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Keeping Up with the Virtual Joneses: The Practices, Meanings, and Consequences of Consumption in Second Life

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Graduate Program in Media Studies
A thesis submitted in partial fulfillment of the requirements for the degree in Doctor of Philosophy
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KEEPING UP WITH THE VIRTUAL JONESES: THE PRACTICES, MEANINGS,
AND CONSEQUENCES OF CONSUMPTION IN SECOND LIFE

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by

Jennifer M. Martin

Graduate Program in Media Studies

A thesis submitted in partial fulfillment
of the requirements for the degree of
Doctor of Philosophy

The School of Graduate and Postdoctoral Studies
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Consequences of Consumption in Second Life**

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Abstract

Every day, thousands of people log into the virtual world of *Second Life* and collectively pay hundreds of thousands of dollars to purchase virtual goods. With an in-world economic system that is linked to offline economies and a wealth of user-generated content, the virtual world has a wide variety of goods available for consumption. These commodities, which include everything from clothes and cars to fantastical pets and flying airships, are computer code visually rendered on a screen, and cannot exist apart from the servers on which they are housed. Although they are virtual, goods in *Second Life* are widely bought, sold, and traded.

Through participant observation, surveys, interviews, and content analysis, this dissertation investigates the practices, meanings, and effects associated with the consumption of virtual goods. It considers the extensive consumption practices found in the world's market and freebie economies, the degree to which *Second Life* residents consume virtual goods, and their consumption preferences. It also investigates the meanings associated with these practices, and examines the ways in which consumption is implicated in individuality, belonging, resistance, social status, and social and cultural capital. Finally, it argues that although there is significant consumption inequality within the world, the effects and perceptions of this inequality are moderated by factors including the virtual nature of the world, free and inexpensive virtual goods, a lack of stigmas, user-generated content, and resident attitudes. Although consumption is a practice that bears important meanings for residents and is heavily engaged, often in unequal ways, the moderating effects of the world make *Second Life* what can be termed a utopia of inequality.

Keywords

Second Life; consumption; virtual worlds; video games, virtual goods; consumer culture; consumer society; inequality.

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1 Introduction

Every day, thousands of people spend hundreds of thousands of dollars in a world that exists only as digital computer code, on goods that are equally ephemeral and immaterial. This world, called *Second Life* ("Second Life," 2003-2011), is an online social environment filled with participants – usually referred to as residents – who virtually interact with each other using virtual bodies of their choosing and can engage in a variety of activities within the world. One of these activities is consumption, with residents purchasing – often with “real” money – virtual goods that cannot exist apart from the online world and the servers on which it is housed. The prevalence of consumption and the ways in which it is engaged raise three questions. What is consumed in *Second Life*, what meanings do consumption practices hold for residents, and what are the effects of visible consumption on the experience of using and engaging with the virtual world?

1.1 Living a *Second Life*

In recent years there has been increasing development of graphically rendered online social environments (Taylor, 2006). Following in the footsteps of online games, these social worlds provide an environment where individuals create a visual representation of themselves – usually referred to as an *avatar* – and, using their virtual body, interact with the world and other individuals. Created by Linden Lab, *Second Life* is a virtual world that focuses on social interaction. The environment was made public in October of 2003, and as of September 25, 2011 housed 25 452 560 residents, with anywhere between 300 000 and 600 000 logging in over the course of a week ("*Second Life* Economic Metrics Repository," 2011). Over the eight years of its existence, *Second Life* has developed a solid base of residents and commerce.

Second Life is a stand-alone virtual world. It requires its own free application – referred to as a viewer – to access. Accounts are created through the official website, where participants select a name and a default avatar. Formerly, users created a first name and selected a last name from a pre-set list. Now, new users simply select a user

name. Then, users choose a premade avatar from ten defaults and provide basic personal information. Once the account is created, users can download the viewer and log into the virtual world using a computer and Internet connection. Logged in, residents are guided through a series of basic tutorials before they head out to explore the world and interact with other users.

Second Life has gained celebrity within an extensive range of other virtual social environments. It is a complex virtual world and community, and despite its reliance on the Internet, is distinct from online games, social networking, and many other digital pursuits. It also supports a large registered population. This can be attributed to its position as an early leader and the fact that it allows residents multiple accounts and avatars. However, it is still only one of many virtual communities within a long progression of online social worlds and other sites designed to bring people together. As with most other social environments, *Second Life* borrows heavily from previous iterations of online community ranging from text-based communities to online video games. As a result, it is both linked to and distinct from these other communities.

1.2 ***Second Life* in Context**

Although it is graphical, *Second Life* draws heavily on earlier forms of text-based social environments, such as multi-user domains (MUDs) and multi-user domains-object oriented (MOOs) (Castronova, 2005). Based on text, MUDs and MOOs allow users to interact with other participants through chat, but also by describing things and actions within the virtual space. Although originally started in the mid-1970s on systems like ARPAnet, a precursor to the Internet, environments such as TinyMUD, AberMUD, AlphaMOO, and LambdaMOO became popular in the late 1980s and early 1990s thanks to the increasing accessibility of the Internet. While some MUDs and MOOs are based on tabletop role-playing games, others are focused more on social interactions. In both cases, the potential for many participants to interact with each other in a virtual world serves as an early precursor to graphical worlds like *Second Life*.

In recent years, virtual communities housed within graphically rendered worlds have become increasingly popular. While visual images have long been in use as static

avatars within virtual communities, technology has not always been able to allow for heavy interactive graphics use. With increasingly sophisticated technology, computers and servers are better able to handle the high amount of data necessary to render the visual elements of the world onscreen. As a result, there are currently a wide variety of graphical social worlds, including *Second Life*, *Habbo Hotel*, *Club Penguin*, *There*, and *Active Worlds*.

Despite its prominence, *Second Life* is not the first virtual social world to rely on a graphical interface or on user-generated content to develop and expand the world. Graphical social environments can be traced back as early as 1994 when *WebWorld* – the 2.5D predecessor to *Active Worlds* – was released (Stevens, 2007). This release was followed by a range of lesser-known environments, such as *TalkWorld*, released in 1997. Along with graphical worlds came the development of user-generated content, which allowed users to build and expand on the world and its content. Despite the limitations placed on user-generated content in games (for reasons discussed in chapter 2), many early social environments allowed users to create usable content within the world, with some also allowing them to give away and acquire the creations of others as a form of trade or virtual consumption.

Beyond the influence of early virtual worlds, the rise of *Second Life* and other graphical social worlds also parallels the growth of video games. The links between social environments and massively multiplayer online role-playing games (MMORPGs, or MMOs for short) are especially pronounced. Early MMOs can be traced back to 1974's *MazeWar*, first playable over a serial cable and then later over ARPAnet. Although there are debates on what constitutes the first graphical MMO and different generations of MMOs (Achterbosch, Pierce, & Simmons, 2008), the rise of games with large populations that interact in graphical virtual spaces is associated with the late 1990s, just prior to the increased prominence of graphical virtual worlds starting in the early 2000s. The development of games that facilitated multiplayer gaming also made possible worlds that were less focused on gaming, but that still involved graphical environments and large user populations.

In addition to social interaction, social worlds like *Second Life* can also be linked to the development of video games in terms of consumption. As early as 1985, the online role-playing game *Habitat* offered vending machines from which players could buy virtual goods with their earned in-game currency (Lehdonvirta, 2009a). The use of buyable and tradable in-game items became a feature of many multi-player games, such as 1996's *Diablo*. With the development of progressively larger MMOs like *Lineage*, *EverQuest*, and *Asheron's Call*, and later the 12 million player strong *World of Warcraft* (Blizzard Entertainment, "World of Warcraft® Subscriber Base Reaches 12 Million Worldwide," 2010) virtual economies formed, with complex systems of buying, selling, and trading between players and vendors. It is also out of many of these games that players started linking offline money with virtual goods, selling currency and items to other players.

Given this context, *Second Life* emerges from an established line of graphical virtual communities and worlds. These environments have supported social interaction, but have also established the potential for virtual consumption. *Second Life* does bear similarities to other virtual social environments. Worlds like *Habbo Hotel*, *There*, and *Entropia Universe* became publically available in the early 2000s, the same time as *Second Life*. These worlds offer similar forms of social interaction as well as consumption and in-world economies that are linked to offline economies, where residents can exchange offline money for virtual currency and vice versa. Beyond these similarities, it is also different from these worlds in important ways. While many virtual worlds target teenagers and pre-teens, *Second Life*'s population is mostly adults (Au, 2007b). This demographic presents different consumption opportunities, markets, and practices. Although large, it is not the biggest virtual world. *Habbo Hotel* claims to have this honour with over 200 million registered accounts (Reahard, 2011), compared to *Second Life*'s 26 million ("*Second Life* Economic Metrics Repository," 2011). It does, however, have the distinction of being the largest virtual economy (Ashby, 2010; Linden, 2010), and one that is linked to and dependent on offline economies as part of its in-world consumption. Because of this status, *Second Life* is somewhat distinct from other virtual worlds, and offers an ideal environment in which to consider virtual consumption.

1.3 ***Second Life* as a Virtual World**

Given its rise in the information age and the heyday of Web 2.0, *Second Life* also exists within a vast matrix of online sites and communities from blogs and social media to forums and personal webpages. As with earlier virtual worlds, it is the combination of a graphical capabilities, user-generated content, and consumption that facilitate the creation and development of the three main features of the virtual world that make *Second Life*, as the term “virtual world” implies, a world. These features are avatars, environments, and activities.

While avatars can be a regular feature of any form of online community, and can be static images or interactive virtual selves, virtual worlds allow for interactive and highly customizable avatars. Because the world is graphical, avatars are visible to their users and to other residents, making appearance an important element of virtual life. Within *Second Life*, avatars are almost infinitely customizable. Sliding scales allow individuals to adjust the appearance of their avatar down to the angle of the nose and the size of feet. A huge selection of clothing, accessories, and facial features that can be acquired allow avatar appearances to be changed at will. The application of “skins” allows for a wide variety of overall appearances that can range from highly photorealistic humans to animals, and from robots to fish. Combined with the fact that they can engage with the world and other residents, *Second Life* offers participants a more customizable and interactive experience through their avatar than is usually afforded by more conventional virtual communities like chat rooms, blogs, or social networking.

Although avatars are appealing on their own, virtual worlds also offer residents environments in which they can use their avatars to interact with the world and with each other. Although they vary between and even within worlds, graphical environments support features such as land, water, trees, deserts, forests, buildings, and cities. Furthermore, when residents have the power to create and are charged with building and expanding the environment, there are few limits on what is possible in terms of development. In some cases these landscapes may be representations of offline life, such as *Second Life*’s Paris, Berlin, or the Sistine Chapel. Others may be entirely fanciful, such as the darkly atmospheric Toxian City, or the waterfront romance of the Lost

Gardens of Apollo. While other forms of community – such as chat rooms or social media sites – may offer avatars, virtual worlds offer an opportunity to create entire environments and settings that can be explored and interacted with by avatars.

Finally, by supporting both avatars and an environment for them to inhabit, *Second Life* also makes possible virtual activities. Activities range from the mundane – like shopping, chatting, or simply wandering around – through to the extraordinary – such as flying, visiting lost wonders of the world, or skydiving without a parachute. Many of these activities are facilitated by the effort and creations of other residents. Collectively, they offer a wide variety of options that avatars can engage with to develop a virtual life based on their own interests.

With avatars, environment, and activities combined in one online program, it is possible to create a virtual world that, in many ways, both mimics and expands upon offline experience. Because virtual worlds have these capabilities, they offer an environment that is amenable to features that are not always apparent in or supported by other forms of virtual community, such as creation, production, consumption, and the emergence of complex economies.

1.4 Consumption and Virtual Consumption

While there is relatively little research into the consumption that happens within virtual worlds, there is a great deal of research into consumption in general, including its practices, meanings, and effects. Consumption practices have been widely studied within a variety of disciplines. Different fields offer analyses of the practices and effects of production and consumption, both in general and as they relate to virtual spaces. In economics, production is viewed as the process of creating goods or services that meet needs (Kotler, Armstrong, Brown, & Adam, 2006). Consumption also serves needs, but does so through the purchase and use of goods and services (Gough, 1994; Princen, 2001).

Both sociology and anthropology offer considerations of production and consumption that engage not only practices, but also meanings and consequences.

Qualitative and quantitative research both point to the lived experience and social effects of production and consumption. Economic sociology, for instance, considers the causes and effects of economic phenomena while taking into account how economic relations function within already existing social relations (Granovetter, 1985). Production is examined in terms of how its processes are affected by social forces (Zafirovski, 2002), while consumption is seen most recently through a lens that includes the ways in which cultural products can be adapted to the needs of consumers (Campbell, 1995). Both practices can be read in a similar way through the optic of economic anthropology. This approach explores human behaviour as it relates to economic practices, and considers how humans meet needs through both consumption for personal use and consumption for exchange (Polyani, 1944). Production and consumption are considered in terms of their role in social life, with goods understood as a means of fulfilling social obligations (Douglas & Isherwood, 1996 (1979)). In this social role, consumption is also a means of including and excluding people from a group (Bauman, 2007; Veblen, 1979 (1899)).

Consumption in everyday life is also engaged through cultural studies research. Theories of the consumer society, for instance, explore the idea that consumption has supplanted production in the formation of identity and social status (Baudrillard, 1998; Bauman, 2007). In related work, scholars also explore the degree to which production and consumption have become linked in advanced capitalism. The idea of the prosumer, for instance, acknowledges individuals who both produce and consume (Ritzer & Jurgenson, 2010). Given the current focus on the role of prosumers in digital culture and new media, this body of work has also focused on virtual worlds with (Bruns, 2009; Herman, Coombe, & Kaye, 2006; Jones, 2008; Kücklich, 2005) an eye to the ways that users are increasingly both generators and consumers of digital content.

Beyond considerations of the practices associated with consumption and their meanings, research also addresses the consequences of consumption. Consumption is frequently read as a sign of taste (Bourdieu, 1984) and as marker of status (Schor, 1998). By consuming, individuals are able to situate themselves within their social groups through a display of consumption and good taste. Another related area of research is consumption inequality, a concern that is often associated with income inequality or,

more generally, economic inequality. When individuals consume, they have different resources at their disposal (Attanasio, Berloff, Blundell, & Preston, 2002; Blundell & Preston, 1998). Different resources can cause unequal levels of consumption (Attanasio et al., 2002; Garner, 1993; Schor, 1998; Veblen, 1979 (1899)).

Over time, consumption has taken on different definitions as its meanings have shifted in response to changes in society and economics. Raymond Williams explores some early definitions of consumption, tracking the progression of meanings and connotations. Williams writes that early definitions of consumption were almost exclusively negative and focused on destruction, exhaustion, or the using up of things (1976), a perspective that is reiterated in the updated version of William's work (Warde, 2005). These meanings imply that consumption is making use of something to the point where it is no longer usable, or no longer exists.

Research into consumption still invokes the idea of consumption as a form of using things up. This perspective is apparent in work on planned obsolescence, where goods are designed to wear out or fail within a set period of time, necessitating new purchases (Iizuka, 2007). Such perspectives are especially prominent in work that deals with the negative impacts of consumption. Research into the relationship between issues such as environmental degradation (Shove & Warde, 2002), consumer spending and debt (Cohen, 2007), and the upkeep of status (Schor, 1998) suggest a shifting vision of "using up" where items are no longer necessarily worn out, but instead no longer meet their purposes and are discarded in favour of something newer or better. In these cases, items are still used up in the sense that they fulfill a purpose, but the definition of use becomes more symbolic than utilitarian.

Despite these early and ongoing connotations of destruction, not all definitions of consumption are negative. Williams notes that the meaning of consumption became more neutral around the mid eighteenth century. Production and consumption became concerns of political economy, with consumption seen as, "the act of using goods and services" (Williams, 1976, p. 78). Eventually consumption was seen as, "acts of purchasing commodities in the market and calculations regarding some of their particular

and aggregate financial consequences” (Warde, 2005, p. 57). This definition not only invokes the use of commodities, but also spending, which is seen in the focus on purchases and financial consequences, and which highlights the centrality of the market in an emerging capitalist economy.

It is not, however, until the mid twentieth century that the term consumption entered into more widespread use (Warde, 2005). This growth is marked by an increased focus on the consumer, who is seen as both someone for producers to attract as well as well as someone who is in need of protection and promotion (Ibid). This is also the point at which society takes the form of a consumer society, with consumption more focused on signs than on actual use-value (Baudrillard, 1998). Here, although acquisition, spending, and use remain elements of consumption, the focus is largely on its underlying meanings and the elements that drive it.

Virtual consumption is a growing element of social life; not just within *Second Life*, but also in other virtual environments (Castronova, 2002; Lehdonvirta, Wilska, & Johnson, 2009; Liszkiewicz, 2010; Molesworth & Denegri-Knott, 2007b). Given this, it is important to consider how existing definitions of consumption apply, or fail to apply, in virtual contexts and the ways in which these definitions can be expanded to better represent the realities of consumption in the digital age in general, and in virtual worlds in particular.

Within *Second Life*, consumption is altered. Because they are made of code, virtual goods do not wear out and cannot be conventionally destroyed or used up. They are not subject to wear or tear, or to breakdown. There are relatively few costs associated with production, and the goods are infinitely reproducible, with no requirements for additional materials. Given these characteristics, virtual consumption does not fit perfectly within many other definitions of consumption. However, there are some considerations of modern consumption that begin to address the features of virtual consumption, and that suggest the importance of expanding definitions to more adequately relate to new forms of consumption.

Early definitions that deal with consumption in terms of destruction or using up (Warde, 2005; Williams, 1999) do not address forms of consumption in which wear or destruction is not possible. However, even in accounting for virtual consumption, Lehdonvirta, Wilska, and Johnson suggest that there are exceptions to this idea even within offline consumption, including goods like antiques and jewelry that are not used up or exhausted (2009). Since virtual goods cannot be worn out, they are closer to more modern but still negative definitions of consumption. These perspectives take using up to mean outliving a purpose rather than truly being destroyed, and hence can take into account that virtual goods cannot be worn out and can be discarded or replaced without being used up in the more traditional sense.

Considerations of consumption that move beyond associations with using up and spending begin to move towards a definition that is applicable to virtual consumption. Williams addresses these ideas in a general claim that consumption is about making use of goods and services (1976). This approach is amplified in modern definitions that move away from specific considerations of materiality and spending and address the varied consumption options and practices made possible within advanced capital. Acquisition as the primary feature of consumption is acknowledged by work on the present state of consumption and within what has been termed “the consumer society” (Baudrillard, 1998; Bauman, 2007). Virtual consumption exists within a system of advanced capital in which consumption is pervasive and acquisition is necessary not just for survival, but also for status (Shipman, 2004), identity (Bauman, 2007), and the continuing reproduction of the capitalist system (Debord, 2004 (1967)). While materiality and spending still exist, the focus is on the underlying meanings and effects of acquisition.

Jean Baudrillard writes that, “There is all around us today a kind of fantastic conspicuousness of consumption and abundance, constituted by the multiplication of objects, services and material goods” (1998, p. 25). Within this system, the focus is on the acquisition of goods. Although not explicitly stated, the consumption of virtual goods is now as much a part of this system of abundance as material goods. *Second Life* residents acquire virtual goods, but so too do Facebook users (Liszkiewicz, 2010), video

game players (Castronova, 2002), and participants in other virtual social worlds (Kafai, Fields, & Cook, 2010; Lehdonvirta et al., 2009). While the breadth of virtual consumption is testament to the availability and pervasiveness of consumption, it is also indicative of the need for a definition of consumption broad enough to include the virtual.

Since *Second Life* opens new options for making and acquiring goods in a virtual setting, many conventional definitions of consumption are too limited or focused to fully account for virtual consumption. Given these possibilities, virtual consumption needs to be defined within the context of a capitalist system in which consumption is expanded to almost every element of life, including the virtual (Poster, 2004). Although virtual goods may not have the same costs or materiality associated with offline goods, they bear many of the same meanings and serve many of the same purposes. Within *Second Life*, consumption is the acquisition of virtual goods, either for free or in a system of paid exchange. Even when residents seek out and acquire goods that do not have the same physicality or costs as offline goods, they are consuming based on intention, the acquisition of something made from code, and the expectation that what they acquire will be used.

1.5 Consumption in *Second Life*

Virtual consumption has been studied through a variety of lenses (Castronova, 2001, 2002, 2003; Dibbell, 2003; Lehdonvirta, 2009a; Lehdonvirta et al., 2009; Liszkiewicz, 2010; Molesworth & Denegri-Knott, 2007a, 2007b). However, many of these studies have focused on video games and, more recently, social media, and none have dealt with *Second Life* in detail. This focus has left virtual social worlds somewhat understudied. When compared to other environments, virtual worlds often offer users more freedom around virtual consumption. In terms of *Second Life*, Linden Lab does not develop much content. Residents fill this void and can create anything they desire, large or small, simple or complex, real or imaginary. Virtual goods available within the environment range from clothes and castles to hovercrafts and skydiving platforms, and include almost anything in between that a resident can imagine.

Because of this freedom, *Second Life* offers a wider variety of goods than is available in many other virtual environments, such as games and social media that are dependent on developer input. The wide range of consumption available to residents is an important element of this research. Rather than being limited to what is offered by developers, *Second Life* residents have a large selection of virtual goods available to them, both in terms of quantity and the ease of accessing them through in-world and web-based markets.

In addition to the practical elements of consumption, the ways in which virtual goods are acquired raises concerns about the visibility of consumption and the ways in which it can be interpreted and understood. Given that virtual goods are created by thousands of residents rather than a development team, they can be associated with their designers. Recognizable brands, designer items, high and low quality goods, and distinctive and custom items are all options within *Second Life* in ways that are not usually possible within other virtual environments. Furthermore, these items are also capable of indicating characteristics such as rarity and even social connections based on who they are made by and how they were acquired.

Second Life has an in-world system that facilitates the exchange of virtual goods between residents. Not only can residents make their own virtual goods, but they can share them with others; the thousands of free items made available to residents demonstrate the importance of sharing. Beyond sharing, residents can also sell what they make and set their own prices for the goods that they offer. Within this system, it is also important to note that residents retain intellectual property rights over their virtual goods (Herman et al., 2006), a feature that is not common in other virtual environments. Finally, in order to purchase goods, residents must have money. Linden Dollars – usually referred to as Lindens – are *Second Life*'s in-world currency. Lindens can be exchanged for offline currencies, such as the United States dollar, and then used to purchase virtual goods. In turn, the currency can also be cashed out again, making it possible to convert in-world wealth to offline money. For those not willing or able to spend money, residents also have the option to earn Lindens from other residents and businesses in a variety of ways, depending on their skills and interests.

Games, social media, and many virtual worlds also have in-world economic systems that facilitate the exchange of virtual goods, although they are different from that which exists in *Second Life*. An economic system that is linked to offline economies is relatively rare within games, where paid content makes play unfair and virtual goods and the currency necessary to buy them must often be earned. It is more common in social media, where the exchange of gifts and the range of free-to-play games makes paying for virtual goods with offline money an increasingly common occurrence (Lin & Sun, 2011). In social media, however, it is extremely rare that currency can be cashed out, eliminating the opportunity for users to profit.

Second Life's virtual consumption differs from other forms in three main ways. First, beyond building wealth that is only useful in the virtual environment, residents are able to sell their virtual goods to others, potentially for profits if they cash out their Lindens. Second, instead of having to work in order to afford what they want, residents can easily purchase Lindens using "real", offline money. This facilitates consumption by making it easy to obtain in-world currency. Finally, the monetary value of goods can be apparent in *Second Life*. It is possible to see how much another resident has spent on consumption based on the purchases they have made. These assessments can be somewhat obscured by gifts, prizes, or self-made goods, on which residents are unlikely to have spent Lindens. However, they still offer a sense of the value of the virtual goods owned by other residents.

