Companies spend large sums trying to segment, reach, and influence potential customers. They should think about targeting those customers' online alter egos, as well.

Avatar-Based Marketing

by Paul Hemp

TAKE A MINUTE – go ahead, don't be timid – to step into the strange but compelling virtual world of *Second Life.* The landscape of brown hills is dotted with often-fantastic buildings – some homes, some businesses – and a tantalizing array of information kiosks, drivable vehicles, and fanciful interactive objects just waiting to be investigated.

Birdsong and a gentle breeze enliven the scene at dawn, and as you walk by a house later in the day you may hear music emanating from an open window. When people approach you to chat – their hands typing on an invisible keyboard to indicate that a line of dialogue will soon appear on your screen – their movements are slightly awkward. But these folks aren't android-like in appearance or in action: Their outfits are elaborate, and most of their gestures – a nod, a shrug, a beckoning arm – are quite realistic.

Some things in this virtual world may seem bizarre at first. Many residents wear sexually provocative clothing, and some inhabit an animal or other non-human body. The truly odd thing about this place, though? You're not you. In *Second Life,* you live in a new body and take on the identity of your "avatar" – that is, a being you've created as a representation of yourself in this online environment.

Avatars aren't the only personal creations in *Second Life.* Nearly everything in this world – which encompasses 50 virtual square miles and would take days to walk across, although you can save time by flying or by instantly teleporting yourself from one place to another – has been made by *Second Life* residents. Along with the thousands of eye-catching structures, physical landmarks, and interactive objects, these creations include less tangible things: vir-

tual businesses, interest-based social groups, and scheduled events that range from dance parties to celebrity book signings to boxing matches to yard sales.

Clearly, many of *Second Life*'s 100,000 or so residents are highly involved with this place. And that makes it potentially a dream marketing venue. Instead of targeting passive eyeballs, marketers here have the opportunity to interact with engaged minds. Commerce is already an integral part of *Second Life.* Residents spend – in Linden dollars, the local currency, available at in-world ATMs – the equivalent of $5 million a month on resident-to-resident transactions for in-world products and services. Certainly, introducing real-world brands, in some form or another, is a logical next step.

But wait. Whom do your marketing efforts target? The flesh-and-blood *Second Life* members who gave their credit

card numbers to register for the game – or their *Second Life* avatars residing in the virtual world? Sure, the real-world human controls the real-world wallet. The avatar, though, arguably represents a distinctly different "shadow" consumer, one able to influence its creator's purchase of real-world products and conceivably make its own real-world purchases in the virtual world. At the least, it may offer insights into its creator's hidden tastes.

Such questions aren't academic. *Second Life* is just one of a growing number of three-dimensional virtual worlds, accessible via the Internet, in which users, through an avatar, are able to play games or simply interact socially with thousands of people simultaneously. By some estimates, more than 10 million people spend $10 to $15 a month to subscribe to online role-playing environments, with the number of subscribers

doubling every year. Millions more enter free sites, some of them sponsored by companies as brand-building initiatives. Many users spend upward of 40 hours a week in these worlds. And as the technology improves over the next decade, virtual worlds may well eclipse film, TV, and non–role-playing computer games as a form of entertainment. That's because, instead of watching someone else's story unfold in front of them on a screen, users in these worlds create and live out their own stories.

When marketing online, "you want sustained engagement with the brand rather than just a click-through" to a purchase or product information, says Bonita Stewart, responsible for interactive marketing for DaimlerChrysler's Jeep, Chrysler, and Dodge brands. "Avatars create an opportunity for just this type of engagement."

Given the potential, marketers need to acquaint themselves with the phenomenon of avatars and to consider whether it requires a rethinking of marketing messages and channels. They can draw on the experiences of the handful of pathfinding companies that have begun to explore this realm.

What Is an Avatar?

People have long taken on alternative identities, from authors' sly noms de plume to CB radio operators' evocative handles to chat-room visitors' sexually suggestive user names. But in the last few years, technology has expanded the possibilities. Today, a teenager will communicate in the voice of two personae – one transmitted over cell phone and the other via instant messaging – to the same friend at the same time. An unattractive, shy man will transform himself into the sexiest and most

aggressive guy – or, not uncommonly, girl – on the virtual block. A Web surfer may change her persona every time she enters one of the hundreds of three-dimensional chat rooms. Like the ancient rite of the *bal masqué,* modern technology helps people realize a deep-seated desire to experience what it would feel like to be someone else. In the words of a famous *New Yorker* cartoon showing man's best friend sitting at a computer screen: "On the Internet, nobody knows you're a dog."

