneers are friends, colleagues, or social media buddies of the

developers or avid followers of developer message boards. They are the people who love tech to the nth degree and are hungry to try something new to either bash it to bits or extol its virtues to anyone who can tolerate the unabashed tech accolades. Everything is about the now and the new – brownie points if there are vestiges of tech hall of fame past in the mix. This is what is often referred to as the "*bleeding edge of technology*."

Once a technology gets past the intense scrutiny of pioneers, it begins to fall into the hands of the influencers. These are likely to be the pioneer's slightly less nerdy friends, colleagues, social media types, bloggers or other tech trend followers on the constant prowl for something new. This is the early adoption, "*leading edge of technology*" pointing innovatively (and hopefully positively) toward a better future. Perhaps this is a purely subjective viewpoint, but in my own observations, the influencers, while still early adopters, seem to *want* to find something to champion and are ever so slightly less critical of a technology versus the intense scrutiny of pioneers.

Most start-up technologies fall off at or between the bleeding and leading edges. To push beyond the pioneering stages takes the acceptance of those who were not necessarily first on board the technology train but are early enough to influence others into considering the technology's appeal. The success of the influencers is coupled with the rage of the media machine, which, with the necessary critical mass, gets the technology into the hands of the mainstream user.

What's interesting about the media is that as we look at this first decade of the new millennium, never has the media been so fragmented and specialized – and the blur between traditional media and social media is only growing. A technology has never had so many ways to capture the attention of the media to bring it into critical mass: RSS feeds; micro-blogging sites (such as Twitter) to break news articles; bookmarking sites (such as Digg and del.icio.us) to share articles; individual