It is the visibility of consumption in terms of features like choice, brand, rarity, and cost that raise some of the most important questions around the consequences of consumption in *Second Life*. With a vast range of available goods, consumption can take on a variety of purposes and meanings for residents who are able to select any virtual goods they want, or make those that they do not have access to. The prevalence and importance of consumption within the world, however, also makes it possible for residents to consume virtual goods in ways that are conspicuous, and that offer them ways to demonstrate characteristics like status and influence through their choices and the goods to which they have access. Because many items in *Second Life* must be purchased, an exchange-based economic system also raises questions around whether consumption

inequality is a feature of the world and whether there are associated consequences. Although in-world consumption can be relatively inexpensive for some residents, the use of an economic system that is strongly linked to offline economies makes it possible to consume at different levels, potentially creating problems around monetary versus free virtual consumption.

This consumption is linked to the profitability of the world's developers. Linden Lab is the creator of *Second Life*. The company was started in 1999 and was founded by Philip Rosedale, who was also its original CEO (Au, 2008c). The company is known to be non-hierarchical, with a large amount of freedom and self-direction for its employees (Malaby, 2009). Over time, Linden Lab has acquired companies such as LittleTextPeople (Constine, 2012) and Windward Mark Interactive (Bray, 2007) and programs including XStreetSL, OnRez, and Avatars United (Au, 2009c; Nino, 2010). However, in 2010 it underwent a restructuring that necessitated laying off 30 percent of its workforce as the company's focus shifted ("Linden Lab Restructures to Generate Efficiencies and Support Investment in New Platforms," 2010). Although not explicitly linked to the global recession, it is possible that this economic situation contributed towards this significant corporate restructuring in order to maintain profitability.

Linden Lab is a privately held company and, as such, a great deal of information about their revenue model and profitability is not publicly available. Some revenue does come from paid accounts, which are each between USD\$6 and \$10 per month (LindenLab, 2012b). Beyond premium accounts, it is known that Linden Lab levies a "transaction fee" of USD\$0.30 for each exchange of Lindens (LindenLab, 2012a). The company also receives revenue from the marketplace through fees for "enhanced" listings, a 5 percent commission on all virtual good sales, and 2 percent commissions (to a maximum of \$1 per transaction) on Lindens that are cashed out (LindenLab, 2012c). The bulk of their revenue, however, comes from the sale of land and the maintenance fees with which land ownership is associated (Au, 2011c). Given these sources, Linden Lab's profitability has been estimated at between USD\$40 and \$50 million per year in 2008 (Au, 2008b), although 2009 analyses suggest that the company was then worth between USD\$658 and \$700 million (Au, 2009d).

1.6 Research Contributions

In speaking about the Whole Earth ‘Lectronic Link (WELL) bulletin board system (BBS), Howard Rheingold suggests that, “There is no such thing as a single, monolithic, online subculture; it's more like an ecosystem of subcultures, some frivolous, others serious” (Rheingold, 1993). The same thing can be said today not only about all of the available communities within cyberspace, but also of *Second Life* itself. Despite the focus on consumption in this research, it is of the utmost importance to note that life and interactions within *Second Life* can no more be defined strictly by consumption than could offline life. While consumption is an integral part of *Second Life*, it is caught within a web of other interests, interactions, and activities that prevent it from being completely isolated from many other facets of virtual life, and in many cases make it important for if not integral to these pursuits. Just as with offline life, consumption is inextricably linked to other practices surrounding communities, activities, social networks, and almost any other engagement that is possible.

To reduce *Second Life* to its consumption practices would therefore be to render a thriving, meaningful virtual world flat and de-contextualized. However, by the same token, consumption is important to study in order to better understand *Second Life*'s manifold virtual culture. To date, much of the literature on consumption in virtual worlds has focused on the economics of the practice within games with little focus on how these observations might transfer – if they transfer at all – to social spaces. Although there is recognition of the importance of studying virtual economies in general, there is relatively little work to be found on consumption practices as they exist within more socially oriented worlds, or on the effects that such practices generate for participants in these virtual communities.

The first part of this research will consider what consumption practices *Second Life* residents are engaging in, including how often they are consuming, what they are consuming, and with respect to the virtual economy, how much they are spending. The second component of this research will be to consider the meanings associated with consumption. Since social worlds offer freedom, few restrictions, and user-generated content, there are more options for consumption. Residents have a great deal of latitude

not only in terms of what they choose to consume and how often, but also how they present themselves within the world. Because residents are able to make these choices, their consumption practices provide information about their in-world identity, preferences, interests, and what they wish to convey about themselves. However, consumption does not happen in a vacuum, and the items that residents choose to consume may convey different meanings or impressions than intended. Given the potential for consumption to be interpreted in a variety of different ways, this research will also consider how residents feel about and respond to the consumption of others.

Third, given the importance of consumption and its different meanings, this research will consider its consequences, especially with regards to the links between consumption and different forms of inequality. When consumption is visible it can also become conspicuous, both in terms of its visibility and through its association with money. Along with these associations comes the potential for consumption practices to be linked with in-world status and inequality. Virtual consumption will therefore be considered in terms of its impacts and influence effects on residents, and whether they feel that consumption – or perhaps a lack thereof – has had an impact on their experience of the virtual world and their interactions within it.

This research will address some of the knowledge deficits in the existing literature on virtual worlds in general, and *Second Life* specifically. With little available research on consumption in environments other than games or social media, this study will develop a greater understanding of the practices, meanings, and effects of consumption within *Second Life*. At the same time, because consumption is most frequently studied in terms of broader economic systems, this work will also take into account individual practices and their underlying motivations as well as their consequences. It will not only add to the existing body of work on virtual economies, but will also consider the factors that drive and support virtual consumption, as well as potential problems that can arise from these consumption practices.

2 Review of the Literature

This study is focused on consumption in virtual worlds. While there is a body of literature surrounding virtual worlds and communities, literature on consumption comprises only a small part of this research. Since there is relatively little work on this area, it is necessary to consider literature on virtual worlds and on consumption independently of each other. Examining both areas provides a clearer perspective of the topics at hand, as well as highlighting the associated features. Given the importance of community to online interaction in general, and to virtual consumption more specifically, this review will first consider virtual communities, including their benefits and issues. It will then focus on virtual consumption by looking at broad considerations of the subject and more focused research into consumption in video and computer games and social media in addition to the available literature on consumption within *Second Life*. Theories of consumption “in general”—that is, not as specifically related to virtual worlds-- will be dealt with in the following chapter.

2.1 Virtual Communities

Despite its differences from other media, *Second Life* remains one of many current and past manifestations of online and virtual community. Community is important on its own, but is also implicated in the economics, production, and consumption of virtual worlds. Furthermore, it also plays a role in consumption-related phenomena such as conspicuous consumption and the acquisition of social status. *Second Life* needs to be studied within the matrix of other virtual arenas to understand both the nature of virtual community in general, and those features of the world that makes it different from many of its predecessors and contemporaries.

Community is a term that is associated with dozens if not hundreds of different disciplinary definitions. While some definitions make note of geographical or physical proximity (Gusfield, 1975; Williams, 1976), many focus on people who interact and have common interests (Gusfield, 1975; Sarason, 1977). Since geographical proximity is no longer a requirement for interaction (Dawson, 2004), it is these ideas of interest and

affinity that are applicable to discussions of virtual community (Wellman, 1997; Wellman & Gulia, 1999).

Researchers suggest that communities are built around the shared interests of participants (Usoro, Sharratt, Tsui, & Shekhar, 2007). In some instances, these interests may be very focused, with communities formed around particular subcultures or areas of interest (Broderick, MacLaran, & Ma, 2003). Shared interest also informs the idea of “imagined community” (Anderson, 1991 (1983)). For Benedict Anderson, “the members of even the smallest nation will never know most of their fellow-members, meet them, or even hear of them, yet in the minds of each lives the image of their communion” (1991 (1983)). By interacting with others who are also interested in the virtual space and its offerings, participants have a shared interest through which community can be established.

Historically – or, at least, as historically as is possible with a media that is perhaps only 50 years old – sites that support virtual communities have focused on social interaction. Communities that exist virtually can take a wide variety of forms. Social media facilitate social networks (boyd & Ellison, 2007). Blogs and websites with a body of involved readers and commenters can create community (Nardi, Schiano, Bumbrecht, & Schwartz, 2004). Listservs and newsgroups provide opportunities for shared engagement (Kavanaugh, 1999). Video and computer games generate community around and through play (Steinkuehler & Williams, 2006).

Some online communities are created around individuals who already have offline connections (Ellison, Steinfield, & Lampe, 2007; Zhao, Grasmuck, & Martin, 2008). In others, bonds are developed within the virtual space. In many cases, this social interaction is based around shared interests from the broad to the particular. As a result of the number of Internet users and the ease of connecting, virtual communities can support niche interests that can range from an interest in sports to a love of cooking, or from a desire for cybersex to an appreciation of 1950s B movies. They may also be predicated on particular types of interaction. Rhinegold describes his participation in the WELL in terms of these interest groups, and writes that,

I was in the Parenting conference on the WELL, participating in an informational and emotional support group for a friend who just learned his son was diagnosed with leukemia. I was in MicroMUSE, a role-playing fantasy game of the twenty-fourth century (and science education medium in disguise), interacting with students and professors who know me only as "Pollenator." I was in TWICS, a bicultural community in Tokyo; CIX, a community in London; CalvaCom, a community in Paris; and Usenet, a collection of hundreds of different discussions that travel around the world via electronic mail to millions of participants in dozens of countries (1993).

In addition to interests, communities are also based on shared aims or goals. Some communities, for instance, are based on information sharing or mutual support (Bakardjieva, 2007), while others are created to explore rhetorical practices (Vrooman, 2002).

Despite a focus on smaller interest- and task-based groups, one feature that has come to mark many virtual communities is a sense that members may share some not only common interests, but also a concern for the community. This type of bond is seen in Rheingold's account of how members raised money for a new server to maintain the community (1993). Yet, Rheingold's account is not the only one that elucidates the idea of a general sense of community that goes beyond smaller interest groups. In Julian Dibbell's writings on "A Rape in Cyberspace" the sense of community at large emerges when the question of what should be done with a virtual rapist is considered (1993). This shared concern for the good of the world and the people within it can also be seen within *Second Life*, especially in situations where changes to the virtual world such as pricing structures are protested by residents (Rymaszewski et al., 2008).

2.2 Benefits of and Issues with Virtual Community

Virtual communities exist in a variety of forms, and their influence and impact can vary. There is a wide variety of material dealing with the outcomes of interacting within virtual communities. While there are points of disagreement, a number of common themes tend to emerge around their construction, dynamics, and the purposes that they serve for their users. Given that this research is focused on a particular element of virtual engagement, it is important to review and understand how virtual communities

affect their participants, whether these affects exist in *Second Life*, and how they relate to virtual consumption.

Anonymity is a term that is frequently raised within discussions of online interaction. While it does have positive effects, it is also associated with the possibility of deception, since there are few ways to verify what other people are saying and who they claim to be (Donath, 1998). The anonymity associated with virtual communities does not necessarily lessen the need to conform to social norms within the context of a group (Willson, 2000). It does, however, reduce consequences and can increase negative behaviours (Christopherson, 2007). As a result, individuals can experience harm in virtual environments (Wolfendale, 2007).

The idea of virtual harm is contentious. It has been argued that no real harm can take place in such situations, given the fact that the offline body is not immediately affected (Powers, 2003). However, many people experience a sense of identification with and attachment to their virtual self (Blinka, 2008; Turkle, 1995). Being subjected to negative actions such as teasing, ostracism, or rape can therefore lead to feelings of harm or violation (Dibbell, 1993; Jordan, 2005; Powers, 2003; Wolfendale, 2007). Although virtual harm is acknowledged, there are few ways of dealing with such transgressions in many virtual communities (Dibbell, 1993; Jamerson, 2008).

Linked to the notion of virtual harm is the fact that even the egalitarian nature of virtual community can become problematic. While virtual communities may be moderated, governance is less common and, in many cases, ineffective or contentious (Whitworth & de Moor, 2002). In one account of virtual rape, egalitarianism and open access makes banning offenders exceedingly difficult, even when there has been a clear transgression (Dibbell, 1993). Without a clearly defined structure of governance or punishment, finding a way to deal with the issue becomes a community affair in which achieving consensus is nearly impossible. As a result, even though problems may arise, these issues may not be dealt with, leading to problems between individuals and even throughout the community as a whole.

One of the biggest criticisms leveled against virtual communities is that the social interaction that they provide is not as deep as offline interaction (Steinkuehler & Williams, 2006). While they may help to foster relationships quickly (Bargh, McKenna, & Fitzsimons, 2002) and with many people (Steinkuehler & Williams, 2006), they do not necessarily lend themselves to meaningful, deep interaction seen in bonding relationships (ibid). Consequently, they may be unfulfilling and can even distract from offline relationships that could help to fill these needs (Wellman, Quan-Haase, Witte, & Hampton, 2001).

Despite these criticisms, not all accounts of virtual worlds focus on their negative features. Challenging many of the less-than-positive evaluations, Constance Steinkuehler and Dmitri Williams deal directly with the issue of depth of community in online spaces, as well as indirectly addressing other issues around such virtual practices. The authors suggest that video games and the virtual communities that they support have also become “third places”, or sites that encourage casual sociability and community (2006). Third places are set up in contrast to first places, which are the home, and second places, which are workplaces. Both first and second places are associated with obligations, while third places provide sites of interaction and are a cornerstone of community life (Oldenburg, 1999). Rather than assuming that online interactions are the same as those available to individuals in their offline lives, Steinkuehler and Williams suggest that virtual communities should be examined in terms of their own benefits, especially in terms of the diverse range of people to whom members can be exposed through their engagement with a virtual community. Although virtual community is different than it would be offline, it remains no less valid and even offers its own benefits to members.

Virtual communities have therefore been praised for the benefits that they offer to participants as much as they have been derided for their problems. One of the most commonly cited benefits is the idea that because of anonymity, individuals can more easily express their “true self” (Bargh et al., 2002), or explore a persona that is markedly different from their offline self (Turkle, 1995; Yee, 2007). Furthermore, anonymity also makes it easier for those who are shy or uncomfortable in social situations to interact with others (Turkle, 1995).

According to Sherry Turkle, interacting in online communities also allows for two additional benefits (1995). First, online interaction enables participants to work through personal issues. Turkle asserts that by taking on different roles, people can work through difficult situations and relationship in a relatively safe yet productive way. She also suggests that online interaction can lead to increased tolerance through the experience of Otherness. By taking on a different identity, people are able to experience what it is to be something other than themselves. This is especially apparent in her account of how gender swapping caused individuals to develop a greater understanding of some of the difficulties and benefits experienced by others.

Finally, and most significant to this particular research, virtual communities have been considered in terms of their potential to offer interaction that is largely free from hierarchies based on markers of identity and status, such as gender, age, race, or wealth. Although she also addresses their limitations, Anne Balsamo makes note of these hopes, stating that, “One of the most often repeated claims about virtual-reality is that it provides the technological means to construct personal realities free from the determination of body-based (‘real’) identities” (1996). Were these markers removed, it is more likely – although not assured – that individuals will be judged based on their contributions rather than personal characteristics.

Virtual worlds research has pointed to places where hierarchies based on characteristics like knowledge and skill can carry more weight than these more conventional social hierarchies. In situations where hierarchy is necessary – such as to allow for ever-increasing experience and abilities through “leveling” in a game, or to ensure that a level of governance is maintained within a community – it is more often determined by work and experience than by arbitrary assignation or paying for particular levels of privilege. To ensure equal footing, users usually start with equivalent abilities, privileges, or, in the case of games, gear (Lampel & Bhalla, 2007; Paul, 2010). They also start with the same knowledge of the group’s social norms and practices, and work towards greater knowledge and understanding (Schlager, Fusco, & Schank, 2002). This progression does lend itself to a social hierarchy based on knowledge and experience. However, knowledge can be gained, and with time and effort community members can

increase their standing within the group. Because anyone can build themselves up, this form of hierarchy is more easily overcome than one based on characteristics that cannot be changed.

2.3 Video Game Consumption

There are some studies that broadly address the trend towards virtual consumption. Examinations of the attributes that drive virtual good sales suggests that purchases are made based on “functional, hedonic and social attributes” (Lehdonvirta, 2009b). Research also indicates that virtual consumption fulfills consumer desires that would otherwise not be possible or practical (Molesworth & Denegri-Knott, 2007a, 2007b). Much of the remaining literature on virtual consumption can, however, be divided according to whether it deals with video and computer games, or social media.

Video games and social worlds like *Second Life* appear similar. Both are digitally constructed environments, rendered in a semi-realistic way, that run through the interplay of computers, consoles, servers, and Internet connections. Both support populations of individuals interacting together and engaging in activities. In many cases, both also support consumption practices and economic systems. Despite superficial similarities, however, there are differences in structure and control between the two, especially around virtual consumption.

In the early days of virtual worlds, games were the spaces in which consumption played a significant role, even when they were text-based. Given that swords are needed for the slaying of dragons and food is needed to reestablish health after a battle, games allowed for consumption in the form of food, weapons, armor, gear, and other goods focused on sustenance and, occasionally, novelty. Items could be picked up as “loot” from monsters that were killed, traded with other players, or bought from vendors. This feature has continued with graphical games, where similar forms of consumption are still common.

As games have increased in technological and design sophistication so too have their ability to support virtual consumption. Consumption has become an important and

even central component of games. *The Sims*, for example, mimics middle-class life and provides players a virtual life, “in which commodity consumption is the *raison d'être*” (Kline, Dyer-Witheford, & de Peuter, 2003, p. 276). With consumption as such an important element of gameplay, economic systems are now a consistent feature of online games. Those goods that a player is not able to find or create for themselves can be bought from non-player characters (NPCs) or, in the case of massively-multiplayer games, from another player (Castronova, 2002). In games where consumption is important, economies are a shared way to ensure that players have the things that they need for their play.

The role of consumption and economic systems has also increased with the graphical sophistication of games and a consequent focus on aesthetics. As the ability to see and appreciate in-game goods increases, so too does the desirability of those items. Despite their virtual nature, there are indications of the importance of graphical goods in games. In the game *World of Warcraft*, for example, the best armor in the game is also the largest, brightest, most visually distinct and therefore the most visible to other players. These items are attractive not only because of the tangible benefits they offer the character in terms of in-game abilities, but also because they are attractive and easily seen by others (Fron, Fullerton, Ford Morie, & Pearce, 2007). This appeal was apparent when players successfully petitioned for a “dressing room” function that would allow them to see what armor would look like on their character before making a purchase (“Dressing Room,” 2008). While the consumption practices surrounding aesthetics are somewhat under-studied, a similar concern for aesthetics can also be seen within virtual social environments like *Second Life* (Bardzell, 2006, 2007).

Given their use and visibility within the game world, virtual goods are important. In video games, players can earn virtual goods through work, but consumption is also facilitated with in-game currencies. Users acquire the currency associated with the virtual world – usually by working to complete quests or missions, or creating and selling items using built-in trade skills – and then use it to make in-game purchases. Prior to massively multiplayer games, games like *Diablo* and *The Legend of Zelda* offered the opportunity to amass virtual currency and use it to buy useful items, usually from NPCs.

With recent games, and especially those with many players, currency can be used not only for purchases from vendors, but also other players. As a result, the consumption that happens within multiplayer games forms the in-world economies seen in video and computer games like *World of Warcraft*, *EverQuest*, and *Lineage*.

To ensure player enjoyment, game developers rely on a series of goals and tasks to maintain interaction (King & Krzywinska, 2006). Consumption and economic activity are included in games as an element that encourages this engagement, as players are challenged to acquire better virtual goods or increase their personal wealth. In-game consumption, however, can also serve other purposes. Players can fulfill fantasies that are unattainable in offline life (Molesworth & Denegri-Knott, 2007a). They can collect special items and show them off to other players (Dibbell, 2003). In doing so, consumption moves away from the practical and more into the realm of fantasy, desire, status, and fulfillment.

Because consumption is such a significant element of virtual life, it is important for game developers to maintain control over the virtual world. To maintain a level playing field, inequality between players in video games is limited (Salen & Zimmerman, 2006): games are worlds of formal, though not substantive, equality. Economist Edward Castronova speaks to this requirement, stating, “everyone’s status at the start of the game must be equal...so long as everyone starts out with the same opportunities, the inequalities that choices create acquire the character of fun” (2005). This need for control has effects on different elements of gameplay. For the purposes of this research, the most significant effects are those on in-game consumption, especially as a point from which to contrast consumption in social environments.

In video and computer games, developers have usually intentionally included everything that exists within the game world. While exchanges of goods and money may happen between different players, or between players and vendors, the items and currency are designed, coded, and controlled by developers. Therefore, they are also limited. In gameplay access to items and currency is partly determined by “drops”; when something in the game is killed, the player can take or “loot” the items and currency it

was carrying. These drops are determined by a drop rate, or the percentage of the time that an item will drop when something is killed. Other items and money may come from selling goods, or from completing quests and missions. This control also extends to in-game creation. Players can often make their own armor, potions, bandages, and tools, but they can only do so because the possibility for creation is coded into the world.

Therefore, player's consumption choices are limited to what is allowed within the world by developers not only in terms of pre-made items, but also in terms of what they are able to create.

There is, however, a caveat. While players have no control over whether something is available within the world, they do have a level of control over how *much* of something is. Because drop rates are percentage based, the more something is killed, the greater the number of items it drops will be in the world. For trade skills, a similar process is in effect with spawn times. When something that players need to collect – for instance, herbs that are gathered or ores that are mined – appears in-game, it is said to have “spawned”. Players can collect as many of these items as they want, and the faster they pick, the faster new ones spawn. The more players who collect these items, the more of these items will be available. Although developers limit consumption options, the quantity of available items is somewhat dependent on players.

To ensure that players do not gain advantages or abuse the system, developers eliminate game features that could be exploited by players (Consalvo, 2007). One technique is closing a game to most external influences (King & Krzywinska, 2006). In addition to general gameplay, these restrictions are important with regards to currency, economics, and consumption. In-world consumption is one way that players can gain an advantage, especially by acquiring better virtual goods. To limit this possibility, developers often place limits on game currency and economies, keeping them specific to the game and separate from offline economies. For Castronova, virtual economies are markedly different from their offline counterparts (2002). He attributes this difference to the fact that developers can control the prices of goods and the economy in a way that maintains the integrity of virtual currencies and economics.

The more people that play and the longer the game is in existence, the more currency will accumulate within the world. This steady influx of currency can unsettle the economy through in-world inflation, which gradually devalues game currencies (Castronova et al., 2007; Nitsche, 2009). This is where economic control becomes important, as illustrated by the fact that the developers of the game *Eve Online* hired an economist to ensure that changes made to the game's economy would be carefully controlled (Nitsche, 2009).

Gathering currency over time means that long-term players can have an arguably unfair advantage (Consalvo, 2007). This is especially apparent when comparing long-term players with those who are new. Long-term players with enough money can afford almost anything they want within in the game, increasing their abilities. Some players also create new characters that they outfit to perform better using their extensive resources, a practice referred to as “twinking” (Glas, 2007). It is therefore possible for new players to compete against the “alt” of a well-established player who is better geared and better skilled thanks to their ability to consume.

There are two recognized ways for developers to control the economy. First, they can limit how much money is released into the game (Nitsche, 2009). While there are direct ways that this can be done, there are also more subtle means. Second, they can find ways to take money out of circulation when needed (Heeks, 2008). This approach requires care, since even virtual currency cannot simply be taken away from players after it is earned.

With their ability to shape and tweak the game world, developers have a few choices to limit the influx of currency, including reducing the rates at which money and items appear for players. They can also reduce the amount of money and items entering into circulation by fixing the prices of items traded to NPCs for currency, or by reducing how often loot drops (Rettberg, 2008). While players can continue to earn currency and consume, this approach can reduce the amount of currency available for consumption.

In addition to limiting the influx, developers can attempt to remove currency in ways that reduce player wealth. Because players work for their wealth, however,

developers usually have to offer something in return, since taking money is likely to be met with resistance (Terdiman, 2008). One way of removing currency is to include items or activities that require a regular outlay of money. In *World of Warcraft*, for example, armor is damaged in battle, necessitating regular repairs that increase in cost with higher-level armor. In many games, players buy consumable items that offer temporary benefits and must be regularly renewed. These features require a regular output of virtual currency.