The avatar is the most conspicuous online manifestation of people's desire to try out alternative identities or project some private aspect of themselves. (The word, which originally described the worldly incarnation of the Hindu god Vishnu, was popularized in its cybersense by Neal Stephenson in his 1992 cult novel *Snow Crash.*) Broadly defined, "avatar" encompasses not only complex beings created for use in a shared virtual reality but any visual representation of a user in an online community. For example, more than 7 million people have created Yahoo avatars, simple but personalized cartoon-like characters used as pictorial signatures in activities ranging from instant messaging to fantasy sports.

The experience of living through an alternative self is the most powerful, though, in virtual worlds, sometimes called – take a breath – massively multiplayer online role-playing games. In these environments, someone's avatar, or "av," can evolve from a being created using standard character and appearance options initially offered to new users into a unique and richly developed individual. Avatars are endowed with mannerisms, skills, and wardrobes that their users create (employing a variety of software tools), purchase (from in-world shops), receive as gifts (from other avatars), or earn (through

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in-game achievements). Indeed, while avatars' anonymity is part of their appeal, many people take considerable pride in their creations as public expressions of hidden aspects of their identities. Those who don't have the time or desire to enhance their avatars on their own spend a combined total of more than $100 million a year on Internet auction sites for skills and accessories – digital weapons earned or crafted by others, for example – that can improve their avatars' presence and performance in a particular world.

Movies are even made in these worlds, using computer game technology, a form of filmmaking dubbed "machinima." Avatars take on scripted roles, thus creating in these plays within plays characters that are two steps removed from their real-life creators. You might call them avatars' avatars.

The online worlds populated by avatars come in many forms but can basically be divided into two types. The most popular by far are combat-focused games, such as *EverQuest, Lineage,* and *World of Warcraft:* The latter alone claims more than 6 million paying subscribers. Other virtual worlds, even if they include game-like elements, primarily offer the opportunity for social interaction. In these worlds – places like *Second Life* and *Entropia Universe,* aimed at adults, and the more teen-oriented *There*, the *Sims Online*, and *Habbo Hotel* – users customize not only themselves but also their environments and experiences, decorating personal living spaces or running their own events. The settings are more realistic than those in the typical sci-fi or fantasy combat game. Though you often need to pay a monthly subscription to get the full experience – to buy your own land in *Second Life,* for instance, or to sell virtual items you've made in *There* – the operators of many of these social virtual worlds recently have allowed people to join and explore the worlds for free. This approach has boosted the sites' membership numbers. *Second Life* currently has around 65,000 paying subscribers and another 100,000 nonpaying members with fewer in-world privileges, ac-

cording to Linden Lab, the company that developed and runs that world.

In such worlds, people often have more than one avatar. And these can differ substantially from one another and from the creator's public self. Gender switching is common, as is the exaggeration of sexual characteristics. Some of these worlds have communities of nonhuman avatars – for example, "furries," animal-like beings that often reflect their real-life creators' strong psychological associations with certain animal types. One *Second Life* avatar, a well-muscled and spiky-haired male named wilde Cunningham, represents a group of people who are severely physically disabled in real life. And avatars can take on lives of their own: Because of real-world news reports about their virtual-world activities as community gadflies or wealthy entrepreneurs, avatars sometimes become better known than their creators.

Living in the skin of an avatar – looking out through its eyes and engaging with other beings, themselves avatars of flesh-and-blood individuals – can be an intense experience. Though in most worlds avatars don't eat, sleep, or use the bathroom, serious relationships are formed – avatars adopt avatar children, numerous virtual-world relationships lead to real-world marriages – and land ownership sparks sometimes nasty disputes over property rights. Put it all together and you have an avatar that is "not a puppet but a projection" of some aspect of the creator's self, says Philip Rosedale, founder and CEO of Linden Lab.

Marketing in Virtual Worlds

The real-world marketing potential of online worlds is suggested by the active virtual commerce that already takes place within them. In *Second Life,* for instance, you find services you might expect – virtual clothing and furniture design, event planning, real estate brokering. But the avatar-run businesses also include detective agencies, which keep an eye on virtual infidelity; a notary public, who guarantees the legitimacy of avatar contracts (and offers

Selling to Avatars – and to Their Creators

Online virtual worlds offer untapped marketing potential for real-world products and services, particularly because of their ability to generate sustained consumer engagement with a brand. This occurs through interactions with "avatars," the beings users create as representations of themselves and through which they live and relate to others in these worlds.

>> The stage for real-world marketing has been set in virtual worlds like *Second Life*. There, residents run businesses that sell virtual products and services priced in *Second Life*'s Linden dollars, which are convertible into real-world currency on various Internet exchanges. In this example, Dominus Motors promotes a limited Eleanor edition (named after a famous 1960s muscle car) of its Shadow model that seats five avatars and can be driven through the world at speeds of up to 210 miles an hour.

<< Wells Fargo bank operates a virtual world called *Stagecoach Island*, designed to educate teens about money matters through games and social activities. At in-world ATMs, players take a financial quiz in order to withdraw virtual cash for activities such as sky-diving and games of paintball.

>> *Coke Studios* is a teen-oriented virtual world run by Coca-Cola. In this world, users' avatars interact — that's conversation in the text boxes — and accumulate points through primarily music-related activities. For example, you get five decibels for each thumbs-up from a fellow avatar for your selection of dance music in your role as virtual DJ in one of the public studios. You can use these points to buy furniture and accessories for your own studio, like the one shown here, where you can hold events for avatar friends.

mediation services if problems arise); and an advertising agency, which designs and places ads for other avatar-operated businesses. There are in addition the inevitable sex shops, which sell not only racy garb and paraphernalia but also computer code that allows two avatars to enter into a passionate embrace and beyond.

Second Life residents pay for these products and services in local Linden dollars. Merchants can then exchange them, at fluctuating rates, for real-world cash on various Internet exchanges. Some avatar entrepreneurs, most notably fashion designers and land speculators, have been so successful that

mon. You can buy a Corona beer at a *Second Life* bar while listening to the hum of a neon Budweiser sign from the wall. Evian was advertised at the concession stand of a recent U2 tribute concert. An iPod store sells virtual players loaded with tunes audible when your avatar wears one of the devices, and a store called Pear sells a laptop that sends e-mails to the real world and bears a fruit-shaped logo reminiscent of Apple Computer's.

The combination of robust virtual-world commerce and the growing overlap of virtual worlds and the real world suggests opportunities for creative real-world marketers. So far, there have been

example, Kellogg's sponsored a competition, in the teen-oriented world of *Habbo Hotel,* in which residents were asked to decorate their personal rooms in various Pop-Tart–related themes. (The winner received a room filled with rare in-game *Habbo* items, such as a DJ deck and a beehive-shaped lamp, that couldn't be purchased by users in the Habbo furnishings catalog.) In a non-commercial sponsorship, the American Cancer Society staged its "Relay for Life" event in *Second Life*. Resident avatars walked a virtual course, lighted virtual luminaries, and raised virtual cash, which was converted into more than $5,000 in real cash and donated to the organization.

There obviously is a real danger that product placement in virtual worlds will feel to residents like three-dimensional spam. To be effective, marketing in these worlds needs to be consistent with the virtual environment and enhance participants' experience. "You don't want to simply shove a billboard in people's face," says Betsy Book, editor of the *Virtual Worlds Review* Web site and director of product management for *There*. "You want a brand to be integrated into the daily routines of potential customers so that they can, if they choose, interact with it in a meaningful way." In that sense, campaigns like those for Levi's and Nike represented successful virtual-world placements, she says. Moreover, the Nike initiative, by helping in-world wearers to run faster, had the added benefit of heightening the user's virtual-world experience.

Companies have also created entirely branded virtual worlds – "adverworlds," Book calls them. Wells Fargo bank recently launched *Stagecoach Island,* which is designed to educate teens about money matters through games and social activities. The branding is low-key: The Wells Fargo name is almost absent, appearing most conspicuously at the ATMs where players take a financial quiz in order to withdraw virtual cash for activities such as skydiving and paintball games. However, subtle brand building through education rather than the peddling of financial services is the

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their creators have quit real-life jobs to focus on their virtual-world businesses. Linden Lab says that more than 3,000 people earn real-world money from their *Second Life* businesses, averaging $20,000 a year – a number skewed upward by the handful of residents who generate six-figure incomes in real-world dollars.

The line between virtual and real worlds is blurring in other ways. In *Second Life,* perhaps the most technologically advanced of these environments, the BBC recently broadcast a segment of its *Newsnight* program from within the world. Internet intellectual property expert Lawrence Lessig gave a speech to a full house and electronically signed virtual copies of his latest book. A proliferation of "Impeach Bush" signs – that were installed by an avatar on tiny plots of land he had purchased, blocking many people's views – created an uproar.