To reduce in-world currency, developers can also use “money sinks” (Terdiman, 2008). Money sinks are items or skills that are expensive and attractive enough to take a large amount of virtual currency out of circulation. In *World of Warcraft* money sinks have included special skills, mounts, vehicles, pets, and extra storage. Other games rely on different tactics. *Ultima Online* and *RuneScape*, for example, have included player housing, and *Kingdom of Loathing* offers rare collectibles. These money sinks cause players to consume in expensive ways, removing some of their amassed wealth from the economy.

Beyond in-game control, developers also seek to limit the links made between virtual currencies and economies and their offline counterparts. In-game currencies are usually exclusive to the world and are not linked to offline economies. Money that exists within the game world is generated from the game itself (Terdiman, 2008). Whether a player has earned gold, platinum, credits, or adena, these currencies are intended for use only within the worlds in which they were created. Their creation – essentially out of nothing – makes it necessary to control how they are used. Creating currency within a closed system is not necessarily an issue, and is an integral part of the game. However, the possibility of such currencies being linked to external economies is problematic for two reasons. First, if game companies created virtual currency that was exchangeable for “real” money, players would theoretically be able to generate currency by completing quests and killing monsters, then cash out. Conversely, if players were to buy online currency with offline money, they could have an advantage (Consalvo, 2007). In practice, both these issues exist in online games, although usually illicitly.

These practices around consumption are also linked to some of the negative effects explored in video game literature. One growing concern is the merging of work and play. For Dibbell, this process is termed ludocapitalism, or play that is used in the creation of wealth (2007). For Julian Kücklich, these practices are termed “playbour”, a hybrid of play and labour (2005). Due to the goal and reward structures of games, both in general and in relation to consumption, players are driven to repetitive play that is often marked by obligation, and come to see play as work (Yee, 2006). Given these characteristics, Yee asserts that games are essential platforms that are designed to force players to become better workers under capital (ibid).

Players can also pay companies that specialize in providing in-game items, currency, and services (Dibbell, 2006; 2007a). For those who want to have access to particular items without the work of acquisition or earning currency, offline currency can be used to pay for wanted or needed in-game items. Usually referred to as real money trading (RMT), these practices violate the Terms of Service (ToS) and End User License Agreement (EULA) of many games, but offer a way of consuming by outsourcing the difficult elements of gameplay to others (ibid).

In recent years, some game developers have allowed for links to be made between in-game consumption and offline currency, albeit largely on their own terms. Seeing the profitability in specialty virtual goods, Blizzard Entertainment, for instance, has released specialty pets and mounts in *World of Warcraft*. These items are available for purchase only in the online store, and cannot be acquired through in-game activities or for in-game currency. In order to not offer advantages to some players over others, sales are usually limited to “vanity” items, goods that look nice, but that do not confer any additional bonuses. They do however, allow particular readings of the players who own them (Moberly, 2010); in this case, they indicate a willingness and ability to pay for virtual items with offline currency.

One final issue that is frequently discussed around video game consumption is property ownership. Apart from a few exceptions, players have little if any claim to the items they own within the game world outside of that particular environment. Players

retain ownership of their items within the context of games, which allows them to be protected from the theft, loss, or accidental destruction of their items within the world. However, many games do not extend ownership rights and privileges beyond the scope of the virtual world (Kayser, 2006-2007). This means that while a player can own virtual goods within the world, those goods ultimately belong to the developer, who reserves the right to limit their use or to take them away at any time.

These limits have two implications. First, without claim to their virtual items or character, players are at risk of losing their virtual goods, as well as time and effort spent developing and acquiring characters and goods, if anything happened to the world (Horowitz, 2006-2007). Second, the restriction of ownership means that players usually have no right, according to the ToS and EULA, to sell their virtual goods to other players outside of the virtual world or for offline money (Volanis, 2007). Although there are exceptions to this rule – most notably, Sony Online Entertainment’s (SOE) Station Exchange, an online auction site where players of SOE games can sell their virtual goods to other players – many games limit ownership to prevent players from using offline money to increase their in-world consumption power and better their characters in ways that would disadvantage other players.

Video game economies provide much of the research currently available on virtual consumption. This work is important for several reasons. First, it highlights the economic potential of virtual worlds. In Castronova’s work, for instance, the value of in-game currency is calculated, and found to have value comparable to offline currencies (2001). This recognition makes it possible to value in-game work, currencies, and virtual goods in reasonably concrete ways. Second, it showcases the importance of virtual economies to in-game experience, which has value for players in terms of identity (Turkle, 1995) and community (Steinkuehler & Williams, 2006). Finally, in a few important examples, it begins to highlight the importance of virtual consumption not only as a practical activity, but as one that also reflects deeper meanings and needs, such as fantasy fulfillment and social status (Dibbell, 2003; Molesworth & Denegri-Knott, 2007a; 2007b).

Much of this work is not directly applicable to *Second Life* (for reasons that will be discussed in greater detail in section 2.6). It does, however, offer a starting point from which to consider economies and consumption within virtual environments.

Understanding the role of the consumption in games, how it is facilitated by virtual economies, and some of the concerns that arise from its presence in the virtual world offer examples of virtual world consumption that inform and contrast with other virtual environments. Furthermore, understanding the broad reasons why consumption is important within virtual worlds, both from practical and more desire-based perspectives, highlights the many roles and meanings of consumption.

2.4 Social Media Consumption

Social media can be defined as, “a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of User Generated Content” (Kaplan & Haenlein, 2010). These applications include social networks, video sharing, blogs, news aggregators, and wikis. Because they are one-dimensional pages rather than three-dimensional spaces, social media do have virtual consumption, but do not support internal economies in the same way as virtual worlds.

While some virtual consumption has been directly created through social media sites themselves, the popularity of social media has also led to the rise of third-party applications that are run on existing platforms and enable consumption. Much of the consumption in social media sites falls into two categories: games and gifts. The former facilitates consumption largely as a necessity of game play, while both rely on the importance of social standing inherent in social networks.

Game consumption in social media works similarly to that found in online multi-player and multi-user spaces. A variety of simple but popular games have been developed for social media sites – most notably the social networking application *Facebook* – such as *FarmVille*, *CityVille*, and *The Sims Social*. In these games, players work to develop and manage different simulations; a farm, a city, and a virtual life, respectively. Consumption is involved in many these applications. In all three games,

players earn in-game currency by playing the game. This currency, in turn, can be used to buy game components. With *FarmVille*, for instance, players earn farm coins and can buy goods like seeds, trees, animals, and buildings for their farm. These goods can then be given to or traded with other players.

Because players earn farm coins, anyone can play the game and gather the currency necessary for consumption. If players need more goods, however, they may need to buy extra currency. Unlike most multi-player games, social media games allow and even encourage players to buy additional currency because it is profitable. To this end, many games make two kinds of currency available. With *FarmVille*, players earn farm coins by playing, but they can also buy extra coins or what is known as farm cash. Farm cash is used for the same purchases as farm coins, but can also be used to buy special game items, such as flamingos and garden gnomes. These items are not available to those who only have farm coins. As a result, particular forms of consumption within social media games require specialized consumption that is only available by spending offline currency. In order to further facilitate this kind consumption, *Facebook* has also introduced its own credits that can be applied to different games.

Social media games are somewhat underrepresented within academic literature, especially with respect to consumption. Work that has examined this area has focused largely on identity and sociality. With their focus on customizing characters and settings, *Facebook* games help to establish identity (LeBlanc, 2011). Given the fact that they are public and embedded in social networks, they are also seen as points of comparison between people, and as a way to show off (Liszkiewicz, 2010). Other players can visit the simulations and see updates, making consumption highly visible. Because consumption is so embedded in these games, so too is its use in the establishment of identity and status within social networks.

Consumption is also seen in social media in the form of gifts. Gifts are sometimes linked to games, with players able to give gifts to others when they need help. If a player is in need of a tool or additional seeds for their farm, for instance, a friend can give what they need, providing they have the item or are able to purchase it. To assist in

this form of consumption, many games offer ways for players to advertise that they need help, enabling others to easily see and respond to their requests. In this way, consumption becomes not only an activity that an individual engages in for their own gameplay, but also a social practice through which players can establish and maintain social networks.

Just as individuals can play games for free, consumption as it relates to giving can also be free. Rather than focusing on the purchase of goods with offline currency, people can give gifts without having to pay for them. For Christmas 2010, for example, *FarmVille* players could send free gifts to their “neighbours.” These gifts could only be opened on Christmas, and contained gifts that were not available for purchase. Players were able to give and receive these gifts at no cost. Because players could only send gifts to neighbours and not to themselves, social networks came heavily into play in enabling free consumption. Consequently, this practice has been linked to reciprocity, where the giving of a gift creates the expectation of a gift in return (Ines, Abdelkader, & Laur, 2010)

Social media gifts are also not limited to games, and *Facebook* users can send their friends a wide variety of virtual gifts. Initially made available through *Facebook*, usually for a dollar each, gifts later became the focus of applications developed specifically for giving. Although *Facebook*’s gift store closed August 1, 2010, it sold an estimated USD\$75 million in virtual goods in 2009 alone (Carlson, 2009). Current applications like *Pieces of Flair* continue to allow for consumption based on the giving of gifts.

This form of consumption is highly reliant on the social element of social networks. Rather than consuming for themselves, users facilitate consumption for others or consume in order to give gifts. Because of this focus on others, social media giving also becomes a form of social currency (Bowe, 2010). The fact that gifts are visible not only to the individual, but also to the rest of their social network enhances the visibility of consumption as well as its importance. Furthermore, because of the costs of time, effort,

or money associated with giving, gifts are associated with an investment in friendship (Thelwall & Stuart, 2009).

Although social media is different than multi-player games, it offers another useful point for considering virtual world consumption. Because consumption is embedded in social networks, it reveals the potential for consumption that is linked more to sociality than to practicality. Although there are certainly practical elements, such as succeeding at a game, there is a great deal of focus on consuming as a social activity. With its virtual world, *Second Life*'s interface is closer to that of a game than to a social media site. However, because its focus is on social interaction rather than gaming, its consumption practices and meanings may be similar to social media. Therefore, social media research establishes some of the meanings and roles of consumption that may also be present in the *Second Life*.

2.5 *Second Life* Consumption

The focus of this research is on the practices, meanings, and impacts of consumption in *Second Life*. Despite the superficial similarities, there are important differences between video game, social media, and virtual world consumption. Although consumption happens in all three media, there are recognized differences between the necessity of consumption, freedom to create and to consume, limits places on consumption, the availability of virtual goods, profitability, and the role of virtual economies. Consequently, consumption in *Second Life* leads to different practices and has different consequences from consumption in other virtual environments.

One significant difference between social worlds, video games, and social media is the necessity of virtual consumption. Within games consumption is often necessary for the survival of the character and enjoyment of the game. Goods are linked to being able to play successfully within the game world (Castronova, 2001). In contrast, with the conventions of games removed, consumption in social worlds can happen as a choice rather than a necessity. Consequently, *Second Life* offers a chance to examine the reasons for and effects of consumption as a choice, revealing what individuals are truly interested in consuming and the meanings and effects that they associate with these practices.

While video games offer control and structure, these restrictions are often absent from more socially oriented virtual worlds. Because of a focus on user-generated content, residents are able to do, create, or produce almost anything they desire. When compared to video games, there is a great deal more freedom to create, give away, and sell virtual goods. Because of this freedom and the three dimensional virtual world, there is also a great deal more consumption that is possible within *Second Life* than in social media, despite a shared focus on social interaction.

This focus on consumption is also linked to virtual economies. In most ways, the virtual economy of *Second Life* does not function like those found in games. These differences are linked to the structure of the virtual world, the amount of control held by its developers, and the links between online and offline economies. While these differences are fairly apparent through interaction within these worlds, they are under-examined in academic literature.

One way that *Second Life* consumption has been studied is in terms of production, which makes consumption possible. Andrew Herman, Rosemary J. Coombe, and Lewis Kaye note that, “Second Life is so suffused with the ideology of market exchange that ownership of tradable property is a condition for continued residency” (2006, p. 201). The authors argue that within this context, the retention of intellectual property rights to in-world creations is important, especially in terms of the development of goodwill between residents and Linden Lab. By granting intellectual property rights – and ostensibly protection – the importance of creation in *Second Life* is acknowledged, resident goodwill is maintained, and the production of virtual goods and other content remains appealing to residents and useful to the developer.

Given the potential to buy, sell, and give within this system, one of the main ways that consumption has been examined is in terms of the economy, its initial and continuing necessity to the virtual world, and the level of control available to the world’s developers. *Second Life* was originally envisioned as a space focused on user-generated content facilitated through high degrees of freedom (Malaby, 2009). Early in its creation this freedom was associated with collaborative building. Later, it was expanded to

include user-driven economic development (Au, 2008c). Such studies have focused less on the features of consumption and more on the necessity and implications of having an economy within the world. According to Linden Lab's Robin Harper, "It made more sense to focus the growth of *Second Life* on creating a powerful economy...and people needed to be able to retain the rights over the things they created" (Au, 2008c).

However, this choice is now a necessity in order to protect currency values for those who have economic investments. Acknowledging the limitations on Linden Lab, in a 2006 interview with CNNmoney.com, CFO John Zdanowski states that, "At this stage, we have limited tools for managing [the money supply]. We'll pull the levers we have when we can" (quoted in Wong, 2006).

To date, much of the work specific to consumption has been presented by insiders through web-based venues, such as blogs. Topics have included shopping preferences (Doolittle & Strangelove, 2008), the quality of virtual goods (Ophelia, 2008b), costs associated with virtual consumption (Ophelia, 2008a), and what items are fashionable and selling well within the virtual world (Auerbauch & Ketsugo, 2010). These analysis do not usually focus on the consumption practices of residents, or record the volume and frequency of purchases, although they do analyse preferences, trends, prices, as well as what items are likely to be attractive, valued, and acquired.

Other authors have dealt with *Second Life* in terms of economic data, albeit not always in conventional scholarly venues. Data used in these discussions is most frequently sourced from Linden Lab, who make available some raw data about the world, and informed by the authors' familiarity and involvement with the world. Economic information on *Second Life* is a frequent topic of posts and discussions on blogs by insiders such as *New World Notes* (<http://nwn.blogs.com/>) and *Gwyn's Home* (<http://gwynethllewelyn.net/>). These sites offer detailed analyses of elements of the economy such as the impact of free items (Au, 2008a; Llewelyn, 2008), the role of capitalism (Llewelyn, 2007), consumerism within the virtual world (Au, 2007a, 2009e), and the state of the economy (Au, 2009b).

While exact official figures are increasingly difficult to come by, there are some things that are known about the *Second Life* economy. Based on official metrics, the size of the economy is known, as are the number and approximate value of all transactions (LindenLab, 2010a, 2011a, 2011b, 2011c). Alongside basic features of the economy, it is also possible to ascertain to what economic forces it is subject. While Linden Lab cannot significantly change elements of the economy, they have some control in order to ensure its stability (Terdiman, 2008). Since the Linden dollar is linked to and valued in terms of offline economies through exchange, it is more stable than game currencies. While subject to some inflation, the exchange rate is usually between L\$250 and L\$280 to USD\$1 (ibid).

Beyond these figures, *Second Life*'s consumption and economics have also been considered with respect to their links to offline economies. As Dyer-Witthford and de Peuter note, "the virtualities of *Second Life* feed back into the actualities of capital via the medium of the Linden dollar" (2009, p. xiv). Although little specific work is available on the influence of *Second Life* on offline economies, trade in virtual goods in general is known to be in the billions of dollars, with virtual good sales expected to reach USD\$2.9 billion in the United States in 2012 (Smith, 2011).

The other main body of work that deals with the economy is focused on how to make money in *Second Life*. Books such as *The Entrepreneur's Guide to Second Life: Making Money in the Metaverse* (Terdiman, 2008) set out ways that individuals can set up and profit in the virtual world. Books such as *The Unofficial Guide to Building Your Business in the Second Life Virtual World: Marketing and Selling Your Product, Services, and Brand In-World* (Mahar & Mahar, 2009) and *How to Make Real Money in Second Life: Boost Your Business, Market Your Services, and Sell Your Products in the World's Hottest Virtual Community* (Freedman, 2007) set out ways that companies can best approach having a virtual presence and what that presence can do for their businesses. Both of these focuses consider *Second Life* in terms of profitability. In doing so, they also lay out many of the features of and approaches to business that are attractive to residents.

The literature available on *Second Life* consumption is both limited and compartmentalized into areas such as history and necessity, features and effects of the economy, and how to generate money within the virtual world. This is, however, not to say that the field is not gradually moving towards more holistic accounts of virtual consumption that include many of the features that are currently being handled in more targeted ways. Perhaps the most comprehensive works currently applicable to virtual consumption are Tom Boellstorff's *Coming of Age in Second Life* (2008) and Vili Lehdonvirta's *Virtual Consumption* (2009a).

From an anthropological perspective, Boellstorff provides an ethnography of *Second Life*. Rather than offering an specific focus on consumption, details of practices and effects of consumption are woven throughout his account. As such, this is not technically a text about consumption. However, through accounts of experiences and interactions Boellstorff not only subtly details the necessity of particular goods and the importance of appearance, but also puts forward the claim that virtual worlds are not as contaminated by capitalism as is often assumed within the associated literature (Boellstorff, 2008).

In contrast, while Lehdonvirta does not deal directly with *Second Life* – focusing instead on the virtual world of *Habbo Hotel* – this work on virtual consumption is extremely comprehensive, and sets out important ideas about consumption that can be considered in relation to different virtual worlds. In his work, virtual consumption is a way to establish identity and status, and virtual goods have an impact on social relations between individuals, both online and offline (2009a).

These approaches offer a far more comprehensive view of *Second Life* and consumption in virtual worlds than is generally available. They also offer some excellent perspectives on virtual world interactions and consumption. However, their focuses on broad ethnography and *Habbo Hotel*, respectively, do not provide a clear sense of the practices, meanings, and effects of consumption specific to *Second Life*. As such, this research will engage these perspectives along with those in more compartmentalized work on *Second Life* in order to gain a more detailed and comprehensive account of what

consumption looks like within the world and what kind of impacts and consequences it has for those who are engaged in the virtual world.

3 Theoretical Perspectives

Despite their focus on social interaction, virtual social worlds increasingly involve consumption of virtual goods as a large element of the virtual environment and experience. Consumption is gradually moving into every element of life, and the online world is no exception (Poster, 2004). Although society is now known for consumption beyond physical need (Baudrillard, 1998; Bauman, 2007; Debord, 2004 (1967)), there is relatively little, if any, precedent for communities that consume based on desire and that do not require consumption at least for basic survival. In worlds like *Second Life*, however, where avatars are not governed by physical or survival needs, consumption is more of an option than a necessity. While consumption might appear to be simply another detail of a thriving virtual world and community, its presence within *Second Life* raises important questions about the practices, meanings and consequences of consumption, and its significance within virtual worlds.

At first glance, *Second Life* appears to exemplify many of the positive features of offline and online communities, including freedom of representation, identity play and exploration, and a wide variety of interest groups and communities with which to interact. Considerations of the benefits of online interaction (Balsamo, 1996; Heider, 2009; Heinz, Gu, Inuzuka, & Zender, 2002; Manjikian, 2010; Nakamura, 1999a, 1999b, 2002; Wellman & Hogan, 2004) have long focused on how interactions could be free from hierarchies resulting from the visibility of personal characteristics such as age, sex, or race. Despite their positive focus, however, these accounts do not disregard the fact that although many of these benefits are possible and can arise from online interaction, there are also limits to their efficacy and achievability.

The limits of beneficial online interactions are often read in social terms and are especially visible in terms of the reproduction of offline hierarchies and status in virtual environments. According to Elizabeth Reid, in online social environments, “hierarchies...tend to be socially rather than technically enforced” (1999). Eve Shapiro notes the tendency in *Second Life* to reproduce hegemonically ideal bodies (2010).

Furthermore, while *Second Life* is intended to be egalitarian (Bonsu & Darmody, 2008), the world does still contain old and new forms of social inequality (Boellstorff, 2008).

Although they do acknowledge the potential for social inequality in virtual spaces, these accounts are focused on characteristics such as sex, race, or age, and do not include consumption as a focus of analysis. Virtual world consumption has the potential to add another dimension to the reproduction of social inequality in virtual worlds. It is possible, if not likely, that within a virtual world that offers consumption, and indeed encourages it, the goods with which they are associated will mark virtual bodies and lives. The fact that consumption in virtual social worlds is not only linked to offline economies but readable in these terms intensifies the issue. Not only is the virtual body marked by consumption, but the goods that are consumed have the potential to be marked by indicators of offline status, such as wealth, that could be problematic for egalitarian online interaction.

To examine these issues, this research will combine multiple theoretical frameworks. In order to address the reasons why individuals are purchasing virtual goods, it will first be informed by theories of use-, exchange-, and sign-value in order to consider the roles of goods that do not serve physical needs. Expanding on this framework, theories of conspicuous consumption, taste, and the consumer society will be applied in order to consider some of the specific reasons for the purchase of virtual goods. In turn, these theories will also be linked to work on consumption inequality, which offers an additional lens through which to consider the effects of consumption. These approaches are not specifically linked to virtual consumption. However, their broad perspective on consumption and society offer a more complex and therefore more useful approach than much of the current literature on virtual worlds.

3.1 Use-Value and Exchange-Value

In Marx's account of the valuation of goods, use-value is the ability of a good to fulfill a need (Antonio, 2003; Marx, 1977 (1867)). Although Marx does not explicitly assert that use-value is purely practical and not linked to social needs, such a position is suggested by the wide catalogue of physical objects – such as coats and grains – used to

show the use value of objects, and to link them to other forms of value. While Marx does not explicitly deny the possibility that the use-value met by objects could be social rather than physical, neither is this idea definitively explored. It is this social perspective that is generally taken up by later theorists.

In *Capital*, Marx explains that, “The utility of a thing makes it a use-value. But this utility is not a thing of air. Being limited by the physical properties of the commodity, it has no existence apart from that commodity” (1977 (1867), p. 45). Conversely, in defining exchange value he asserts that, “we have seen that when commodities are in the relation of exchange, their exchange-value manifests itself as something totally independent of their use-value” (p. 128). In this analysis, use-value is determined by what can be done with an item. In turn, exchange-value is characterized by the amount of another commodity or currency for which a thing can be sold or obtained. Marx writes that, “We have seen that when commodities are in the relation of exchange, their exchange-value manifests itself as something totally independent of their use-value. But if we abstract from their use-value, there remains their value, as has just been defined. The common factor in the exchange relation, or in the exchange-value of the commodity, is therefore its value” (1977 (1867), p. 128). Rather than focusing on value in terms of use, exchange-value focused on value within a system of exchange.

Applying these theories to virtual goods indicates an absence of physical use-value in virtual goods that raises and begins to question notions of exchange-value. Virtual bodies within online social worlds do not have physical needs that must be met. Except in rare circumstances, they do not require food, shelter, or water in order to survive. Although some avatars within games do require goods to assist in their virtual adventures that, in turn, impart a semblance of physical use-value to such commodities, this is – barring a few exceptions dealt with in chapter 5 – not generally the case within social worlds. Therefore, the purchase of goods with which to outfit an avatar, especially within more social environments, is based largely on meeting social needs or, relatedly, culturally-informed expression. In turn, it is these social needs that make possible exchange-value.

Given the lack of physical use-value, virtual consumption like that in *Second Life* presents a wider and more complex engagement with cultural, status, and performance uses than is explicitly dealt with in Marx's considerations of capital. Marx's work on use- and exchange-value does not explicitly deny or entertain the possibility of the use of goods for purposes other than material and physical uses. It is therefore reasonable to suggest that there is room for other forms of use within his analysis. Although virtual goods lack a material or physical use-value, they do, as Molesworth and Denegri-Knott (2007b) suggest, involve more complex ideas of use. Therefore this research will take on Marx's notions of use-and exchange-value as they can be applied to virtual goods, and will also rely on many of the frameworks and theories dealing with and expanding on the notion of exchange value to understand what factors are motivating the consumption of such commodities.