Furthermore, many residents import real-world company logos as props or decorations. Coke machines are com-

few instances of real-world products being sold in virtual worlds to real-world users for delivery to their real-world addresses. But there have been some interesting brand-building experiments. In the *Sims Online*, McDonald's installed virtual fast-food kiosks, complete with automated employees working at the counter and able to serve up (free) virtual burgers and fries to residents who made their selections from a clickable menu. Intel incorporated its logo into the screens of virtual computers that, when purchased by *Sims Online* residents (using "simoleans," the in-world currency), helped them improve their game skills. In the virtual world *There*, Levi Strauss promoted a new style of jeans by offering virtual versions for sale to avatars, pricing them (in "There-Bucks") at a premium to the generic virtual jeans that avatars otherwise could purchase. Nike sold virtual shoes that allowed wearers to run faster than other avatars.

Organizations have also sponsored branded events in virtual worlds. For

intention, says Tim Collins, the bank's senior vice president for experience marketing. "An educated consumer is our best customer," he says. For that reason, the company may tinker with the ratio between fun and financial education – "currently about 99 to 1," jokes Collins–in the next version of the game. In a similar vein, DaimlerChrysler has a site for preteens called *Mokitown*, a cartoonlike world designed to educate players–called "mokis," short for "mobile kids" – about road and traffic safety through a shared social experience.

Coca-Cola's *Coke Studios* is another teen-oriented world in which nearly everything from the furniture to the vending machines that dispense miniature Cokes are branded or bear the company's red and white colors. Avatars – known as "v-egos," which stands for virtual egos – accumulate points ("decibels") in public studios through various music-related activities. For example, you get five decibels when a fellow avatar likes the mix of music you have selected as a virtual DJ. (You get ten points when you drink a virtual Coke.) V-egos use these points to buy furniture for their studios, where they can hold events for avatar friends. "Teens desire not only to experience things but also to express themselves," says Doug Rollins, the Coke brand manager who oversees *Coke Studios,* which claims 8 million registered users. These players spend an average of 40 minutes at the free site when they visit, he says– the kind of engagement that is invaluable in building a brand.

So far, real-world marketing initiatives in virtual worlds are rare. The customer base is still small–visitors to the *Coke Studios* site at a given time typically number only in the hundreds – and marketers are still unfamiliar with the new medium and skeptical about what it can offer. Patrice Varni, head of Internet marketing for Levi's, says the 2003 campaign in which residents of *There* outfitted themselves in the company's virtual jeans was an interesting experiment but one she had hoped would yield more data–how many people were willing to pay extra for Levi's

versus generic jeans, for example, or what avatars did when they were wearing Levi's. Technology is improving, though, and she can envision placements in which users could, by making an in-world purchase of an appealing style of jeans, effect a real-world online purchase.

In the meantime, there may be little to lose from experimenting. A company called Massive Incorporated, which sells real-world advertising in a network of computer games, recently signed a deal to place ads in the online virtual world *Entropia Universe.* In *Second Life,* where the world is a creation of the users, marketers can simply become residents and have their avatars try out marketing initiatives for free – something a number of companies are already quietly doing, according to David Fleck, vice president for marketing at Linden Lab. "People think they need to create a partnership with us, but all they have to do is join, go and buy a chunk of land, and then do what they want to do," says Fleck, pointing out that the company's business model is based on subscriptions and the sale of land and Linden dollars. "Making us an intermediary only creates friction in the process."

Marketing to Avatars

Advertising has always targeted a powerful consumer alter ego: that hip, attractive, incredibly popular person just waiting to emerge (with the help of the advertised product) from an all-too-normal self. Now that, in virtual worlds, consumers are taking the initiative and adopting alter egos that are anything but under wraps, marketers can segment, reach, and influence them directly. Indeed, it's important for companies to think about more than the potentially rich market of the virtual world and consider the potential customer–the avatar.

For starters, avatars are certainly useful subjects for market research. "Marketing depends on soliciting people's dreams," says Henry Jenkins, head of MIT's Comparative Media Studies program. "And here those dreams are on overt display." For instance, a company

could track how inhabitants of a virtual world use or otherwise interact with a particular type of product, noting choices they make about product features, wardrobe mix, or even virtual vacation destinations.

It could then use those choices to create profiles of potential customer segments. For instance, in creating a Yahoo avatar, people choose from an array of elements, including physical features, accessories such as pets, and the setting in which the avatar appears. Some of these elements include branded items: Adidas shoes, say, or a Jeep Commander parked in the background. While encouraging avatars to wear real-world products is mainly aimed at enhancing the brand, even at this rudimentary level one could learn that avatars who choose golden retrievers as pets prefer Jeep Grand Cherokees over Jeep Commanders. As the options presumably multiply in the future, and the avatars become more complex, one could assemble detailed profiles of those who might be likely buyers of either kind of model.

Avatars might also be enlisted to play a marketing role. They could use their virtual-world sensibility to design products with real-world potential. Several *Second Life* clothing designers have been approached by real-world fashion houses, and at least one business makes real-world versions of furniture based on virtual "furni" designed by *Second Life* residents. Avatar brokers could link up real-world companies with virtual landowners willing to rent space for the companies' marketing initiatives. Avatars ultimately could run virtual-world stores selling real-world products or become what Internet culture blogger Tony Walsh calls "advertars," paid to publicize, overtly or not, those same products.

But will avatars actually buy real-world products that are marketed in virtual worlds, in effect purchasing real-world goods for their creators, just as those creators buy virtual-world paraphernalia for them? Could an avatar who currently spends Linden dollars to buy a virtual skirt from another

avatar's designer clothing store in *Second Life* be enticed, while visiting an in-world Gap retail outlet, to click on a cash register and use his or her creator's credit card to buy a real-world Gap sweater that would be shipped to the creator's doorstep?

At the least, avatars are likely to window shop. Michael K. Wilson, CEO of Makena Technologies, which runs *There*, says that e-commerce sites, while they have reduced retailers' brick-and-mortar costs, don't address the inherently social nature of shopping, especially for women. But in the mall of a virtual world, an avatar could try on – and try out in front of virtual friends – real-world clothing brands or styles her creator typically couldn't afford or wouldn't dare to wear. If she got rave reviews from her pals and became (along with her creator) comfortable with the idea of wearing a particular outfit, a purchase in the real world might follow. "It doesn't cost anything for someone to create an individualized outfit, even mixing several brands," says Dave Kopp, head of community applications at Yahoo and manager of the company's avatar program. "And it doesn't cost anything for companies to supply the products that become part of this act of self-expression and personal brand endorsement."

The amount of marketing and purchasing data that could be mined is staggering. An avatar's digital nature means that every one of its moves – for example, perusing products in a store and discussing them with a friend – can be tracked and logged in a database. This behavioral information, organized by individual avatar, aside from being priceless to marketers in the long term, could be processed immediately. An avatar clerk might appear from behind the counter and offer to answer an avatar customer's questions – questions the clerk would already know because they would have been gathered and recorded in the database.

Furthermore, the avatar clerk might automatically adjust his or her behavior to become more appealing to the avatar customer. Research conducted

at Stanford University's Virtual Human Interaction Lab has found that users are more strongly influenced by avatars who mimic their own avatars' body movements and mirror their own appearance. This virtual manifestation of an old sales trick makes avatars potentially, if insidiously, powerful salespeople. Using a simple computer script, the selling avatar clerk is able to subtly and automatically tailor its behavior – its gait, the way it turns its head, its facial features – to the avatar buyer's, thus making the clerk seem more friendly, interesting, honest, and persuasive.

Even more astonishing, digital technology allows avatar sellers to modify their behavior and appearance so that they simultaneously mimic the different gestures and look of hundreds of avatars in the same room – at least in the virtual eyes of each of those potential buyers. "If I want a group of virtual people to buy a product, I can morph my avatar to subtly act like every one of them," says Jeremy Bailenson, an assistant professor of communications at Stanford and the lab director.

So what is an avatar's perspective on buying real-world goods with real-world currency in virtual worlds? One afternoon in *Second Life*, Minxy Moe and her boyfriend Ben Stravinsky sit next to a rushing waterfall in the yard of their friend LadyLizzie Charming and talk with a visiting journalist (or rather, his avatar) about commercial incursions into their world. Minxy and Ben are skeptical about real-world marketing in *Second Life*, saying that people generally like to keep the two worlds separate. LadyLizzie echoes these sentiments. "I would not be caught dead in real life wearing the clothes I wear here," she says, glancing down at her revealing hal-

ter top, scanty shorts – and branded Adidas high-tops, which she purchased in *Second Life.*

"Maybe subliminal advertising might work," muses Minxy.