3.2 Sign-Value

If virtual world consumption is not based on physical functional values, it is likely to be based on sign-value, a concept set out by Jean Baudrillard and dealt with by later theorists. John Fiske summarizes this perspective, stating, "consumption is not necessarily evidence of the desire for ownership of commodities for its own sake...but is rather a symptom of the need for control, for cultural autonomy, and for security that the economic system denies subordinated peoples" (1989a, p. 89). These meanings of consumption indicate that commodities are capable of playing significant roles in the lives of individuals even when they are divorced from physical or material needs. This analysis sets up the role of goods as having social effects that come into play in the ways that individuals interact with each other and with their environments.

Baudrillard's scholarship shifted from a neo-Marxian to a post-modern perspective over the course of his academic career. Despite this change, both of these viewpoints are relevant for research into virtual consumption practices and meanings. In his early and more Marxist work, Baudrillard sets out the idea that consumption is based largely on the symbolic meanings of goods. He states that, "The act of consumption is never simply a purchase...it is also an expenditure...it is wealth manifested, and a manifest destruction of wealth" (1981, p. 112). In this view, analyses of consumption

should not rely exclusively on Marx's use-value and exchange-value distinctions. Instead, these approaches need to take into account the cultural meaning of objects. These meanings can be focused on symbolic value and sign value. Symbolic value is focused on defined meanings that are often attached to particular goods, such as diamonds as a symbol of fidelity and marriage (Baudrillard, 1976). Sign value goes beyond the symbolic and conveys broader meanings, such as prestige, style, or taste, especially relative to other goods (Baudrillard, 1981). By focusing on the underlying meanings, this perspective sets out the possibility for consumption to be more than a simple act of acquisition. Accounting for these values is necessary to the development of an understanding of virtual goods in which the void created by the elimination of use-value is accounted for.

The work of Guy Debord can be positioned between Baudrillard's early and later work, both in terms of its own merits and as a way of linking the two perspectives. Debord advances perspectives on consumption by asserting that individuals have moved beyond use-value because, under capital, society has come to fetishize objects. The desire for consumption of goods arises from the fact that, "the commodification of images turns pictures into fetishes, adding to them a surplus that makes them bearers of ideological fantasy" (2004 (1967), p. 94). In this model, consumption is seen as a duty. People will consume not because of need or any real link to what they are consuming. They consume only based on the desire and sense of false need that is created by the spectacle associated with objects. Debord also suggests that not only are people consuming in a "society of the spectacle", but that they are doing so as a result of its influence. Spectacle is used to maintain and further capitalism by replacing use-value. Society has lost much, if not all of the use-value inherent in commodities. However, in order for capitalism to continue, people need to keep buying. Therefore, spectacle creates the illusion of new needs so that consumption will continue.

With his shift into post-modernism, Baudrillard's perspective also shifts so that consumption is focused on simulation, the replication of experience rather than an experience itself. While this later work reflects a shift away from his Marxist take on consumption, the ideas of simulation and simulacra work well as an extension of

symbolic consumption, especially when considered within the context of virtual worlds. This perspective is one that Baudrillard specifically positions against that of Debord, claiming, “we are no longer in the society of spectacle” (1984, p. 273). This statement serves as a means of recognizing a shift from Debord’s spectacle-based yet still real consumption into a paradigm where objects no longer have a “specific reality” and instead are defined primarily through their social relations.

Despite the differences that arise over time, these perspectives are useful for their emphasis on a shift into consumption that is symbolic in nature and for their ability to integrate the experience of virtual consumption into consumption theory in general. By moving beyond ideas of use-value, these theories of consumption set up a framework from which to begin to understand the attraction and consumption of virtual goods. In addition, they begin to set out some of the more general reasons as to why individuals may be purchasing them. These reasons are especially revealing within a system in which consumption is not only expected, but is also prompted through the ongoing development of new senses of “need.”

Relying on theoretical frameworks that move beyond considerations of use-value will help to inform this research by offering reasons for the purchase of virtual goods that meet social rather than tangible physical needs. Although Baudrillard offers two different perspectives in his work as he moves from consumption to simulation, both of these theories are useful in considering the practice of virtual consumption, as is the work of Debord dealing with spectacle. In studying virtual consumption, all three perspectives offer ways to understand consumption in terms of its social and symbolic meanings and uses. These motivations are key to understanding purchases that do not fill physical needs. At the same time, work on spectacle and, to a greater degree, that on simulation and simulacra offers a way to begin to consider the new phenomena of virtual consumption. According to Debord, needs must be created in order to entice consumers to maintain their consumption under capitalism. Given that virtual goods do not meet physical needs, their creation and sale could be read as an expression of a created need as people purchase these goods based on their perceived value under the power of the spectacle. Similarly, with their many residents, activities, commodities, and relations,

virtual worlds like *Second Life* also exemplify Baudrillard's assertion that reality has been replaced by a simulation of reality (1995). Given the focus on consumption within *Second Life* as well as its virtual nature, Baudrillard's early and later work provide a framework for investigating the practices and meanings of consumption within the virtual world.

3.3 Conspicuous Consumption and Taste

Theories of use-value, exchange-value, and sign-value offer a starting point for considering virtual goods. However, they do not set up a strong enough framework on which to base a detailed analysis of the reasons for and effects of the consumption of virtual goods. Theories focused on conspicuous consumption integrate individual motivations as well as more social meanings of consumption. This approach will help to further frame the possible reasons for virtual consumption within *Second Life*.

The idea that consumption is a form of performance staged for the benefit of other members of the community is the basis of theories of conspicuous consumption, which originates in the work of Thorstein Veblen. For Veblen, "unproductive consumption of goods is honourable, primarily as a mark of prowess and a prerequisite of human dignity" (1979 (1899), p. 69). In turn, this leads to a situation where, "the serviceability of consumption is a means of repute, as well as the insistence on it as an element of decency" (Ibid, p. 87). Conspicuous consumption serves not as a form of utility, but as a means of consuming beyond utility. In some cases, this consumption is extended even to the point of intentional wastefulness as a means of showing that wealth is inherent in the capacity to waste. The purpose of these practices is to indicate wealth or status in a way that is visible to others (Campbell, 2000, p. 63).

Later research has expanded on Veblen's ideas of conspicuous consumption. Initially, Veblen's work dealt with the upper class, or those who could afford to spend conspicuously. However, with the emergence of the middle class coupled with a lessening of the degree of conspicuousness in upper class consumption, the term can now be used in relation to anyone with discretionary income (Trigg, 2001). As a result, conspicuous consumption is now understood to happen at all levels of society. In

addition, conspicuous consumption is not seen as absolute. James Duesenberry, for instance, suggests that displays of wealth are used by lower-income groups as a way to counter the perception of poverty (1949). Therefore, conspicuous consumption is now seen as a practice that can be engaged by anyone, at any class or income level, and that used to display wealth and establish status.

Consumption is used to show off, but can also serve as a way for people to give the appearance of belonging to a particular class, in some instances even transcending their own. Colin Campbell asserts that, for Veblen, conspicuous consumption is largely about outdoing those with whom we share a class (2000). Juliet Schor reaffirms this assessment, asserting that visible goods are at the centre of competitive spending (1998), but also taking conspicuous consumption a step further. In her analysis, purchasers buy goods – especially status goods – as a way to associate themselves with a class to which they do not belong. In turn, these purchases may grant individuals the appearance of fitting in with those in higher classes and the ability to join in the lifestyle as apparent equals. Used in this way, conspicuous consumption can serve a very real purpose by allowing people to accrue more apparent power and status. They dress for the class that they want, and not the class to which they belong.

Research confirms the notion that conspicuous consumption is used not only to display economic status, but also as a means to enter social groups that will benefit members (Jaramillo, Kempf, & Moizeau, 2001; Jaramillo & Moizeau, 2003). By using consumption to gain the appearance of a particular level of social status, it is possible to enter into groups that are at a higher social position than might otherwise be associated with the individual in question. Individuals can gain benefits from these connections – favours or networks, for example – that offer new and otherwise unavailable opportunities. These opportunities can then provide individuals more concrete ways to reach a particular social status than simply consuming in particular ways, such as locating and securing better employment opportunities (Jaramillo & Moizeau, 2003). Consequently, consumption can serve important social functions among individuals within a group or community.

3.4 The Consumer Society

Moving beyond more focused investigations of the specifics of use-value, exchange-value, symbolic value, and conspicuous consumption, the idea of the consumer society engages many of these ideas, bringing them together into a holistic picture of consumption's role in modern life. Baudrillard's work on the consumer society, for instance, holds that consumption is the main driver in society, rather than production (1998). He asserts that, "There is all around us today a kind of fantastic conspicuousness of consumption and abundance, constituted by the multiplication of objects, services and material goods and this represents something of a fundamental mutation in the ecology of the human species" (ibid, p. 25).

It might be thought that in a market society consumers should drive production, assuring that what is produced meets their needs. Baudrillard asserts that this is not the case in the consumer society, where producers drive the consumption process and work to tailor the perceived needs of consumers to what they are producing. Needs are no longer seen to be actual needs, but instead are consumer appetites. These appetites, in turn, are based on a society in which consumption becomes a form of communication and a means to assuage desire. That said, despite the power inherent in the consumer society, Baudrillard also criticizes views that consumers are passive and asserts that they are actors who choose to participate within the system both in terms of consuming and reaffirming the meanings of consumption (1998).

These ideas are also mirrored and elaborated by other theorists who question the role of consumption in social life. Zygmunt Bauman initially defines the consumer society as the result of a shift from a focus on production to consumption. He acknowledges a society in which people are identified through their consumption practices, rather than through work or other generic roles (1988). His later work expands on this idea, suggesting that,

We may say that 'consumerism' is a type of social arrangement that results from recycling mundane, permanent and so to speak 'regime neutral' human wants, desires and longings into the *principal propelling and operating force* of society, a force that coordinates systemic reproduction, social integration,

social stratification and the formation of human individuals, as well as playing a major role in the processes of individual and group self-identification and in the selection and pursuit of individual life policies. (2007, p. 26)

The consumer society takes consumption as its base. Consumers are focused on the satisfaction of their perceived needs. These needs, however, are constantly changing in order to ensure that consumers will continue to consume to the point where Bauman suggests that the life of a consumer is about “being on the move” (2007, p. 98).

Stemming from this focus on consumption, Bauman’s work also engages the idea of exclusion with respect to the idea of the consumer society (ibid). Those who are unable to consume in the appropriate ways and to appropriate levels can suffer within the social sphere. Embedded in the consumer society is a system that facilitates stratification and that favours those who are able to consume enough to meet social expectations. Baudrillard also acknowledges these issues by stating that growth produces inequality, and further suggesting that credit reaffirms consumption by eliminating excuses for not participating because of this inequality (1998). By creating a system where growth is dependent on assuring that consumers have needs, the consumer society also creates a system in which important personal and social considerations like identity and social standing are also dependent on consumption.

3.5 Consumption Inequality

Theoretical works on consumption offer a lens through which to consider consumption practices and meanings. In order to consider the context and consequences of consumption, however, the focus needs to shift into considerations of inequality. As we have seen, consumption is used as a marker of wealth and status and, in some cases, used in the establishment and maintenance of social hierarchies and dominance. Levels of access to consumption therefore play a prominent role in consumption, especially with regards to its effects on individuals. When consumption practices are linked to important individual and social meanings, limits on consumption may have negative effects.

Acknowledgements of the divisions that arise from consumption are seen in Veblen’s work. Because consumption is used as a marker of wealth, it distinguishes

different groups and sets them apart from each other. Veblen's work on conspicuous consumption is further supported by and expanded on by the work of Pierre Bourdieu (1984). Bourdieu sees taste as a means of establishing distinction in society based in part on what individuals consume (1984). Consumption is linked with ideas of taste and distinction. Different social groups consume in different ways, but consumption is defined in terms of "good taste". Although good taste can vary among classes, it is always defined with regard to the dominant class, who use consumption as a marker of their own good taste. In turn, consumption comes to define social class, with certain groups consuming in different ways than others.

For Bourdieu, taste is not assumed to be innate to the individual. Rather, it is constructed in a way that is socially mediated. This mediation assures that consumption works as a marker of position within a social hierarchy in a way that is similar to that set out by Veblen. Where Bourdieu differs is in his assertion that social groups are able to establish their dominance by using consumption as a mark of distinction that separates them from other groups within society. In *Distinction*, Bourdieu writes that, "this economy demands a social world which judges people by their capacity for consumption, their 'standard of living', their life-style, as much as by their capacity for production" (1984, p. 310). Beyond simply establishing position within society, as with Veblen's analysis, Bourdieu asserts that consumption acts as a means to establish and maintain distinction and dominance for those who wish to maintain social power.

Offline, consumption inequality – such as that seen in Veblen and Bourdieu's work – has real consequences (Attanasio et al., 2002; Blundell & Preston, 1998). Individuals who cannot consume to an adequate level face issues ranging from problems with social capital (Kawachi, Kennedy, Lochner, & Prothrow-Stith, 1997) to mortality (Lynch et al., 1998; Spencer, 2004) and from literacy (Messias, 2003) to health (LeClere & Soobader, 2000). From a broader perspective, inequality has overwhelmingly negative effects for offline societies in everything from health to happiness (Wilkinson & Pickett, 2009). These perspectives on the effects that can arise from consumption provide a lens through which to consider the effects of consumption in *Second Life*.

3.6 Theoretical Frameworks

This research relies on theories of use-, exchange-, and sign-value, work on conspicuous consumption, taste, and the consumer society, and research into consumption inequality. By relying on these theories it will be possible to examine the practices, meanings, and effects of consumption in *Second Life*. This approach addresses the practices of consumption, but also moves beyond these concerns to consider its meanings and effects. It allows for the integration of consumption that is intended to make elements of wealth and status apparent to others. Furthermore, it also allows for consideration of how participants in online social worlds view and respond to the consumption of others. Even if acts of consumption are not intended to convey particular messages, their effects on the social environment may still be considered.

Incorporating the work of theorists who interrogate conventional notions of use- and exchange-value is especially helpful to this focus on virtual worlds. In the offline world, the sign-value of goods operates alongside and is arguable ancillary to use value and exchange value. Here, the physicality of goods offers at least the possibility of a use value, which can then become assigned an exchange and symbolic value. Conversely, in virtual worlds, sign-value becomes paramount and takes the place of use value. With the absence of use-value, the exchange-value for goods can only arise from the symbolic meanings that they possess. Consequently, working with theories that move beyond use-value to exchange-value provides a framework through which to begin to consider the practices and meanings of consumption in the absence of physical and material needs.

Through this research, the effects of these meanings and practices will be considered. It is possible that long-standing hopes for the relatively egalitarian nature of online interactions (Turkle, 1995; Balsamo, 1996; Nakamura, 1999, 2000; Heinz, 2002) are realised around virtual consumption within online social worlds like *Second Life*. Conversely, it is also possible that these worlds are merely reconstructing similar power hierarchies to those that govern offline life. Since hierarchies based on visible signs of status and power are common and even expected in offline interactions (Bourdieu, 1984; Schor, 1998; Veblen, 1979 (1899)), virtual consumption may provide another familiar and even accepted dimension of inequality within the virtual world.

Using these theoretical frameworks, this research will examine the roles of virtual goods in online life, and will consider what meanings these practices bear and what impact they have on interactions in online social worlds. It will take into account both reasons for consumption and effects of such practices. In doing so, this work will also examine whether virtual consumption provides another basis on which in-world status and hierarchy are based, or whether it opens new opportunities for more egalitarian interactions.

4 Methodology

This study relies on a number of methods to gather research data. These include interpretation of qualitative and quantitative data gathered from participant-observation, surveys, and content analysis of forum, blog, and other online posts and commentary. It concludes with interviews conducted with *Second Life* insiders as a means of validating and gaining further perspective on the conclusions drawn from these sources. In addition to primary data, this approach also uses textual analysis of the existing literature surrounding online social worlds and the consumption of virtual goods.

4.1 Methods

The preceding review of the existing practical and theoretical literature provides a basis from which to conduct this research. The literature review centers on scholarship concerned with consumption practices as well as literature more specific to virtual worlds and economies. Its focus is on works that consider and elaborate on theories of consumption, especially those that consider the reasons for and effects of such practices. It also takes into account literature more generally concerned with online interaction in order to better understand the particular context in which these forms of consumption occur. This focus ensures that a good understanding of virtual worlds and consumption in general has been reached before beginning the primary research.

To understand the scope, meanings and consequences of virtual consumption in online worlds it is important to consider the experience of participants within these practices. With the literature review and theoretical framework in place, active online research was conducted. This approach provides qualitative and rudimentary quantitative data regarding the actual, lived experiences and effects of virtual consumption. Following initial participant observation, online surveys were used to gather information about a variety of *Second Life* residents. These surveys coincided with the collection and analysis of data from forums, blogs, and other online venues associated with *Second Life*. This data was analysed and then discussed in interviews with a small subset of

established *Second Life* insiders and experts in order to gain a sense of what residents were consuming, why their consumption had meaning for them, and the ways they feel it has an impact on their virtual experiences.

4.2 Why *Second Life*?

Second Life is a populous, well-known, and well-established virtual social world that offers a relatively stable site in which to study consumption. Because of its large user base and wide variety of goods, activities, and participants to study, this environment provides access to many of the different features found within virtual worlds in general. Research in *Second Life* therefore has the potential to interrogate a wide variety of practices in order to better understand the role and effects of consumption in virtual worlds.

With almost 26 million registered users and over 1 million of these users logged in, on average, in a month ("Second Life Economic Metrics Repository," 2011), *Second Life* offers a large population and a wide variety of features, activities, and virtual goods to investigate. Furthermore, with a market economy valued at \$29.3 million USD as of Q3 of 2011 (LindenLab, 2011b) and an abundant system for exchanging free items, consumption practices abound.

The large *Second Life* population is, in part, a result of the way membership is set up. For its users, the world offers three membership tiers. Free basic accounts are available to anyone who wants one. For a regular fee of anywhere between \$6 and \$10 USD per month, users can upgrade to a premium account. This level of membership allows the user to purchase land, be granted a stipend as a new user, and receive a regular allowance of Lindens, the in-world currency. While approximately 75,000 of the world's residents have premium accounts (Au, 2009b), the majority of residents use free accounts. Combined with the fact that the world's application program is useable on most computers, the free accounts ensure a large population available within which to research virtual consumption.

Once within the world, *Second Life* offers residents the opportunity to purchase or exchange virtual currency for offline currency at a relatively stable exchange rate. With this currency, users can buy a wide variety of virtual goods and service for their characters. In addition, the world supports user-created virtual goods and offer means by which individuals can sell their creations and purchase those of other users. Relative to other forms of virtual worlds, this environment also lacks most conventional game conditions and structures. Therefore consumption is divorced from any game-generated sense of need.

This set-up makes *Second Life* an ideal site in which to study virtual consumption. This is especially apparent when compared to other virtual worlds currently available online. There are a variety of environments that are similarly reliant on economic systems and consumption, such as *Eve Online* and *Entropia Universe*. However, these particular worlds also rely on many of the conventions associated with games, and therefore would add a significant number of complicating variables to this research. While these worlds do offer economic systems similar to those in social worlds, they also rely on features such as quest rewards and items or “loot” that can be gained from killing things within the world and then sold for profit. Since this study considers reasons for consumption that are removed from the needs associated with gameplay, these worlds will not be considered within the scope of this project.

Other virtual worlds such as *Habbo Hotel* and *Whyville* also offer economies based around consumption, but are targeted at teenagers. These worlds have already been studied extensively in terms of their consumption (Kafai et al., 2010; Lehdonvirta, 2009a; Lehdonvirta et al., 2009). In contrast, *Second Life*’s population is primarily adult. With the close of the teen world – usually referred to as the “teen grid” in January of 2011, teenage users were moved to the main *Second Life* grid. The teen *Second Life* population was noted to be exceedingly small, with only 4278 active residents in June of 2007 (Au, 2007b), having little effect of the world’s demographics. Although Linden Lab does not currently release much demographic information, earlier research on *Second Life* also suggests that of the total in-world hours spent in *Second Life* by residents, only 0.32 percent is used by teens aged 13 to 17 (LindenLab, 2008), and that 0.96 percent of

the population falls into this age range (Au, 2011a). Focusing on *Second Life* therefore offers a perspective on the virtual consumption of an older demographic. Moreover, by focusing on a world with an older demographic, it is possible to avoid many of the issues that come into play when conducting research with participants who are under the age of 18.

4.3 Methods Explanation

For this research, six months were devoted to regular active online research within and around this world and the consumption practices within it. During these initial six months, I familiarized myself with the environment and made qualitative observations about individuals' use of the world and its different features and possibilities. Daily participant observation of at least four hours was conducted. This research included watching and noting how participants interacted, especially in terms of the habits associated with and interactions around consumption. It also incorporated observation of the virtual world itself, such as popular places to shop and the availability and prevalence of particular consumption goods and activities. Beyond the initial six month period, regular interactions within *Second Life* were maintained in order to continue with ongoing observations and to monitor any changes that happened within the world over time.

Participant observation is beneficial because it allows for a building of familiarity and trust between the researcher and informants (Goffman, 1989; Lincoln & Guba, 1985; Thomsen, Straubhaar, & Bolyard, 1998). Online communities are often approached by academic researchers in negative terms, focusing inquiry on issues such as addiction, loss of community, stereotypes, inequality, and violence (Castronova, 2005). Given this work, many *Second Life* residents actively distrust and avoid researchers, even to the extent of intentionally sabotaging their research (Graves, 2009; LaFollette, 2008, 2009). Residents, however, are more likely to trust and respond positively to researchers who can demonstrate their knowledge of the world and who value its culture, rather than simply expecting a ready community of research subjects. Due to its close and involved interaction within the online community, participant observation allows for stronger,

more forthcoming, and more accurate interactions with the members of online communities in general, and *Second Life* specifically.

Moving beyond participant observation, surveys were used to investigate consumption practices, meanings, and consequences. Participant observation provided first-hand familiarity with the virtual world while surveys offered greater detail and insight into specific elements of virtual consumption. It can also, “illuminate debates and issues of which the researcher was unaware prior to the research, and so could not have thought to include on a list of interview questions or a survey form” (Boellstorff, 2008, p. 76). This approach made it possible to investigate factors that were not immediately visible, as well as the personal experiences and preferences of residents. Participant observation offered a grounding in many different features of in-world consumption and residents’ responses to it. By interacting with the virtual world it was possible to gain an overview of what activities are the most popular, the many kinds of consumption available within the world, how virtual goods are sold and accessed, and what kinds of consumption are most frequently discussed by residents. This initial research also provided insight into what kinds of consumption residents most frequently discussed and sought, and the importance of consumption in residents’ virtual lives. By using the information gathered through participant observation, surveys were developed that dealt with the specifics of some observable consumption practices, as well as aspects that could not be seen such as subjects’ perspectives on the consumption practices of other residents.

Surveys are a valuable tool since they let the researcher cover large populations at a low cost (El Sawah, Tharwat, & Rasmy, 2008). For this particular research, the fact that participants are *Second Life* users ensured that residents had Internet access, and therefore be able to complete an online survey, making web-based surveys a useful approach. Using web-based surveys also offers the added benefit of having a research instrument with mass appeal, interactivity, immediate delivery, and automated coding of the results of the survey (Dominelli, 2003), elements that were all employed in the delivery of the surveys for this research.

The information gathered through participant observation and surveys was further augmented through content analysis of forums, websites, blogs, and other sources of first-hand *Second Life* information. Using content analysis on online sources provides a way to access a wide variety of texts, and also to seek out those that are most relevant to the topic at hand (Krippendorff, 2004). For this research, these sites offered a range of information, and also provided a way to seek out perspectives that were not engaged by those participants who volunteer for this research. In many cases the information available on such sites was carefully thought out or even researched, which offered a useful counterpoint to the more immediate responses offered by participants. By turning to these online sources as research sites, it was possible to add more information and perspectives to this research that was not necessarily available directly from research participants.

Finally, in order to gain further perspectives and to further confirm the data analysis and conclusions, closing interviews were conducted with *Second Life* insiders. Seven established residents were asked to be involved in this process by reading a summary of the main conclusions derived from participant observation, surveys, and content analysis. They then responded to six questions relating to these ideas. This approach allowed for a verification of research conclusions, as well as an opportunity to have in-depth discussions with insiders about experiences with consumption within the virtual world. Interviews offered the opportunity to get at more in-depth responses while also allowing the researcher to follow particular useful trains of thought (Kvale & Brinkmann, 2008). Questions were intentionally broad and based on the dissertation conclusions, but were designed to be open-ended to allow participants the freedom to present their own ideas. This approach also ensured that, should an interesting idea or tangent arise, it was possible to explore it further and to allow for additional ideas to enter into the interview.

4.4 Participant Observation Approaches and Issues

In order to gain a general sense of the world and its residents, participant observation was used as the first research method in this work. Intensive participant observation was conducted from September 1, 2008 to May 1, 2009, although ongoing interaction with the virtual world occurred throughout this research. This approach offers

an effective way to consider virtual culture, interact with participants, and build trust, even in virtual environments (Thomsen et al., 1998). It is also a method that has successfully been used in *Second Life*. Boellstorff writes that, “Participant observation is useful for gaining a conceptual handle on cultural assumptions that may not be overtly discussed...it is useful for seeing what kinds of practices and beliefs emerge as members of a particular culture interact with each other” (2008, p. 76). This is, however, not a method without problems, some of which were encountered while conducting research. The major issues faced during this project centered on concerns around assuring resident privacy, making other residents aware of the presence of a researcher, and the possibility of deception. These issues, however, were relatively straightforward to deal with both in terms of protecting participants and ensuring the research is as accurate as possible.

Second Life is a freely available virtual space that anyone with a computer and the Internet can access. Consequently, participant observation raises few ethical concerns around privacy. Areas of the world that are available for research are public. Therefore, any interactions, conversations, or other activities within these spaces can also be considered public, and interactions within them cannot be construed as a violation of privacy. Furthermore, because participants are able to engage in private chat or retire to private spaces, only those conversations and interactions that are considered to be public are accessible. For publicly available interactions, Linden Lab maintains a policy that, “Remotely monitoring conversations in *Second Life*, posting conversation logs, or sharing conversation logs without the participants' consent are all prohibited” (“Community Standards,” 2011). During this research, this policy was followed, and any information taken from conversations has been paraphrased and anonymized. Given the public nature of the virtual space, and the measures put into place to protect residents, privacy is not a problem for this research.

Despite the lack of concerns regarding privacy, there are a few concerns regarding participant observation and informed consent. Although not strictly necessary in public spaces, in order to ensure that residents were at least somewhat aware of the presence of a researcher, an avatar with a tag over its head saying “scholar” was used for interactions within the virtual world. Anyone who was directly interacted with was informed of the

presence of a researcher. This approach, however, does not constitute informed consent. While interactions with other residents were noted as general trends or through paraphrasing, no direct quotes were taken from other residents unless in the context of a formal interview for which consent has been granted. This approach also follows the Community Standards issued by Linden Lab ("Community Standards," 2011). While secondary avatars were also used, these avatars did not engage in interactions with other residents, or for conducting participant observation beyond the receipt of public group-issued messages. To maintain awareness of their presence, these avatars were also outfitted with the "scholar" tag visible to anyone in the vicinity, but were not used in a way that violated ethical standards.

The final issue in participant observation – and one that is by no means exclusive to this particular method – is more of a concern about the research itself than its potential effects on residents. Given that residents are anonymous and use avatars, the potential for deception can be high in virtual worlds research. This concern exists in two forms. First, it can be an issue in terms of who the resident claims that they are, and whether they represent their online self as different from the offline. Without a visible body it is difficult to ascertain who the "real" individual is (Balsamo, 1996). This can be a research concern when the offline self is an important factor in online research. With this research project, however, this kind of deception is not a concern. Given that this work is focused on in-world consumption for and by avatars, it is the virtual self that is most important, whether or not it represents the offline self. This approach is similar again to that used by Boellstorff, who writes that, "I took their activities and words as legitimate data about culture in a virtual world" (2008, p. 61).

The second concern centers on the possibility of deception in terms of how residents present themselves, especially in terms of their interactions and responses to research activities. Deception is a long-standing and established feature of online life (Donath, 1998; McKenna, Green, & Gleason, 2002). However, it is important to remember that deception is almost if not as easy in offline life. Just because an individual is corporeally present does not mean that they are not lying in some way or other. As a result, this is a possible feature of any research that is difficult to compensate

for on its own, although the use of unsolicited user perspectives from online sites for content analysis does provide a means of confirming and validating some of these results, moderating any potential effects of deception.

Beyond the claim that deception would not be a significant issue in this research if it were to occur – especially in regard to offline versus online personas – research into how individuals behave online suggests that in many arenas they are not inclined towards deception. Christine Hine claims that online actors are not typically inclined to create characters that are vastly different from their offline selves (2000). As such, research subjects are not likely to represent themselves in ways that are far enough removed from their normal experience to skew the data. Psychological research that claims individuals in online environments are actually more open and willing to share even personal information could potentially indicate that online research is more likely to be accurate than offline (Bargh et al., 2002; McKenna et al., 2002). While these approaches may not be specifically concerned with deception carried out by participants, they do suggest that it is not a significant threat to conducting online research.

4.5 Survey Approaches and Issues

Following the initial six month participant observation period, research was conducted in the form of surveys. Participants were recruited for this research through *Second Life* as well as the public forums associated with the world. Making this study known within the world allowed anyone who actively uses the environment to be made aware of this research. However, this technique does have some limitations. It is likely that only those individuals who are in the social world at the same time as the researcher were made aware of the research. Furthermore, due to the nature of in-world communication, only those participants within close proximity to the researcher or who were members of the same groups received the message. As a result, not all users were reachable, reducing the randomness of the sample population. In addition, those users that were reachable may have been biased in terms of the times that they spend in-world and the fact that they frequent certain locations. While it was possible to moderate these issues by making this research known at a variety of times and in different places, these biases will likely remain a factor that is worth considering in assessing this research.

To deal with some of these issues, websites associated with these worlds were also used to recruit participants. Using forums allowed for a wider variety of participants to be involved in the research, and especially those who the researcher might not otherwise come into contact with. Brief messages regarding the intent of this research, the researcher's credentials, and how to access surveys were posted on a variety of sites associated with or focused on *Second Life*. Relying on forums raised similar issues to in-world contact. Focusing on these venues largely eliminated those individuals who are not interested or involved in such sites. However, this tactic allowed the researcher to reach a wider variety of individuals simultaneously without both needing to be present at the same time and in the same place.

Because in-world and website based recruitment have different biases towards certain groups of people, both were used to ensure that a variety of virtual world users are able to participate. This tactic also made certain that there was large enough base of residents to gain a significant sample population. Although these methods may have a degree of bias, the fact that they are open to such a wide variety of in-world and online users established their usefulness for this research. They therefore lent themselves to offering a relatively random selection of users that was more likely to be representative of the varied *Second Life* population than might otherwise be possible.

To make the research process as simple as possible, surveys were coded online. If participants preferred a different format, consent forms and then surveys could also be sent out via email or via regular mail. However, given the ease of online surveys, no residents requested this option. Prior to accessing the survey, participants were required to agree to an online consent form stipulating the purpose of the study, the extent of their involvement, and information regarding any possible issues or concerns about the research and their participation. This agreement also required potential participants to confirm they were over 18 years of age at the time of the survey before proceeding.

An extensive survey was designed that included multiple choice, multiple select, Likert scale, and "fill in the blank" questions. Because of the possibility of different answer trajectories, the surveys were coded to branch; answering yes or no to certain

questions would cause different sets of questions related to the chosen response to appear. Offering surveys online made it possible to create branching questions in such a way that branches only appeared once a resident had selected one option.

Surveys were hosted through server space on SharkSpace (SharkSpace, 2010). The survey site was accessed through the researcher's personal website (www.jennmartin.com). Results were stored on the server that was password protected and was accessible only to the researcher. All respondents were anonymized, and all significant identifying information was changed as a further protective measure.

Participants were recruited through forums associated with *Second Life* as well as within the world itself through the classified ad system. Many residents are wary of, if not outright hostile toward researchers. *Second Life* has often been seen as an easy research site for senior projects, marketing research, and projects that do not abide by ethics protocols (Shang, 2009). Furthermore, the large number of survey requests, especially from upper-year undergraduates and marketing students, is frequently off-putting, and leaves some residents feeling like "lab rats" (Kidd, 2009). In some instances residents have been so hostile that they have admitted to intentionally sabotaging research projects by answering questions incorrectly (Resident 5).

In order to deal with these issues three approaches were used. First, recruitment documents were carefully developed to address many of the common concerns expressed by residents, and to demonstrate knowledge and appreciation of *Second Life*. Second, participating residents were compensated with L\$350 (about USD\$1.80) to thank them for their time and acknowledge their contribution. Finally, given that residents are often wary of providing offline demographic data, questions about offline age and gender were not included in the survey. This approach also serves to acknowledge the value that many residents ascribe to their online identities, as well as the fact that they are likely to be consuming in line with those identities, rather than their offline preferences.

As a result of these measures, 178 residents completed surveys. Given the nature of online research, there is no way to prove that residents have answered honestly. It is possible that some have not answered truthfully, and have completed the survey as

quickly as possible in order to receive the compensation. However, responses to the survey were largely positive. Early in the discussion arising from the recruitment letter, one resident notes that, “I don't recall ever having seen such a well-laid out and justified OP for a survey. I hope that people here have the good will to take, and treat it seriously” (Rhiadra, 2011) while a few specifically mention that they have answered honestly. Given the positive response from residents, it can be assumed that the survey data contain useful information despite the possibility of deception. Furthermore, this data is also supported by the unsolicited thoughts and opinions expressed by residents in a variety of online forums.

4.6 Content Analysis Approaches and Issues

Given the potential issues with deception through the surveys, and also to access an intrinsically valuable source of information about Second life practices, content analysis of commentary on forums, blogs, and other online arenas was used to supplement the survey data. Due to their ability to provide first-hand thought, opinions, and perspectives, such sites have been used for content analysis in a range of research studies (Guthrie, Petty, Yongvanich, & Ricceri, 2004; Hinduja & Patchin, 2008; Riffe, Lacy, & Fico, 2005). Within these venues, people provide opinions, thoughts, and observations in their own words. As a result, these sites served as sources of information on what individuals are thinking about in general and consumption specifically. Because this commentary is voluntary and is not influenced or even requested by the researcher, it offers a useful way to consider resident's perceptions of consumption without risk of leading residents as could happen in surveys or interviews. The frequency with which they are introduced also reveals the relative importance of different topics.

This tactic allowed for investigations not only of individuals' thoughts and opinions, but also of more consumption-driven related advertising and sales. In addition to offering a venue for discussions, such sites provide a means of advertising items for sale, requesting specific goods, and commenting on goods that are already available. Due to the strong focus on consumerism in virtual worlds, such sites offered a large quantity of information on what goods were being bought, how they were being sold, how they were responded to, and why people were involved in such purchasing.

Given the volume of material on *Second Life* and consumption available online, one issue with the research was the fact that accessing and analyzing every piece of information on the subject was impossible. While as much information on *Second Life* as possible was accessed during this research, the fact remained that not all relevant online sites could be used. Some single forum threads, for instance, provided documents of over 100 pages for analysis. This issue was moderated by careful selection of a variety of sites with different subject focuses, so as to ensure that as many topics as possible were represented. In addition, online sites have the benefit of being searchable. Common terms used in discussions of consumption were noted by reading through posts and comments and then were searched to help focus on particular topics.

A related issue was ensuring access to a wide variety of information and perspectives. Online information networks have been accused of existing within an “echo chamber” where individuals only access those perspectives that mirror and support their own (Sunstein, 2009). Therefore, unless care is taken it is possible to fall into a situation where perspectives given online are traced in a loop that only follows one particular belief system, without offering alternative perspectives. This kind of bias could have a negative effect on this research by situating the analysed texts within one particular perspective, and by not considering dissenting or alternative voices.

This issue was moderated in three ways. First, conflicting information and opinions were sought in order to get a balanced perspective or to confirm widespread agreement among those weighing in on an issue. For any strong opinion being considered, alternative viewpoints were sought as a form of balance against or confirmation of a particular way of viewing the ideas being presented. To increase the chances of finding alternative perspectives, sites with a large number of individuals contributing, either as authors or leaving comments, were also actively sought out as a way to incorporate the thoughts of as many different people as possible and increase the likelihood of dissent. Finally, relying on sites and information associated with *Second Life* insiders and experts also reduced these effects. Although they are not necessarily academic, many blogs provide valuable information from well-established *Second Life* insiders. This information tends to be thoughtful and reliable, especially in cases where

authors have access to Linden Lab. These sites served as a starting point from which to begin research, and also as sites from which to follow different trajectories based on their information and perspectives. While insiders and experts are as susceptible to bias as any other resident, wide readerships, greater access to information, and more critiques help contribute to their developing a more balanced perspective. Because these sites tend to have large readerships, it is also more likely that dissenting voices will appear here and offer other perspectives to consider.

4.7 Interview Approaches and Issues

Conclusions were drawn based on the large volume of material gathered through participant observation, surveys, and content analysis. However, there are many *Second Life* insiders who know a great deal about the world and its consumption. Interviews – rather than surveys – were therefore used to pose broader questions around in-world consumption to a limited number of *Second Life* insiders and experts. The questions posed were informed by the participant observation, survey, and content analysis research that had already been done, and were intended to offer residents a chance to react directly to the preliminary conclusions. Seven residents were selected based on their knowledge of and involvement with the world. These residents are long-time *Second Life* participants of at least two years. They are also actively engaged in the world, regularly participating in and, in some cases, writing or blogging about, in-world activities. These residents responded to questions in detail, some writing many pages. This approach allowed them to offer their opinions and perspectives based on their extensive experience, further broadening the approach.

Interview participants were given the option of a more traditional interview over Skype, IM, or within *Second Life*. In order to make the process as easy as possible, they were also offered the opportunity to receive interview questions via email or as a *Second Life* notecard. All residents selected the latter two options, with many citing busy schedules and *Second Life* commitments. The relatively limited number of questions allowed interview subjects to respond to questions fairly quickly. In order to maintain a more standard interview format, additional questions arising from the responses could be

asked in order to carry on a discussion. However, most residents were so thorough in their responses – with some writing multiple pages – that this approach was unnecessary.

The main concern with this approach was its reliance on what might be considered somewhat leading questions, especially given the summary of the preliminary conclusions. While offering conclusions could possibly be construed as leading, the fact that residents were already established and often vocal about their opinions on *Second Life* increased the likelihood that they would disagree if they felt it was warranted. Furthermore, they were expressly asked if they disagreed in the first question in the hopes of prompting a genuine reaction. This approach was effective, with some expressing disagreement or indicating elements that they thought were missed or downplayed.

4.8 Research Ethics

Beyond the specifics of this research, there are also more general issues that should be considered. In some cases these issues are specific to this work, such as the ethical concerns around risk to participants, problems with generating pseudonyms for *Second Life* residents, age verification, and the need to respect and meet the Terms of Service (ToS) and codes of conduct set out by Linden Lab. In others they are broader, and more focused on some of the standing issues and concerns with conducting research online. These concerns are centred on the research validity of working with virtual selves and the possibility of participant deception.

Ethically, this research posed little risk to participants. At most, some questions asked participants to carefully consider and evaluate their online consumption patterns, the way they interact with and experience the virtual world, and their virtual lives in general. It was possible that these practices could have lead to discomfort on an individual level (for example, at the realization of how much money is being spent on virtual goods, feelings on inadequacy at a lack of virtual goods, or negative situations that were experienced within *Second Life*), although these results were neither expected nor anticipated. Excluding this possibility, there were no other anticipated risks to research participants, and none were experienced over the course of this research. Had any issues arisen, they would have been dealt with under the counsel of the dissertation committee.

Given its subject matter and the age divisions in *Second Life*, this research was not intended to include minors. However, it is impossible to definitively confirm the ages of individuals involved in this study. Different measures were used to give as much assurance as possible that there were no minors in the study. First, participants were required to confirm their age when signing up for the online surveys. Second, participants were recruited only from the main *Second Life* grid and not from the one that was, at the time, designated for minors. Finally, because it could not be guaranteed that most minors present, the survey and interview questions were low-risk and would not harm any minors who ignore the other measures designed to keep this research to those of legal age.

The final issues specific to this research that needs to be addressed is adherence to the rules set out by Linden Lab for According to *Second Life*'s Terms of Service (ToS), no resident may share conversation logs without the consent of other residents involved. However, commentary in publically available online forums can be considered public for research purposes, especially if there is no reasonable expectation of privacy (Bruckman, 1999). Given this stipulation, although publically available content is used in this research, any conversation that does not meet this criterion – either because it was overheard or because the resident was unavailable to grant permission – will be paraphrased in addition to the standard measure of changing the name of any residents in question.

4.9 Additional Research Considerations

Given *Second Life*'s varied population and the recruitment of participants through forums and the virtual world, there are concerns around the representativeness of this data. Recruitment through forums and the in-world classified ad system is often assumed to draw more established residents. However, the breakdown of research participants suggests that respondents were relatively equally divided between newer and more established residents. 17 percent of respondents were in *Second Life* for up to a year, while 61 percent were residents for between one and four years, or around 20 percent per year. The remaining 22 percent were in *Second Life* for over four years. As a result, new

residents are almost as represented as more established residents within the survey sample.

Similar issues exist with the forums, which are also likely to provide commentary from more enthusiastic or established residents than may be representative of the population at large. Furthermore, forums are more likely to attract residents who are relatively happy with their experiences, and therefore involved enough to become forum participants. Because this research is concerned with the effects of consumption, especially with respect to things like power, status, and inequality, it is theoretically possible that these issues will be underrepresented in a population of residents who remain involved and presumably happy within *Second Life* and who may not have experienced these issues. However, given that the focus of this research is on consumption practices and their effects, residents who are actively involved in the world are ideal research subjects since they are more likely to have had and thought about in-world experiences. The 90 percent attrition rate associated with new residents (Clay Shirky, quoted in Ammirati, 2007) also suggests that those who are not interested in the world will simply remove themselves. As a result, although *Second Life* has a large number of registered users, those users who are active on the forum are more likely to be representative of the active *Second Life* population and those who are engaging in virtual consumption, rather than residents who are not regularly involved with the world.

While it would be ideal to determine the demographic characteristics of the world's population and to develop a representative sample based on this data, this approach is also somewhat problematic based on the virtual nature of the world. First, demographic data for the world is not readily available. This makes determining what would constitute a representative sample rather difficult. Second, because residents are often reluctant to participate in research, insisting on a representative sample could limit the pool of participants. Finally, the focus of this research is on in-world consumption practices, meanings, and consequences. Practices associated with consumption in *Second Life* are linked to the identity of the avatar. This makes basing this research study on offline demographic information impractical, since offline identity is not necessarily linked with online identity and its associated consumption. Furthermore, while offline

individuals develop and construct their online identities, to focus on their demographic characteristics is to privilege the offline over the online. Given the degree to which *Second Life* residents value their online identities, retaining the online self as primary is important to this research.

Other considerations that need to be made with respect to this research are related to online research more broadly. One common thread in virtual worlds research is a questioning of the link between the online and offline self (Koh, 2002; Schiano & White, 1998; Taylor, 1999). It is important to note that, as yet, there are no clear guidelines setting out the limits between the online and offline self, which is usually a highly individual distinction. The absence of such guidelines has raised the question of whether research is being conducted with the offline or the online self, and whether the difference – if any – between the two constitutes deception or, more broadly, in any way undermines, compromises, or problematizes online research through increased opportunities to deceive the researcher (Hine, 2000).

This research is concerned with the ways in which *Second Life* residents engage in consumption. Whether this consumption is being engaged by the offline or the online self or persona, the greater concern here is what meanings are being attached to these practices and their effects on interaction within the world whether they are associated with the needs and desires of the offline self or an actively constructed online persona that is different from but still a product of the individual in question. Whether residents value the offline the online version of their identity, it is their practices, motivations, and experiences that are of interest in this research.

4.10 Methodological Summary

Although there were a number of issues to be dealt with in terms of approach and practice, this methodological arrangement allowed all of them to be effectively addressed while gathering a comprehensive view of consumption practices, meanings, and effects in *Second Life*. Rather than relying on assumptions about how participants seem to be thinking of and responding to consumption in virtual worlds, these methods allowed for actual consideration of users' thoughts, feelings, responses, issues, and observations

around these practices. By using multiple methods, it was possible to gain an in-depth understanding of the practices and roles of virtual consumption in online social worlds. While no one method is perfect, this combination offered an opportunity to balance the biases and limitations inherent in certain methods with the strengths of other approaches.

5 Consumption Practices

According to Philip Rosedale, founder of Linden Lab and *Second Life*, “When we’re all given the ability to be quite creative, compared to real life, we take it. We seem willing to be creative to a degree that there doesn’t appear to be any end to. We will sort of make our environment and share it with others and meet people and make things with them” (2006). This statement sets out many of the ideals on which *Second Life* is based. Within the virtual environment, creativity is on display, since residents have the freedom to create anything they desire. It can be seen in everything from the many types of activities and events to the detailed buildings, landscapes, and other constructs that fill the world.

Before *Second Life* was publicly released, its development was largely focused on creativity and collaboration (Au, 2008c; Malaby, 2009). While these ideals were retained, the world was changed and expanded, eventually incorporating an economy to increase its commercial viability (Au, 2008c). *Second Life* has retained many of its initial ideals even as consumption has become important an element of the world. To this day these ideals are contained in *Second Life*’s official site and used to explain virtual life. The site, for instance, hosts a series of videos detailing features of the virtual world. These include creating, socializing, exploring, attending events, sharing ideas, and shopping, and frequently mention the customizability, control, and freedom available to residents. For instance, the introduction states, “*Second Life* is an online 3D virtual world imagined and designed by you” (LindenResearch, 2009).

There is little denying the impressive range of groups, events, destinations, and activities available to residents. However, even with these many different features and focuses, there is also little denying consumption plays an important role in *Second Life*. This importance is illustrated by the fact that one entire section of the introductory slideshow is devoted to shopping, while other activities are assigned to categories such as “meet people” and “be creative”. The emphasis on consumption is also carried through

other sections of the introduction. It is seen in the section on creativity, for instance, which mentions making goods to sell, and in the welcome section, where consumption is discussed in relation to customizing and changing an avatar (LindenResearch, 2009). Although consumption is important on its own, it is also linked to other elements of virtual life. It is an important component of the virtual lives of the world's residents by virtue of the ways in which and degree to which it is practiced.

5.1 Consumption Possibilities

While there are a huge number of activities within *Second Life*, shopping is common. One defining feature of the world is the variety of virtual goods and the degree to which they are accessible. Moving through the world, the availability of items for consumption is apparent. Even starting areas for new residents either have a variety of virtual goods, or a way to teleport to locations that do. Touring the world shows that this focus is common to many sims (short for simulations – *Second Life*'s term for land), including those focused on activities, entertainment, and education in addition to those specifically intended for shopping and consumption. In addition, thousands more virtual goods can be acquired through the web-based marketplace, which automatically delivers virtual goods to the avatar's in-world inventory.

Given that content is almost exclusively user-created, almost anything that is available offline is available within *Second Life*, alongside items that are only possible in a virtual space. Within the realm of the possible, residents can acquire clothing, accessories, houses, furniture, pets, plants, books, and electronics. Moving into the realm of the impossible, they can also obtain complete new bodies, functional wings, flying submarines and pirate ships, pet unicorns and dragons, underwater houses, and fantastical avatars.