"It would be a large advertising budget wasted, in my opinion," says Ben.

LadyLizzie starts to warm to the idea of a Gap outlet in *Second Life,* before Ben interjects: "Without sounding harsh, clothes from the Gap are so boring," compared with *Second Life* attire.

Such anticommercial sentiments among avatars may be on the wane. Wagner James Au, one of a number of "embedded" journalists whose avatars post on the Internet regular dispatches from *Second Life,* says that, as *Second Life* has grown, purists fighting outside

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commercial influences have lost some of their clout. Two years ago, he wrote about an island in *Second Life* that was purchased by a British marketing company. The next day, sign-waving protesters picketed the island. Today, "a Starbucks – or whatever – isn't likely to generate that kind of acrimony," he says.

The potential of marketing directly to avatars doesn't disappear after they accompany their creators – tucked in their creators' psyches – back to the real world. A company might, for instance, create a real-world advertising campaign aimed at a particular avatar "segment" – wizards, say, or furries. Or you might offer in real-world stores a distinctive clothing line available only to people whose avatars had, through achievements in an online world, earned their creators the right to wear the gear, thus giving people credibility in the real world based on their avatars' virtual-world status. Marketers could thus "tie products to the game without busting the fantasy of the game itself," which

is always a risk when marketing in virtual worlds, says Edward Castronova, a professor of telecommunications at Indiana University and the author of the 2005 book *Synthetic Worlds: The Business and Culture of Online Games.*

(By contrast, Walt Disney's *Virtual Magic Kingdom* site, instead of bestowing real-world credibility for what an avatar does online, grants virtual-world credibility for real-world activities. The site is designed to encourage visits to the company's real-world theme-park attractions. Avatars created at computer terminals in Disney's real-world amusement parks get to sport an exclusive "Born in Park" icon in the *Virtual Magic Kingdom,* giving them "Main Street cred," according to the Disney site.)

As the barriers between virtual worlds and real life blur, so do the barriers between virtual worlds and the rest of cyberspace. New technology allows a group of avatars, a "Web mob," to roam the Internet. Appearing as superimposed images on a Web page, they can check it out, make purchases if they feel like it, then zoom off as a group to other Web sites. Instead of having to seek out avatars in virtual worlds, savvy marketers may instead find ways to attract avatars to their e-commerce sites.

Real Challenges, Real Risks

This new marketing landscape and audience come with all kinds of pitfalls. There are technology constraints. *Stagecoach Island* moved from the technology platform on which *Second Life* is built to the platform underlying *Active Worlds,* another virtual world. The *Second Life* platform required too much computer hardware capability of users, according to Collins, the Wells Fargo marketer.

Strong resistance to real-world commercial encroachment still exists in many virtual worlds, where users primarily seek an escape from real life. In-world billboards, like those calling for Bush's impeachment, are occasionally defaced. And there was a mild though short-lived protest when MTV recently recruited avatars as models

and sponsored a fashion show in *Second Life,* which was then aired on the network's broadband Internet channel, Overdrive.

It's also crucially important to realize that each virtual world has a different culture and people come to these worlds for a variety of reasons, so a single marketing approach won't work. Marketers should get to know a world they are thinking about entering. In the vast expanse of *Second Life,* there are nooks and crannies that may be viewed as a bit dicey by mainstream marketers – for instance, an island populated by Goreans, adherents of a series of fantasy novels by John Norman in which slavery and male domination of women are themes.

Consumers' privacy concerns about the detailed tracking of avatar data pose obvious challenges. So does the attempt to balance viral brand enhancement – many avatars on teenage sites incorporate real-world brands into their user names – against the loss of brand control. Operators of virtual worlds make sporadic attempts to limit the unauthorized use of real-world brands, but even a company's intentional introduction of a brand into a virtual world can be risky: The McDonald's kiosks in the *Sims Online,* while popular, generated sniggering among residents about how fat the patrons would become, says Book, of *Virtual Worlds Review.*

Clearly, this is virtually unexplored marketing territory. But conceiving of avatars and other online personae as a new set of potential customers, one that can be analyzed and segmented, provides a useful way to think about new marketing opportunities. Indeed, the day may not be far off when someone in a store – either virtual-world or real-world – says to a clerk, "Wait a minute. Let me have one of those as well. After all," the customer will add, in a near-echo of pregnant women's perennial refrain, "I'm buying for two." ▽

For live links to some of the virtual worlds, Web sites, blogs, and companies mentioned in this article, read the online version at www.hbr.org.