Virtual consumption is used in a wide variety of different ways from changing the body to acquiring land, and from engaging services to collecting tools with which to build. Given the primacy of the virtual body, a lot of consumption is focused on the avatar. With respect to the body, avatars can acquire new features and body parts, such as skin, hair, eyes, and body shapes. They can also obtain new "skins" that can turn them

into anything ranging from an attractive woman or a spider to a robot or a flying dragon. In turn, clothes and accessories can be used to alter the avatar more superficially. Perhaps the most basic and prevalent examples of these goods are clothing, but there is a wide range of other items, from jewelry and purses to halos and pets that attach to the avatar. Also associated with the body are goods that are used by the avatar. Items such as vehicles – from bikes and cars to flying boats and steampunk dirigibles – and animals that can be ridden – from horses and camels to tigers and zebras – can alter movement and speed. This is also true of goods like crutches and wheelchairs, which can alter how the avatar moves.

Beyond appearance, there are also goods to alter how the body functions. Scripts, poses, and animations are invisible, but alter how the avatar body moves. These additions change how avatars perform particular movements. There are, for instance, a large number of scripts that change how avatars walk, replacing the unpopular default “duck walk”. There are also scripts that add movements to characters and which range from complex and varied dances to movements that simulate virtual sex. Given that the options available natively within the world are somewhat limited and considered to look awkward (Jewell, 2007; Rymaszewski et al., 2008), poses, scripts, and animations offer new ways of moving the body.

Moving away from the immediacy and universality of the virtual body is the consumption of land and goods associated with land ownership. For those who pay for premium accounts, virtual land can be bought from Linden Lab. For residents who do not want to upgrade their account but are still interested in having access to property, land can be rented or purchased from landowners. Buying land is an act of consumption in and of itself; however, land ownership also enables and, in some cases even requires the purchase of related goods.

In terms of land itself, there are two kinds of land that can be purchased: mainland and private estates. Mainland is a series of interconnected regions created when deemed necessary by Linden Lab. This land can be bought in a variety of difference sizes. Land that is under 512 square metres is not subject to land use fees; however, larger parcels are

subject to fees based on size. Depending on the amount of land owned, the monthly land use fee ranges from \$5 USD for 512 square metres to \$195 USD for a full region. Private estates are also available for purchase; they are 65 536 square metres and require a \$1000 USD set up fee in addition to a \$295 USD monthly maintenance fee. Land offers residents the opportunity for investment and for increased engagement with the virtual world. Despite the associated costs, land ownership is compelling enough that about 20 per cent of the world's 75,000 premium account holders own land (Au, 2009b).

Land ownership can be a business investment in and of itself. Resident Anshe Cheung, who was featured on the cover of *Business Week* (Hof, 2006), is reported to be "the first online personality to achieve a net worth exceeding one million US dollars from profits entirely earned inside a virtual world" (Chung, 2006). Among her forays into virtual entrepreneurship, the most lucrative is land ownership, where buying, selling, and renting can be profitable (ibid). Land ownership can also be a more indirect business investment. Residents who own land can set up their own businesses including rentals to other residents, stores, shopping malls, and arcades. In these cases, the buyer is able to hold onto the land while still receiving a profit, either from renters or from the revenue generated by activities or structures.

With access to land come additional opportunities to engage in *Second Life* by setting up a business, virtual home, or other type of personal space, and to purchase and use additional virtual goods. Land makes it possible to use virtual goods such as furniture, art, electronics, swimming pools, and other goods that need to be positioned on land. While there is nothing stopping landless residents from acquiring these items and keeping them in their inventories, having land on which to place these items – as well as through which other people might see them – makes it possible to use these goods. While *Second Life* land is not considered to be cheap – especially after a controversial October 2008 decision to raise land prices – it does allow residents the opportunity to have their own piece of the virtual world with which to do what they please. The importance of access to personal space is also demonstrated in the recent addition of Linden Homes, where residents with premium accounts receive their own house.

While consumption is often focused on pre-made virtual goods and land, the tools with which to create virtual items can also be acquired in *Second Life*, a form of consumption that is very important to content creators. In-world content is almost exclusively user-created. The environment includes basic building tools that are freely available to any resident and included in the world's interface. For more complex items, however, creators, designers, and developers may need to acquire more specific tools such as textures that mimic particular materials and scripts that cause items to behave in particular ways. These goods are readily available within the world and through the marketplace, both in free and more costly versions.

Finally, although different from more conventional consumption of goods – virtual or otherwise – residents can also engage in consumption through making use of services. Services are attractive to residents without the time or skills for particular tasks or activities. In-world services include hiring a designer make a particular item, such as a skin or a custom-designed house, but also include services that are not involved in production, such as hiring models, dancers, party-planners, escorts, DJs, interior designers, stylists or photographers.

5.2 Virtual Currency and Consumption

Since some virtual goods must be paid for, consumption can require that residents have money to spend. *Second Life* uses its own currency, known as the Linden Dollar (L\$), or Lindens. There are a few ways that residents can get Lindens to spend. In some cases, residents receive Lindens from Linden Lab. In the early days of *Second Life*, residents were given an allowance for every week that they logged into the world. While the allowance was relatively small – L\$50 per week (around USD\$0.20) – even small amounts could accumulate enough for an occasional purchase. This allowance was available in 2004, but has since been removed (Llewelyn, 2007). Residents who sign up with validated identity information still get Lindens in the form of a sign-up bonus of L\$250 (about USD\$1). For premium account holders, a weekly stipend of L\$300 (about USD\$1.20) is provided, in addition to a sign-up bonus of L\$1000 (about USD\$4) for validated accounts (LindenLab, 2009b).

Another way to acquire Lindens is by working. There are a number of ways that this can be done. “Camping” allows a resident to stand, sit, or dance for a period of time in a designated spot for a small amount of money. The owners of camping spots are willing to pay out a small amount of Lindens – frequently five or ten – for a set period of time ranging from 15 up to 90 minutes. While avatars receive a few Lindens, camping is beneficial to the owners of the land. With more avatars present, the sim’s traffic is increased, raising its search rankings and popularity (Llewelyn, 2007). Greater popularity makes it more likely that avatars will visit, further increasing the traffic and also bringing in more people who may have money that they are willing to spend there, or individuals who want to rent land in an area with high traffic. This is generally a slow way to make money, and good for only a few Lindens at a time.

There are, however, other virtual jobs that pay more. *Second Life* professions include designers, party planners, escorts, models, photographers, real estate brokers and developers, and stylists. These professions generate a much greater rate of pay than camping, although rates vary. Photo shoot models can make L\$100, while DJs may receive L\$500 plus tips. Dancers can earn L\$30 an hour plus tips, while some photographers charge L\$200 for one picture, or L\$700 for a full modeling portfolio (ProfileSLive, 2009). Furthermore, these rates are relatively low compared to those associated with more well known *Second Life* professionals. For instance, models affiliated with *Second Life* modeling agencies make upwards of L\$400 for a runway show (Parker, 2009). Similarly, a professional photographer states that her “an hourly rate starts at L\$7000 (about \$20 dollars per hour) and photo sessions are minimum L\$500” (Pearl, 2008). Rates for those with even more technical skills in modeling or scripting are in the range of USD\$25 to \$60 per hour (Pelican, 2009). Although there are many options for work, the rates of pay can be highly variable depending on the job, skills involved, and level of experience.

For residents who do not want to work, begging may be appealing. This practice, however, is generally considered unacceptable, and is not a productive way to make money. The *Second Life* Newspaper notes that, “Some respondents on the group chat window get very angry; some just mute the beggar and close down the window. Others

will lecture them on the morals of begging, still others quote the TOS” (Trefusis, 2009). Even in contexts in which begging makes sense, begging in *Second Life* retains its stigma. In exploring Buddhism through *Second Life*, one resident reports that even begging in the way traditionally associated with monks was an issue, and that she was asked to stop. In her account, she writes that, “Begging, regardless of your reasons, is a huge no-no in the libertarian capitalist paradise of *Second Life*” (N, 2009).

The final way that residents can make Lindens is by buying or exchanging them for offline money. This can be done directly through Linden Lab on the official *Second Life* site, or through a variety of intermediaries. Lindens can also be acquired through in-world terminals. Although it is often referred to as “buying” Lindens, this process is reversible. Residents with Lindens are also able to exchange them for offline currencies if and when they desire at rates that are generally between L\$250 and L\$280 to USD\$1.

Survey respondents are fairly even split in terms of how they acquire Lindens. The only outlier, with the most respondents, is buying Lindens. 70 percent of respondents indicated that they had purchased Lindens. 25 percent receive an stipend with their account, 23 percent use free sources like camping chairs and surveys, 32 percent sell virtual goods, 20 percent sell services, and 20 percent work for someone else. In addition, 16 percent indicated that they acquired Lindens in other ways, including contests, gifts, stripping, playing games, and dancing for tips. While more respondents purchase Lindens than any other option, they do make use of a wide range of opportunities for increasing their in-world wealth. These methods are not mutually exclusive, and all can be combined in order to more easily acquire currency.

Once residents have currency, most virtual goods are relatively simple to acquire. To purchase items that require payment, the avatar right-clicks on a sign, billboard, or box showing what they want, or on the item itself if it is on display. A text box appears in the top right hand corner of the screen asking for confirmation that the resident wishes to spend \$X Lindens on the item in question. If they agree, money will be removed from their account, the item will appear in their inventory, and a confirmation message will appear on the screen. This process is the same for items that are free. When acquiring a

free item, the confirmation text box will show a value of \$0. Apart from *Second Life*, residents are also able to acquire virtual goods through sites like the web-based marketplace. Although they must be logged in to *Second Life* for the transactions to complete, purchased items are delivered to the avatar almost instantly.

The relative ease of obtaining currency and virtual goods is likely a factor in the 464 000 economic participants in Q2 of 2011, in addition to the USD\$30 million in resident purchasing power and the L\$1.15 million in web sales (LindenLab, 2011a). However, residents also need items on which to spend their currency, necessitating the production of and access to a wide variety of commodities that can be purchased within the world.

5.3 Production

The range of goods available within *Second Life* is the result of in-world production. Almost all of the content found within the world is user-created (Rymaszewski et al., 2008). Therefore, almost every shirt, tree, house, car, bike, hairstyle, shoe, lamp, and pet has been built by a resident. Production is made possible by platform's building tools that can be used to create objects. Building is based on the use of primitives – usually referred to as prims – which are basic shapes that can be adjusted and joined to other prims. While the tools create basic building blocks like cubes and spheres, these blocks can be shaped, modified, and combined to create complex objects (for a particularly complicated use of these tools, please see (Dingo, 2006)). Additional objects, items, and pieces of code can be created with computer programs and uploaded to the world. This flexibility makes it possible to create almost anything a resident might desire, and with millions of registered users, there is a great deal of imagination and creativity from which to draw.

Production is also facilitated by the fact that residents retain intellectual property rights to their creations. Because residents put time and effort into their creation and may be interested in selling their goods to other residents for a profit, ownership is an important consideration. *Second Life*'s Terms of Service state that, “You retain any and all Intellectual Property Rights in Content you submit to the Service” (“Terms of

Service," 2011). Because it appeals to residents, this feature has been linked to the creation of goodwill towards Linden Lab (Herman et al., 2006). Speaking to this feature, Philip Rosedale writes,

We recognized that there was a core of people who were really starting to want to build the content and invest in it and really value it. And we said, What you have in *Second Life* is real and it is yours. It doesn't belong to us. We have no claim to it. Whatever you do with *Second Life* is your own intellectual property. You can claim copyright on it. You can make money. (Rosedale, 2007)

For residents, this means that they are free to create goods, give away or sell them, and profit from the things that they have made. In turn, they are also protected from having their creations copied without their permission.

The ability to create goods and retain intellectual property rights is different from the conditions imposed in many video games. Although many video games make it possible to make virtual goods, these goods are often limited to a set number of trade-specific items, such as armor or potions. In effect, this also limits the market both in terms of items that are available and in terms of how much players can charge from them, since many people can make only the same things. Similarly, it is also different from some other virtual social worlds in which users cannot create their own unique items or where companies retain rights to what is created within the world. Because *Second Life* residents are able to make what they want and retain their intellectual property rights, creation and production are important elements of virtual life.

Creating virtual items is common in *Second Life*. 63 percent of survey respondents indicated that they made virtual items. For respondents, the most common items to make were furniture (56 percent), houses (49 percent), and clothing (44 percent). 35 percent also indicated that they made items other than those included in the question itself, and offered specific answers. Shoes, adult products, weapons, armor, animations, antique items, Neko accessories, tattoo layer makeup, skyboxes, ornaments, and tip jars were all mentioned. While many of these items could be classified within the set

responses for this question, this specificity suggests that importance of creation for residents, who wish to be clear about what exactly they make.

Residents create for a variety of reasons. 90 percent of residents who make virtual goods say that they use the things that they make. Beyond their own use, 57 percent indicate that they sell their virtual goods and 43 percent give items away as freebies. 29 percent also give what they make to charitable causes. Of those who do not currently sell items or give away items as freebies or for charity, 47 percent indicated that they planned to sell items in the future, 31 percent planned to release freebies, and 40 percent planned to give to charity. Furthermore, when asked about how they got Lindens to buy in-world items, 16 percent of respondents said that they sold virtual goods. Using their items is important to residents, but selling and giving are also important motivations for making virtual goods.

Examining consumption through the web-based *Second Life* marketplace provides a similar picture of content creators. The site offers a range of goods and, as of September 16, 2011 had 1 808 881 items listed for sale (LindenLab, 2010c). Thousands are given away for free, but whether paid or free, these items are made available by thousands of residents. While the marketplace does not indicate whether residents are using their own creations, the fact that these goods are made available to other residents indicates that residents are actively creating, selling, and buying virtual goods for others to acquire and use.

Although there are no physical materials required to create virtual goods, there can be costs associated with creation. Costs include uploading, buying, or making textures, scripts, animation, and other elements that are used in building. Uploading a texture, for instance, costs L\$10, although they are also widely available for prices that range from free to L\$19995 for a pack of 2000. Similarly, while there are free scripts available, prices are often higher. While these items are not absolutely necessary, they provide more options for building, and offer tools to resident who may not be able or willing to create their own.

There can also be costs associated with the creation of goods outside of *Second Life*, especially when using computer programs to create items than are uploaded to the world. Although free software is available (Nino, 2009), some creators use programs like Photoshop, which retails for upwards of \$699 USD (Adobe, 2009). These programs are not strictly necessary, but designers appreciate them for their sophistication, ease of use, and their pre-made templates for making items like clothing and hair (LindenResearch, 2008). That said, although scripts, textures, and programs can be expensive, they can usually be reused, lowering the relative cost of the purchase with each use, especially when virtual goods are being sold.

Although there are financial costs associated with some of the elements used to create virtual goods, other costs exist in terms of time. This time commitment can be seen in two ways. In addition to the actual time to create an item is the skill level of the designer or creator, which takes time to build. This difference is visible in the costs often associated with the work of recognized designers versus those who are relatively unknown. A skin created by a relatively unknown or inexperienced creator, for instance, can cost as little as L\$100, while well-known designer Chip Midnight sells skins for L\$4000 in his stores.

While producers who make their own goods do not necessarily have to consume, the fact that they may need scripts or textures to complete their work, or items that they are not capable of making themselves, can tie them to the world as both producers and consumers. This form of production in *Second Life* has been referred to as “creationist capitalism”, or “a mode of capitalism in which labor is understood in terms of creativity, so that production is understood as creation” (Boellstorff, 2008). This process can also be linked to the idea of the prosumer, which acknowledges individuals who both produce and consume (Ritzer & Jurgenson, 2010). This process is visible in *Second Life*, where residents produce the things that they consume. With 63 percent of residents creating and 98 percent consuming, *Second Life* residents are frequently prosumers who are likely to both create and consume in-world content.

Although residents produce items for their own use, they also shop from other vendors. 94 percent of survey respondents answered the question “What are your favourite places to shop in *Second Life*?” with either particular stores or general statements about shopping around and finding new favourites. Even though many residents are creators who use their own items, many are shopping in other locations and making purchases from other vendors. For instance, one respondent writes that, “all my clothes from morea.. im myself a clothe creator, but the clothes from morea are just perfect. and i can add, boots from bax too [sic].” This practice offers greater variety in terms of what is available to a resident, and ensures that they can not only acquire what they do not produce, but that they can get new, interesting, and exciting virtual goods.

As with any commodity, virtual goods have varying levels of quality, even though they are not material. Low-quality goods suffer from a variety of issues including no interactivity, poor construction, improper scaling, erratic scripting, and a general lack of attractiveness. Conversely, more skilled producers can create goods that are aesthetically pleasing and that work effectively (Weber, Rufer-Bach, & Platel, 2008). Furthermore, residents who consistently create useful, functional, interesting, and high-quality items begin often gain recognition, which can then be used to help develop a brand identity. Brand identity is usually defined as the particular associations, positioning, and perceived personality that allow consumers to identify with the brand (Aaker, 1996). Within *Second Life*, brand identity is one way for producers to attract and maintain customers who purchase the goods that they produce.

5.4 What is Consumed

The range of goods available within *Second Life* is a good indication of the freedom of the virtual world and of residents’ willingness and desire to create, have access to, and use such goods. However, not all goods are consumed to the same degree or the same way. It is in the differences in consumption and the patterns associated with such practices from which some of the meanings and effects of consumption can later be discerned.

Some research has been done on consumption practices within *Second Life*. These studies are limited, though, and focus largely on the practices of consumption without investigating their meanings or effects. Studies have been conducted by Reperes, a market research firm, who note that, “we wanted to examine residents’ attitudes and usages towards shopping, with a particular emphasis given to the prices and suggestions for improving the shopping experience (Reperes, 2006, p. 4). Conducted between December 20 and 25, 2006, this research is based on a panel of 419 residents who were instructed to focus on their avatar, not their “real” life (ibid, p. 5). 46 percent of the group rated themselves as beginner users, 47 percent as confirmed users, and seven percent as expert users (ibid, p. 7).

Survey respondents consume regularly, indicating that they frequently acquire both paid and freebie items. Although 7 percent of respondents indicate that they never acquire freebies, 13 percent acquire them daily, 36 percent weekly, 34 percent monthly, and 10 percent annually. For paid virtual goods, one percent of residents indicate that they never purchase goods, while four percent buy them annually and 21 percent monthly. However, 54 percent buy virtual goods weekly, and another 20 percent buy them daily. This data indicates that almost 75 percent of respondents are paying for virtual goods on a weekly basis, with almost 50 percent acquiring freebies. Reperes data coincides with these results, suggesting that 72 per cent of residents go shopping weekly even if they do not make a purchase, and shopping frequency increases with *Second Life* experience (p. 12). Over half of respondents made at least weekly purchases, with 38 per cent of experts and seven per cent of beginners buying things on a daily basis (p. 13).

For residents to be able to shop to this degree, there must be items to be acquired. Almost anything imaginable is available in *Second Life*, but some goods dominate the landscape. The most available are those linked to avatar appearance. Clothes, accessories, hair, eyes, skins, and tattoos are all readily available and outnumber other types of goods, such as those associated with land or building. On June 3, 2011 the marketplace had 414331 listings for apparel, 154768 for avatar accessories, 84939 for avatar appearance, and 43522 for animations. Even assuming that some listings are

featured in more than one category, these goods drastically outnumber the 190027 listings for home and garden and the 93425 in building components.

The availability of avatar-related goods is not a coincidence. These goods are the most available because they are also the most desired and consumed. The reasons for the dominance of appearance related items is related to the focus on and importance of avatars, as well as access to land and the membership structure of the virtual world. All *Second Life* residents have an avatar. While not all residents have land to customize or the desire and skills to create their own items, everyone has a virtual body that they can change. Furthermore, avatars are almost infinitely flexible and changeable, which makes it desirable to have large inventory of appearance related items. As a result, avatar-related items are the most available.

Survey data suggests the same concern for the avatar over other elements of virtual life when residents engage in consumption. In terms of freebies, 91 percent of respondents had acquired clothes, 91 percent hair, 65 percent skins or avatars, and 63 percent jewelry. Although 66 percent of respondents had acquired freebie textures and 65 percent furniture, other land- and building-related goods were acquired less than avatar-related items. Rates of consumption are similar with paid items. 99 percent of residents had purchased clothing, 91 percent hair, 91 percent skins or avatars, and 70 percent jewelry. Reperes' results also suggest that consumption is focused on the avatar. In this study, 87 per cent of respondents bought clothes, 70 per cent bought body parts, and 63 per cent bought accessories (2006, p. 11). These items are linked to the avatar, and reveal its importance for consumption.

Conversely, while they remain available to anyone who wants them, it is less common to see advertisements and stores focused on houses, furniture, electronics, art, and other, more domestic goods. It is also less common for resident to purchase these items. While all residents have an avatar, up to 80 per cent of residents do not own land on which to use such items (Au, 2009b). While residents may temporarily set up houses and furnishing in sandboxes – areas of *Second Life* where all residents are able to build – these areas do not allow permanent residence, and items will usually be returned to their

avatar's inventory after a period of time. As a result of the lack of land, the virtual body is one of the few avenues of expression available to the landless, greatly increasing the desire for goods to customize avatars over other commodities.

Survey respondents acquire land-related goods less frequently than items for their avatars. Furniture is more commonly acquired than most other goods, with 65 percent acquiring freebies and 72 percent making purchases. Furthermore, with houses, only 47 percent had a freebie and 56 percent had one that was purchased. The Reperes study further supports the importance of the body over virtual land. In their research, none of the remaining categories are purchased by more than 30 percent of respondents with furniture at 29 percent, cars and other transportation at 20 percent, and houses at 19 percent (ibid). These items are still available, and Given the unlimited capacity of *Second Life* inventories, it is also possible for residents to buy houses, furniture, electronics and other items that they may not be able to use, and simply keep them in their inventory indefinitely or until needed ("Inventory," 2009). However, they are still not as commonly acquired as items that can be used with the avatar.

Other forms of consumption are also somewhat limited. Access to land is not uncommon among survey respondents, although not always through ownership. While 22 percent of respondents owned land, only 26 percent had no access to land. For those who had access but did not own land, 36 percent rented, 13 percent had access as part of a group, and 29 percent knew someone who gave them access to land. Tellingly, when asked what they would buy if they had unlimited Lindens, almost all residents indicated that they would buy a sim, land, or a house. These statements suggest the importance of land in *Second Life* and make evident residents' desire for land of their own.

For those who owned land, a personal residence was the most common use, with 79 percent of respondents selecting this option, followed by 36 percent who used their land for building and 36 percent who used it for their own store. Similar proportions of use were found for rental land and land accessed through another resident. For rental land, 84 percent use their land for private residences, 44 percent for building, and 24 percent for their own store. For land accessed through another resident, 63 percent had a

personal residence, 48 percent used it to build, and 17 percent had a store. For shared land or land owned as a group, the breakdown was more spread out, with more of a focus on hosting activities, renting to other residents, teaching, and holding charitable events than on personally owned or rented land. Despite a relatively low level of land ownership, respondents still had access to land that they were able to use for a variety of purposes.

Services are also less frequently consumed than virtual goods. 28 percent of survey respondents indicated that they had used *Second Life* services. Of those who had, 65 percent had used services less than 10 times and 17 percent between 10 and 49 times. Of those remaining, four percent had used services between 50 and 99 times, two percent between 100 and 249, four between 250 and 499, and eight percent over 500. These numbers suggest that services are not widely or frequently used among residents. Of those who make use of in-world services, the five most common services were photography at 45 percent of respondents who used services, scripting at 40 percent, DJing at 32 percent, other at 26 percent, and building at 19 percent. Other services specifically mentioned included landscaping, musicians, escorts, and video stream rental. Those who do rely on services may do so in the context of a business or other in-world venture that necessitates relying on other residents.

5.5 Virtual Good Sales and Acquisitions

Given the volume of available goods in *Second Life*, it is also important to consider techniques used to increase consumption as an important addendum to production. Residents who want to sell or give away their creations need to get them to other residents. This process includes how goods are presented, where they are offered, and how they are made available to possible consumers. Consequently, businesses in *Second Life* rely on a variety of approaches to not only make their goods available, but also to raise awareness and increase their appeal.

There are numerous ways that producers can make their goods available to other residents. For instance, the landscape itself often contains ways to consume. Many sims contain stores, billboards, advertisements, and stand-alone boxes advertising wares. Even

in places that do not present overt advertisements, it is still possible to find virtual goods for sale, such as trees, benches, fountains, birds, or sculptures. Although these objects are not overt advertisements, they can be set up so that they are both part of the landscape as well as goods for sale. With some objects, hovering the mouse reveals information such as, the cost of the object and how it can be purchased. A tree, bird, building, bench, or balloon can therefore enable consumption at the same time it being used or enjoyed.

Positioning goods in this way is a form of virtual product placement. According to Shankar Balasubramanian, product placement is, “a paid product messages aimed at influencing movie audiences via the planned and unobtrusive entry of a branded product into a movie” (1994, p. 31). This definition focuses on movies, but the practice has also expanded to television, video games, and virtual worlds. The more important element of this definition is its focus on unobtrusive placement. *Second Life* product placement is not immediately intrusive or even, in some cases, noticeable, since the resident has to hover their mouse over the item to see that it is for sale. Furthermore, many objects would likely be there anyway – a landscape would look barren without trees, and a park should have benches – allowing items that are for sale to blend in. These items do, therefore, function in the same way as product placement in other media. They are there to be sold – albeit more directly than with TV or movies, since they can often be bought immediately – but they are not intended to stand out, or to ruin the feeling of a particular sim by promoting consumption over atmosphere or aesthetics.

More conventionally, goods can also be sold in stores. Developers can own their own store, rent a store, or sell their goods – sometimes on commission – through other residents who own stores or land. While many residents sell their own work, it is possible to sell the work of others. Of the survey respondents who offer virtual goods, 77 have made everything they sell, while two percent sell only things made by other people and 21 percent sell both their work and that of others. Apart from stores, advertising signs or boxes through which items can be purchased can be put out in the open wherever the designer is able to get permission. Finally, goods for sale may also be sold through a virtual marketplace or web site.

Despite its importance, making goods available is only a part of the sales process. Having people locate and then buy a particular item can be a difficult process, especially in light of the huge volume of virtual goods. These difficulties can also increase with purchasable items that have to compete with the freebie economy as well as with other goods that are for sale. In order to attract residents to particular venues or designers, different approaches can be used. The online marketplace offers the advantage of detailed, in-depth descriptions of virtual goods, as well as reviews from other residents. Conversely, although there are fewer opportunities for description in *Second Life*, selling in-world offers the benefit that there is no extra step needed – such as opening a web browser and logging into the marketplace – to locate and purchase goods. Furthermore, in-world stores can rely on merchandise and location to attract consumers. Offering freebie items can attract residents who may then buy something else that they like. Similarly, participating in “hunts” – essentially scavenger hunts through the world that allow residents to acquire free goods – can introduce residents to stores and designers. Situating a store in a popular or well-regarded sim can make use of the awareness that already surrounds the site. For goods focused on a particular purpose or community, such as role-playing, associating the store with a community can similarly make it easier to locate. More generally, increased popularity and recognition can set a store or designer apart from others and attract consumers. This awareness can be established through developing a well-regarded brand identity that will be remembered, discussed, and even recommended by residents. In turn, by attracting customers, the store or designer can rise in the search rankings, making it even easier to find.

5.6 *Second Life* Economies

With the combination of currencies, exchange, production, consumption, and user-to-user transactions, *Second Life* has its own economy (Ondrejka, 2004). In turn, this financial system is intrinsically linked to offline economies. While these elements of the economic system are important, perhaps the most significant element is the presence of multiple economies. Given the complexity of in-world interactions, as well as a few other features, *Second Life* can be said to have multiple economies – the general

economic system of the world, but also what can be described as sub-economies, which include the freebie, dollarbie, and market economies.

The overarching *Second Life* economy is based on the in-world currency. Because of its reliance on the exchange for the Linden dollar, this economy is also linked to offline economies. At the end of the first quarter of 2010, the *Second Life* economy was valued at over USD\$160 million, up a reported 30 per cent from the first quarter of the previous year (LindenLab, 2010b). Similarly, sales through the marketplace, were also said to be up 23 per cent from the previous quarter, and 82 per cent over the same quarter of the previous year (LindenLab, 2010b). While there are no immediate details about the effects of this economy on offline economies, its economic strength and growth suggests that virtual worlds are their own industry, and one that can have a significant impact on wider economies.

These numbers highlight the value associated the economy but also suggest that *Second Life* is focused on one main market economy, based on currency-based transactions and sales of goods and services. However, alongside the market economy are other economies that are also have influence on the economy as a whole. In this way, the breakdown of the *Second Life* is similar to offline economies. Offline economies do have many of the same overarching structures as *Second Life*, but they also have additional smaller economies, such as those built around barter, trade and gift economies. These economies are often always as visible as the market economy, especially given that analysis provided by Linden Lab is focused exclusively on number-based economics and the market economy.

The major difference between offline economies and those found in *Second Life* is that within the virtual world these additional economies are more feasible, visible and accepted than their offline counterparts. In terms of feasibility, free goods are more easily created and distributed. Since materials are less costly, if not free, there are also few costs to recoup beyond business overhead. Finally, due to their feasibility and visibility within the world, use of these additional non-market economies is also more acceptable within *Second Life*.

5.6.1 Consumption in the Freebie Economy

Despite the sale of goods, there are many free goods available to residents. Freebie items are, as the name suggests, goods that are available for avatars to acquire for free, although the system used for freebies is usually the same as for paid purchases. Estimates suggest that there are thousands of freebie items available in *Second Life*, with some in-world sites offering up to 5000 freebies on their own. Many thousands more are also available through online sites such as the marketplace and other web-based venues (Percival, 2007). The mechanics of freebie acquisitions function in the same way as regular purchases. In some cases, when a sign or a box advertising a free item is right-clicked, the item will automatically be delivered to the resident. Many others use the same system as paid purchases. Clicking on a box or sign for a freebie item pulls up the standard dialogue, which asks if the resident is willing to pay L\$0 for the item. Once the resident agrees, it will automatically be delivered to their inventory.

Another way of obtaining freebie items is by joining groups. As Llewelyn suggests, designers used virtual goods to attract people to their stores or to showcase the style and quality of their goods (2008). Some designers offer select freebies to those who join their groups, or regularly send out freebies to group members. For many residents, joining groups is way to get freebies of reasonable to very good quality. Joining groups associated with well-regarded *Second Life* stores – including stores like PixelDolls and Calico Ingman Creations – yields better quality hair and skins than are generally available as freebies without having to search.

Although it does not involve monetary transactions, the freebie economy is important to consider in relation to *Second Life* consumption since it has an effect on the world's market economy. Because they can be used as advertising for a product or brand, incentives to come to a store, or a way to introduce new customers to a particular item, freebies can attract and influence consumers, both in general and, specifically, as to how they spend money. Furthermore, freebies still bear many of the same associations that are found in more traditional forms of consumption. Choices are free, but the volume of goods available means that consumers still have great deal choice around what

they choose to consume and use. Choosing among freebie items and deciding what to acquire, keep and, use allows freebie consumption to have meaning.

That it is possible to outfit an avatar exclusively with freebies also alters in-world consumption. The freebie economy is important to study because it exists in tension with the market economy. For some insiders, the freebie economy detracts from the market economy. According to Gwyneth Llewelyn, *Second Life* businesses started giving away freebies because they recognized that only residents at the top of the economic pyramid were likely to purchase goods. While focused on economically established residents, businesses realised that newcomers were an ideal audience for old and low-quality products that they were willing to give away for free, and that might eventually prompt new residents to participate in the market economy (Llewelyn, 2008). In her detailed account of the *Second Life* economy, she writes that,

In despair, designers tried to give their content away as freebies, hoping to make themselves more popular (and show themselves as politically correct towards the “poor newbies”). Nothing could be worse. As Prokofy Neva put so bluntly several years ago, we’re flooded with freebies. Fashion comes and goes — nobody wears non-sculpty heels these days — and you can rely upon consumers to pay for new, fresh, innovative content. But you can’t fight freebies: they accumulate. Unlike content creators who retire products from the market (when they don’t sell, are out of fashion, or are replaced by better and improved products), freebies never disappear. And to worsen that, while in 2004 and 2005 wearing a freebie was considered hilarious — because they were of such poor quality! — the freebies of 2008 are of insanely high quality. In fact, whole communities have been popping into existence to help people to pick the very best among all freebies in the world — Fabulously Free in SL being perhaps one of the best examples. All these sites, these notecards, these people explaining where to get free things in SL are just increasing the magnitude of the problem. (2008)

In this account, the availability and quality of freebie items are important. While freebies have long been available in *Second Life*, the shift towards more and better freebies has happened gradually, but has had an effect on the market economy and on consumer expectations.

In her account, Llewelyn asserts that freebies are a way for designers to increase the popularity of their designs. Examining this statement with respect to the growth in residents and designers points to some of the tensions between freebies and the market. Freebies can help make designers popular. However, with increasing numbers of new residents to appeal to as well as long-term residents who may expect higher quality goods, freebies have experienced a rise in availability and quality. At the same time, an increase in the population of *Second Life* is also likely to signal an increase in creators. This increase, coupled with a population accustomed to freebies means there is also increasing competition to attract and keep customers, further increasing the number of freebie items in circulation and their quality.

This increase in freebies also has consequences in terms the market economy. Given the range and availability of freebies, there is no need for residents to spend money. These observations are confirmed and elaborated by other sources. Economic data suggests that approximately ten per cent of the world's population is actively participating in the market economy (LindenLab, 2010a). Because it is not necessary to engage in paid consumption, these numbers do not mean that the remaining 90 percent of residents are not engaging in consumption. In fact, the variety in avatar appearance and land use suggests that even if they are not paying for goods, the vast majority of residents are still consuming in some way. These observations are also confirmed through survey data. When it comes to shopping, almost all survey respondents indicated they had acquired freebies even if they had not purchased paid goods. Even when not consuming within the market economy, the prevalence and use of freebie indicates the importance of consumption within *Second Life*. In addition, it points to the role of inexpensive and even free items within the world, which enable residents to shop even when they are unable or unwilling to pay for virtual goods.

5.6.2 Consumption in the Dollarbie Economy

Within *Second Life*, it is possible to buy thousands of goods for L\$1. Using similar naming conventions to freebie items, these commodities are often referred to as dollarbies. Given the value of the Linden dollar, a dollarbie item is worth \$0.004 USD, or less than half of one cent. In *Second Life* dollarbie items serve a similar function to

freebies. They provide residents with inexpensive virtual goods, and can also be used as a sales technique.

One interesting feature of dollarbies is that they allow residents to learn about and participate in the market economy without spending a great deal of time or effort. These items are not technically free, but they are inexpensive enough to be acquired with a little effort. Because residents can easily make a few Lindens through camping chairs or surveys, dollarbies are fairly easily obtained without being free. With even just a few Lindens in virtual hand residents can purchase a variety of dollarbie items to add to their inventories.

Despite a degree of economic influence, the dollarbie economy is viewed in much the same way as the freebie economy. Condemnation of this practice are based on the fact that, “the number of profitable SL businesses has decreased in the second quarter of this year, and some are pointing fingers at freebies, which contribute to an oversaturation of content, and a presumption among newbies that they should spend little or nothing on *Second Life* items” (Au, 2008a). While Au specifically mentions freebies, his statement that residents expect to spend little or nothing also implicates low-cost items in economic issues.

Even though it has similarities to the freebie economy, the dollarbie economy requires independent consideration because it does ask for a marginal input of money from residents. The income generated by the sale of dollarbies is relatively small given the scale of the *Second Life* economy as a whole. In the first quarter of 2010 residents engaged in 24 967 090 transactions of dollarbies, with L\$24 967 090 or US\$99 868 spent. In an economy that saw US\$160 million in user-to-user transactions in the first quarter of 2010 (LindenLab, 2010b), dollarbie items account for 0.06 per cent of the total economy.

This amount is relatively small, but these small amounts are responsible for a significant number of transactions, even if their economic effects are marginal. Dollarbie items are the most common paid user-to-user transactions in *Second Life*. In May of 2010 residents purchased 8 453 256 dollarbie items. This number is especially notable

given that the amount of money spent in each category grows progressively larger, potentially increasing the number of transactions possible in each category. While the L\$1 category only includes items that are L\$1, the L\$500 to L\$999 has 499 different transaction amounts included. Furthermore, this category only accounted for 1 074 082 transactions, approximately 13 percent of the transactions made for dollarbies alone. Given the popularity of dollarbies, both on their own and relative to other items available within *Second Life*, the form of consumption should not be discounted despite its relatively minor effect on the market economy.

5.6.3 Consumption in the Market Economy

Second Life's market economy is comprised of transactions that involve an outlay of money. In the first quarter of 2009, *Second Life*'s economy was valued at \$120 million USD which increased to US\$160 million for the first quarter of 2010 (LindenLab, 2010b). With 86 289 808 user-to-user transactions, this amount was not generated solely by the purchase of dollarbie items, and certainly not from freebies. While a large percentage of sales are of relatively low-cost items, there are also a significant number of transactions that are for higher priced goods in the hundreds and thousands of Linen dollars.

Economic data confirms the existence of a market economy that goes well beyond freebies and dollarbies. In April 2009, for instance, there were 27 288 081 resident transactions (LindenLab, 2009a). Of these transactions, 9599106, or 35 per cent were for L\$1. Another 5 700 724 transactions, or 21 per cent, were made for goods between L\$2 and L\$19. This means that while the majority of transactions – about 56 per cent – were for fairly low cost goods, the remaining 44 per cent of transactions were for larger values. At the higher end of the spending range, 430 transactions – 0.002 per cent – were made with goods valued at over 500 000 L\$, with another 4769 – 0.02 per cent – valued at between L\$100 000 and L\$ 499,999. Of the remaining transactions, 10 per cent were between 20 and 49 L\$, 17 per cent were between L\$50 and L\$199, 8 per cent were between L\$200 and L\$499, 3.5 per cent were between L\$500 and L\$999, 3.6 per cent were between L\$1,000 and L\$4999, and 0.9 per cent were between L\$5000 and L\$19

999. These figures suggest that although there is significant trade in inexpensive items, almost half of the transactions are for goods valued at more than L\$1.

The prevalence of paid consumption can also be seen in the number of purchases and amount of money spent by survey respondents. 41 percent of respondents have acquired over 500 freebie items, while 57 percent have bought over 500 items. When asked about their most expensive purchase, only one percent of respondents had never spent any money, while three percent spent less than L\$249 and four percent spent between L\$250 and L\$2499. The majority of respondents spent over L\$2500 on their most expensive item, with 17 percent spending between L\$2500 and L\$12 499 and between L\$12 500 and L\$24 999, 22 percent between L\$25 000 and L\$124 999, 14 percent between L\$125 000 and L\$249 999, and 23 percent over L\$250 000. The fact that the majority of residents spent over L\$2500 and that highest proportion of residents spent over L\$250 000 on their most expensive item points to the importance of the market economy and also shows residents' willingness to pay for virtual goods.

As with freebies and dollarbies, these spending levels and the issues associated with them are recognized and discussed by *Second Life* insiders. James Wagner Au reports that,

While *Second Life* has about 500,000 monthly active users, T. Linden told me the company estimates that there are just 100,000 "heavy *Second Life* users", defined as Residents who run SL businesses, own land, or otherwise spend significant amounts of Linden Dollars in-world...The Lindens estimate a million Residents on average spend L\$ on a lighter basis monthly. (Personal interjection: and it's very likely those aren't the same million Residents from month to month, surely comprising many of the 400K or so new SL accounts created every month, most of whom churn out after the first log-in) (Au, 2009e).

Au raises a point about the *Second Life* economy that is worth further elaboration in light of its relevance to this analysis. In particular, the assertion that users are "heavy" or "lighter" suggests a perceived divide between residents in terms of their economic activities. This statement acknowledges that there is a group of residents that are not represented by heavier *Second Life* participants. These so-called "lighter residents," however, are likely to still make occasional purchases. For instance, survey respondents

who do not buy a lot of virtual goods still make less frequent or expensive purchases. Purchases tend to focus on goods that are perceived to be important and that are difficult to find for free. These items tend to include hair, skins, special clothing, or complicated scripts, animations, or poses. As one respondent notes, “The quality of freebie items is not usually that good, particularly for hair, skins, shoes.” This can prompt residents who are generally happy with freebie items to purchase a few items that are harder to find. Although they may not be “heavy” users, they do still participate in the market economy.

5.7 Virtual Property

Despite their prevalence, economic issues are not the only issues associated with virtual consumption. Because they are made from code, virtual goods can be copied and replicated. Within *Second Life*, items are controlled by permissions that are assigned by creators and determine what can and cannot be done with a particular item. These limitations are especially important when items are sold or given away, since they can be used to control whether items can be copied, given away, or resold once they have left the hands of their creators. However, permissions are always enough to prevent the replication and distribution of virtual goods.

The issue of copyable items made clear through the case of CopyBot. CopyBot is a computer program designed to connect to *Second Life* and copy objects. The program was originally intended as a way for residents to legitimately back up their inventories. It simplified the backup process by not requiring the appropriate permissions to copy an object, making it possible to copy the code for any item in the world whether the creator allowed copying or not. However, CopyBot was quickly co-opted to copy and replicate desirable items.

Two issues arose from the rise of CopyBot. First, residents were able to copy goods made and owned by other residents for personal use. By not having to buy goods, CopyBot users were able to remove themselves from the market economy. On a larger scale, some residents went beyond personal use and copied goods in order to sell them at reduced prices. By undercutting the prices of designers on their own goods, counterfeiters were able to profit from virtual goods that they had not created. In response

to the issue of copying virtual goods, *Second Life* insider Ziggy Quirk asks, "Why would anyone walk into a store and spend 400 or 500 Linden on a dress, if they can get a dress of similar quality for free or very cheap from a reseller" (Nino, 2008). As a result, content creators quickly became concerned about their intellectual property and the effects of CopyBot and demanded that the program be banned.

Because of the controversy, Linden Lab banned the use of CopyBot on items not owned by the user. Any resident found violating the ban would be expelled from *Second Life*. This threat, however, did not completely eradicate the issue. While not prevalent, copying items remains a concern for many residents. This concern is exacerbated given the fact that residents can still violate intellectual property by building their own items based on the ideas and designs of other residents. This issue is still common in-world. 12 percent of survey respondents indicated that they had had their virtual items copied. To deal with the issue, 26 percent reported the issue to Linden Lab, 21 percent confronted the person directly, 16 percent ignored it, and five percent complained to friends. 32 percent also claimed to deal with the issue in different ways, with one giving the other resident permission to copy and several invoking the Digital Copyright Millennium Act (DCMA). One respondent specifically noted that although they did not report the person to Linden Lab, they threatened to do so. Given the difficulty of dealing with the issues, the main and most popular recourse for violations remains appeals to Linden Lab; however, these appeals frequently go unaddressed.

5.8 Conclusions

Consumption is a prominent and important feature of *Second Life*. Almost all residents have not only engaged in consumption, but do so on a regular basis. For most residents, this means acquiring new virtual items weekly, if not more frequently. In addition, although there is significant trade in freebie items, the most frequent consumption is among residents who pay for virtual goods, with 75 percent of survey respondents paying for virtual goods at least weekly. Economic data from Linden Lab confirms the amount of consumption, although it also suggests that many of the purchases made by residents are relatively inexpensive.

Consumption practices are supported by production, another activity that is common. Residents are able to create goods for their own uses, and also to give or sell to others. The ease and frequently low cost of production has resulted in a huge number of virtual goods available to residents. Given this range of consumption, there are also different economic systems at play in *Second Life*. Beyond the easily visible and frequently discussed market economy are the freebie and dollarbie economies, based on free and low-cost virtual goods. Although they are associated with some in-world issues, they offer residents an opportunity to consume without spending very much money. Consequently, consumption is a frequent activity of virtual life, and one in which the vast majority of residents are able to participate.

6 Sign-Value, Conspicuous Consumption, and Virtual Taste

Given its size, population, and economy, as well as the freedom enjoyed by its inhabitants to shape and create their environment, it was almost inevitable that *Second Life* should come to house virtual goods. The practices of consumption in *Second Life* become clear with an investigation into how much, how often, and what exactly residents are buying in the virtual world. However, this alone does not tell us why residents are purchasing the things they do and what meanings they associate with their consumption practices; as Molesworth and Denegri-Knott put it, “the *desire* to engage with virtual consumption activities is not well accounted for” (2007b, p. 115). Research with residents through the virtual world, forums, websites, and surveys suggest that there are a number of motivations, meanings, and uses underlying the purchase of virtual goods.

Although virtual goods are not physically useful in the conventional sense, they do meet some virtual needs for residents. These needs can be practical, but are frequently focused on personal preferences and desires. They include customization, attractiveness, individuality, and status within the world. At the same time, because virtual goods are frequently conspicuous within the world and associated with particular meanings, residents can also use consumption to establish themselves in particular ways within the world, especially in terms of taste and status.

6.1 Virtual Use-Value, Exchange-Value, and Sign-Value

One of the most significant differences between offline and online consumption is that offline is necessary for survival while online is not. Offline bodies require clothing, shelter, food, and drink as the most basic foundations of survival. Goods that meet these needs have values based on utility for the person who is consuming them; according to Marx, “the utility of a thing makes it a use-value” (Marx, 2003, p. 104). Virtual goods are “useful” in different ways. In some worlds, goods such as armor, potions, and food are required for avatars to survive and function. These virtual goods have a use-value for

avatars that is based on staying alive and performing well. *Second Life*, in contrast, has none of these needs. Without the threat of hunger, thirst, cold, or heat, avatars are able to exist without consuming to maintain their survival.

The purchase of virtual goods in *Second Life* is therefore based on needs that go beyond the physical and material and are more linked to individuality and sociality. For Baudrillard, use-value engages but is ultimately taken over by what he terms “sign-value” (1981). Sign-value is the meaning that goods impart about their owner and includes elements of identity, status, and prestige. These meanings go beyond use- and exchange-value to engage a wide variety of more social connotations that are linked to commodities and to those who consume them.

Even though it is a defining element of *Second Life* consumption, sign-value does not always exist independent of use-value. Items that possess pronounced use-values, such as food or clothing, can simultaneously bear important semiotic meanings. John Fiske suggests that even consumption that is based largely on physical need still involves choice above and beyond the use of an item. Speaking on jeans, Fiske directs that, “Let’s dismiss their functionality first, for this has little to do with culture, which is concerned with meanings, pleasures, and identities rather than efficiency (1989b, p. 1). While Fiske does acknowledge the functionality of jeans, he asserts that they have meanings that go beyond their utility. The choice of jeans may be practical, but it also serves to position the individual in particular ways. Even goods that do have strong use-values are subject to sign-value and social meanings beyond their utility.

While sign-value has become dominant and largely governs the sale and use of goods, this is not to say that use-value is absent from *Second Life*. Three interview respondents specifically mentioned the role of virtual goods in production and business. Producers make virtual purchases in order to create and eventually sell their own goods (at which point, of course, use-value becomes implicated in exchange-value). As one interview respondent notes, “SL is also an important working platform for RL professionals and I make constant use of it when developing RL design projects. Virtual

goods can be also consumed for a very real and palpable purpose not only ‘gaming show off’” (Respondent 6). Another mentions that it is important to,

take into account those SL residents who earn their living or a substantial part of their living in Second Life. Some of their consumption may indeed be "need" based. For example an SL furniture designer who needs to purchase textures to complete a new line of merchandise. If their SL businesses lose money to the competition, cold and hunger is a real world result. (Respondent 4)

For some residents, virtual consumption enables them to more effectively use the world as a platform for their own needs, which can necessitate consumption.

As this respondent points out, there are also numerous uses of virtual consumption that are necessary for certain in-world practices (Respondent 4). For instance, consumption can be used to build and outfit educational or training areas, or to set up political campaign or military recruitment sites. Religious groups use consumption to create sims for worship and outreach, while activists and charities raise awareness or collect funds. Designers, filmmakers, and architects buy virtual goods to use in their designs and productions. In these examples, consumption is focused on practical ends that, as noted, can have concrete effects on offline lives. In many of these instances, need-based consumption in *Second Life* is more strongly linked to offline or “first life” than some other purposes. However, these virtual goods still have use-value.

As several of the examples previously cited demonstrate, much of the use of goods for production in *Second Life* is involved in the making of goods for sale by in-world businesses, and hence involves exchange-value. It is here that sign-value also becomes important. For Baudrillard, exchange-value is converted into sign-value. Goods carry social meanings that invoke status and taste (1981). Sign-value comes into play in the meanings of goods bought within *Second Life*. This is seen in the significant discrepancies in the values ascribed to virtual goods. For instance, jewelry from EarthStones sells for between L\$150 and L\$400, or about USD\$0.60 and USD\$1.60. In contrast, JCNV Collection jewelry sells for up to L\$30 000, or about USD\$115. While these items may be somewhat different in terms of the

requisite skill and time needed for their creation, their low material costs are not likely to reflect the differences in price. The difference between the two stores is exclusivity. Jewelry from the JCNY's GENESIS and NOVA lines is released in editions of 30. Each piece comes with a certificate of authenticity. Adding to this sense of exclusivity is the store itself, designed to look like a securely protected vault. The goods are similar to other jewelry, but the significant price difference comes from factors beyond time and materials. While exclusivity is only one element of sign-value, the differences found in virtual good prices are testament to the power of the sign.

The creation and maintenance of identity, individuality, and social belonging can be seen as a form of use-value, as can other specific uses of virtual goods. These meanings, however, are largely based on the sign-value of goods and what they mean to and say about the avatar that possesses them. The importance of sign-value can be seen not only in what residents buy, but also the reasons why they choose to buy these things and the meanings with which they are associated. In *Second Life*, the sign-value of virtual goods is associated with customization, belonging, individuality, attractiveness, resistance, social and cultural capital, and status.

6.2 Consumption and Customization

Without the need to clothe, feed, or shelter an avatar, the most immediate use for consumption is to customize the avatar and signal its identity. Customization is the ability to change how the avatar looks. While customization can mean different things to different residents, from clothing changes to complex modifications, the ability to change the avatar is important. In terms of survey respondents, 73 strongly agreed that they acquire virtual goods because they like changing their appearance, while an additional 58 agree. Of the remaining respondents, 31 were neutral, 12 disagreed, and two strongly disagreed. The majority agree or strongly agree that changing appearance is important, and consumption plays into this practice.

A focus on customizing the avatar is established early. When signing up for an account, the user chooses a pre-set avatar. Although the available avatars are

occasionally changed, the choice is limited to 12. This limitation is linked to two main reasons why customization is such an important element of virtual life, and is very quickly engaged by new residents.

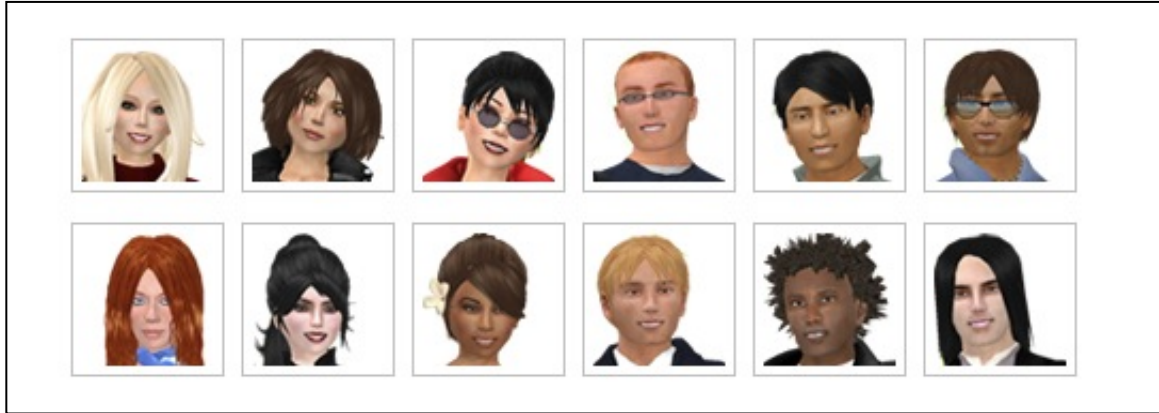


Figure 6.1: The available default avatars for *Second Life* as of July 26, 2010.

First, the avatar may not be appealing. 12 avatars offer a very limited selection, and an appealing avatar may not be among the available options. 12 avatars also does not allow for variety in terms of other important features of appearance and identity, such as gender, sex, ethnicity, age, and disability, that may be important to the resident. In addition, in some iterations of avatar selection, all avatars were human, allowing no choice of any other species or type of being, despite their presence within the world. The desire to not look like the limited default avatars is expressed by survey respondents; 131 and 31 people strongly agree and agree, respectively, that they acquire virtual goods to *not* look like the default avatars.

Second, without customization the avatar will look like many others. With only 12 avatar options, there is guaranteed to be overlap. In order to avoid looking the same as other residents, customization is necessary. From September 13 to 14, 2010, *Second Life*'s population increased from 20,539,880 to 20,554,934, an increase of 15, 054 (T. Shepherd, 2010). Even on one day, there will be significant overlap among default avatars. If default avatars were uniformly distributed across the 15, 054 new residents, 1254 people would have each avatar. Given these duplicates, customization is a basic way of establishing individuality within the world.

While initial appearance may be a problem, it is one that is relatively easily fixed upon entry into *Second Life*. In earlier iterations of welcome areas, introductory lessons on how to edit appearance were provided to new residents. The current Welcome Island carries on this guidance. This early inclusion of instructions on how to modify the virtual self suggests that this feature of the world is an important element of virtual life, and significant enough to be one of the nine tutorials offered avatars as soon as they enter the virtual world.

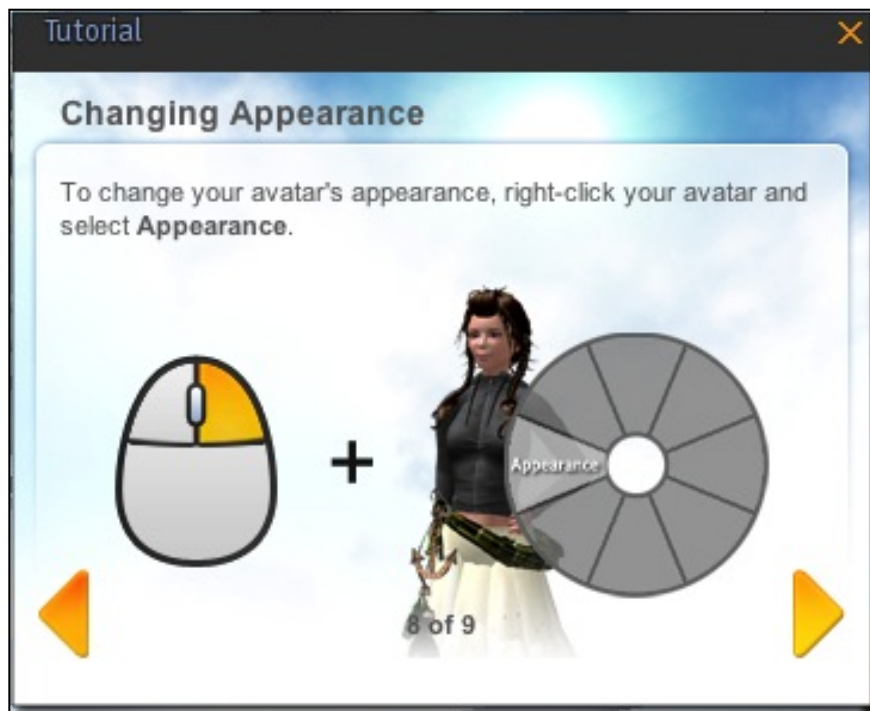


Figure 6.2: Tutorial showing residents how to change their avatar's appearance.

Spending time in introductory areas reveals the importance of customization for new residents. When residents are editing their avatar's appearance, a tag reading "Editing Appearance" appears over their head. Avatars with this tag are frequently found in introductory areas as they customize their avatar even before they leave the welcome area.

The importance of customization is also seen in the consumption options made available in starting areas. Older sims such as Orientation Island and Help Island provided areas with items available to new residents. These items were free, since new

residents were unlikely to have Lindens to spend. A new avatar could acquire clothing, hair, skins, vehicles, houses, furniture, scripts, and animations. The current Welcome Island sim does not offer the same immediate shopping experience as earlier introductory areas. It does, however, introduce residents to shopping as a possible activity. When the introductory tutorial has finished, new residents are offered four different activities to which they can teleport. Shopping is listed first, and is described in terms of updating appearance. These features suggest the importance of customizing appearance as well as the role that consumption takes in this activity.

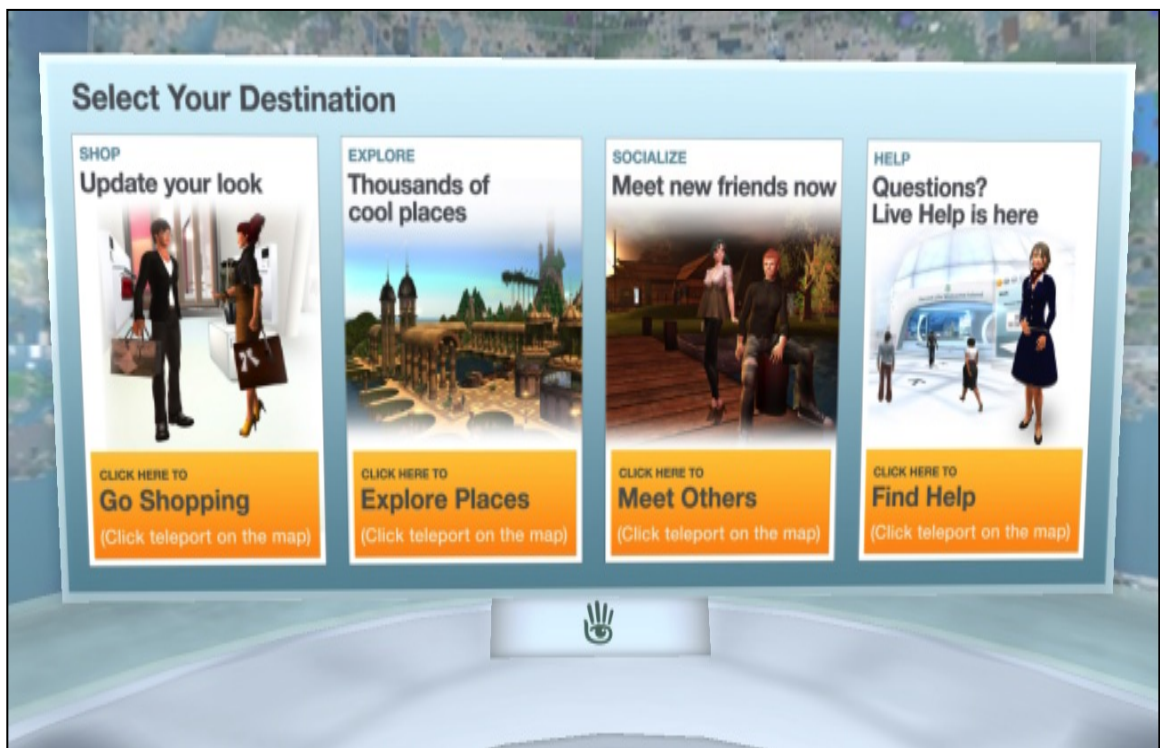


Figure 6.3: A sign offering new residents teleports away from Welcome Island.

Clicking on the “Go Shopping” sign at the end of Welcome Island teleports new residents to one of a selection of stores. Residents are able to shop for their avatars, although these are not necessarily stores that specialize in freebies. Some offer no freebies at all, or only a limited selection. This teleport reveals the importance of consumption for avatar customization. The importance of customization through consumption is also visible in special arrangements made for new residents. Some stores

offer goods that are available only to new residents for a period that ranges from a few days to three months after registration. These items do not usually require Lindens, but provide residents with virtual goods and help to introduce them to in-world consumption.



Figure 6.4: One of the first stores to which new avatars are teleported.

After residents have joined the world, customization remains an important element of virtual life that is widely practiced and discussed both in-world and on web-based sites. Many residents find customizing an avatar through the editing tools to be difficult and limiting. This makes consumption an important element of customization for simplifying customization and adding to the available options. In discussions, however, customization is not always explicitly linked to consumption. When residents ask about or respond to questions about where to locate particular items or what virtual goods should cost, the role of consumption in customization is visible. However, residents often simply refer to changing their skin or trying new hair without explicitly acknowledging that these items had to be acquired. But although residents may not acknowledge that consumption is necessary to customizing the avatar, these practices are reliant on goods that must be acquired, whether freebie items or expensive purchases.

Customization is an element of virtual life that is also influenced by the broader community. There is an expectation that new residents will make the effort to change their avatars. In a marketplace listing for free appearance-related items, a creator writes, “Oh WTH, I'm tired of new people coming onto SecondLife, all bleh, looking like newbies. I'm going to change that. Making this cheap enough to not break bank from the profits you make from those camping chairs, and enough to make you look like you know what you are doing” (Kessler, 2010). A survey respondent, who suggests that, “Having nice clothing makes it clear that you are not a noob and that you care about your SL experience”, echoes this sentiment. Here, customizing goes beyond the individual and is seen as a way to demonstrate commitment.

The use of virtual goods is also a sign of mastery of basic elements of *Second Life*. To find virtual goods residents must be able to search within the world and use the teleport system to get specific locations. Once there, the resident must also be able to figure out how to obtain the item, open and keep it if it is in a box, and then successfully attach it to their avatar. If not in-world, then they require knowledge of how to use the marketplace to find and acquire their goods. Although neither process is particularly complicated, they can be somewhat involved; the acquisition and use of new goods shows that a resident has learned some skills and is therefore willing to make an effort to learn how the world works.

Beyond new residents, customization is also actively encouraged as an ongoing practice, largely by opportunities to highlight personal style. Some *Second Life* forums and blogs, for instance, have long threads or a series of posts dedicated to showing residents other community members' style. Participants tend to have evolved senses of style and put time and effort into their looks; some specify exactly what items they are using to create their particular looks including skin, hair, clothing, jewelry, makeup, or manicures. The consumption practices that went into their creation are visible for the community in terms of what they have acquired.

By acquiring and using virtual goods, new residents are able to construct their virtual bodies as their own and assert that they have a place within the virtual world. By

customizing their avatar, residents are working to establish their own persona or identity through their appearance. They are also using customization as a means to assert their place within the *Second Life* community and to show their commitment to the world by following its norms and taking the time and effort to alter their avatar. In these instances, virtual goods do have value in terms of their use. This value is, however, perhaps most akin to a form of sign-value, where the use of particular items, while not fulfilling tangible, physical needs, allow residents to customize their avatars in ways that are pleasing to them and that move them away from the initial commonness and restrictive options of default avatars.

6.3 Consumption and Attractiveness

Because the virtual world is constructed, it is technically possible for all *Second Life* residents to conform to exceedingly high cultural norms and standards, especially around beauty. While certainly not adhered to by all residents, the possibilities and, in some cases, problems that arise from this freedom do frequently come into play around consumption. According to John W. Schouten, “An attractive body is a valuable personal attribute, found by researchers to facilitate success in social, romantic, and economic endeavors” (1991, p. 412). Given this importance, it is not surprising that attractive bodies are a prominent element of sign-value associated with *Second Life*’s consumption practices.

Attractiveness can be a broad concept, especially in a virtual world where anything is possible. But appearances in *Second Life* often follow conventional and fairly normative standards of beauty, although there are also unexpected and unconventional avatars. For Donald E. Jones, avatar bodies fall into two categories: normative and fantastical. He writes that, “avatar construction tends to conform to cultural standards of what is considered attractive or normative, and since the majority of users of online worlds are male, white and bourgeoisie, their particular cultural view impacts the virtual space” (2008, p. 23). In a world where anyone can have a slim body with a few mouse clicks, effortlessly obtain perfect skin, or acquire an avatar with beautifully proportioned features, having an ideal appearance is not unrealistic.

Norms of appearance are established by the available default avatars, which are almost universally young, slim, good-looking, and well-dressed. These norms are also shown through the welcome area, where images of avatars on display also fit these conventions. Furthermore, these ideals are brought into the virtual world. Researchers have noted the tendency of residents to follow particular ideals when engaging in self-presentation. Speaking on the appearance of female avatars, Jaime Loke notes that,

There is hardly a wide spectrum in the variation of images amongst female avatars. Almost every female avatar is young, attractive, and thin. To look anything different from those characteristics would be to deviate from the norm, and from observing the world of *Second Life*, not many do. (2009, p. 158)

Karen L. Wolf notes a similar inclination while developing her avatar, writing that,

I myself had initially intended to commit to have a body in *Second Life* like my actual body – fat, short, with green eyes and brown hair. But even in my initial forays into *Second Life*, I felt uncomfortable. Did I have to be *so* fat and *so* short? Wouldn't red hair be fun, and much easier than a dye job in actual life? I created an avatar that was curvy, but not *too* fat by my standards, short in comparison to other avatars, but still measuring 5'6" in comparison with the landscape (I'm 5'0" in actual life). After several of these interviews, and spending much more time in *Second Life*, I still felt that my avatar couldn't compare to the fantastic beauty that surrounded me in-world, and made her thinner still and more petite-feeling and small-boned in general, although not actually any shorter. (Wolf, 2010)

An accurate representation of the offline self is a possibility within *Second Life*, as noted by Wolf in her original plans for her avatar. However, residents do not necessarily engage the available diversity, and are likely to follow the norms of appearance within the world.

Because normative standards of attractiveness are followed, residents who do not conform are noticed and can experience problems. The average height within *Second Life*, for instance, is over six feet tall. Residents who set their avatar to a more average height are often mistaken for children. Since there are concerns around in-world age-play – activities where residents create child avatars, sometimes for sexual purposes, although often simply as a preference – shorter residents are banned from some sims. Even when not depicting children, residents face problems for not following height norms.

Additional issues can arise when normative standards shape avatar bodies. Relying on the most common avatar preferences simplifies the creation and development of appearance-related virtual goods. Therefore, virtual goods are not always scaled to accommodate avatars that do not follow appearance conventions. However, these limits mean that residents either cannot use the goods they want, limiting their customization, or have to alter their avatar. With many residents following idealized conventions around appearance, it can become more difficult for those who wish to appear differently to resist these ideals not only based on the world's norms, but also based on how they affect and limit access to sims, activities, and virtual goods.

This focus on fairly conventional norms is not to say that normative and fantastical expression of attractiveness are mutually exclusive. For instance, attractiveness and the fantastical can be seen in a *New World Notes* contest to find *Second Life*'s sexiest male avatar of 2010. The contest seeks the “hottest” and “sexiest” avatars in *Second Life* as determined by residents. The previous two iterations of this contest produced a selection of conventionally handsome male avatars with well-defined features and quality skins, hair, clothing, and accessories. In the 2010 contest, although almost all avatars met conventional standards of attractiveness (Dotson, 1999), winner Daniel Luchador broke with this convention. Luchador's avatar had clown makeup and a clown costume, bunny ears, and tentacles in place of hands (Ophelia, 2010), suggesting that norms can be violated in ways that are still seen to be positive.

Second Life residents are aware of the influence of attractiveness, both in terms convincing other residents to consume as well as in terms of their own consumption. This awareness is frequently seen in blog and forum comments. In the comments on one blog post focused on issues associated with dressing in particular ways (in this case, wearing a schoolgirl outfit), a *Second Life* resident makes the point that, “Ciare, your appearance really does matter in SL. So yes, I know I get hit on sometimes because of the way I dress (I try to dress fashionable nice). I know if I made my AV unattractive, I would get less "Hey Sexy's ". But I love clothes, so that takes away all the fun of being in SL! [sic]” (Zelmanov, 2006). The focus on attractiveness here is twofold. First, the author suggests that she likes making herself attractive in *Second Life*, and doing so – especially in terms

of clothes – is an element of virtual life that she appreciates. At the same time, this comments also sets out the idea that other residents notice this effort. While they may not comment directly on elements of her look, the fact that she is “sexy” is not only noticed, but also commented on by other members of the world.

For creators and designers, attractiveness is often used as a selling feature of virtual goods. This tends to manifest in a variety of related but individual terms that show up in object descriptions in-world and in online marketplaces, such as slim, sexy, and beautiful. All of these terms play off ideas of attractiveness, and especially those that are normative (Wijsbek, 2000). “Sexiness” is a term that shows up frequently in *Second Life* consumption, both in-world and through the online marketplace. A September 2011 search of the marketplace indicates that, at the time, 137 480 items were positioned as “sexy”. Furthermore, items that would not necessarily be considered “sexy” are still sometimes positioned in this way. Weirdiculous is a store that sells costumes and novelty items. While the store offers costumes that are often associated with sexiness – for example, a sexy nurse, nun, and cowgirl – they also offer others that would not normally bear this association, such as the more unexpected sexy clown, bee, and Snow White. The frequent inclusion of “sexy” in object names and descriptions highlights the importance of appearance, and especially appearance that is sexualized.

For Baudrillard, “a thousand contradictory definitions of beauty and of style are possible” (1981, p. 188). However, no matter how significant these expectations, they can be met by many if not all residents simply due to the changeability of the virtual body and the wide variety of items available with which to customize it. As a result, although the standards themselves may be problematic, meeting them is not. Through this form of consumption, the sign-value of virtual goods becomes linked to the body in ways that it does not offline. Offline, individuals have a sex, ethnicity, body type, and appearance – skin, bone structure, eye colour, and proportion, to name just a few features – that, while occasionally malleable, are generally extremely difficult to change. In *Second Life*, however, these fundamental features of the body and identity are choices that are made. Meeting or opposing expectations around attractiveness in *Second Life* therefore have weight and importance. Because they can be based on consumption, even choices about

the fundamental make-up of the virtual body begin to take on a form of sign-value, grounded in choice, that is not necessarily available offline.

6.4 Consumption and Individuality

Consumption within *Second Life* is also associated with individuality and distinctiveness. *Second Life* residents have many thousands of virtual goods available to them. These goods range from the normal or average through to the fantastical and even the impossible. Moreover, their search for individuality functions above and beyond attractiveness, and sometimes even in conflict with it. Many residents seek to make their avatars attractive, but they also wish to make them highly distinctive and individual, effectively setting them apart from others within the world as a unique entity.

For Baudrillard, “It is obvious that this “beauty” (or any other interpretation in terms of chic, taste, elegance, or even distinctiveness) is nothing but the exponential function – the rationalization – of the fundamental processes of production of distinctive material” (1981, p. 79). In *Second Life*, distinctiveness functions to set certain items apart from others. For Baudrillard, distinctiveness is closely linked to fashion, and especially to arbitrary distinctions that set items in opposition to each other. One item to be consumed is fashionable, and is positioned in opposition to another that is not currently fashionable in order to establish the supremacy of the first. These items are not provided any meaning or value beyond their oppositional status. Their value is in their distinctiveness.

The desire for individuality and uniqueness is apparent among residents. 30 percent of survey respondents agree and 51 percent strongly agree that they acquire virtual goods to make their avatars unique. The importance of this characteristic is also apparent in the purchase of custom items, or goods that are made specifically for the resident. 30 percent of survey respondents indicate that they have acquired something that was custom made for them. Acquisitions include custom skins, avatars, houses, animations, scripts, jewelry, clothing, shoes, and tattoos. When asked about their custom goods, respondents frequently cite the importance of individuality and making sure their avatars match their ideal. One resident writes that they purchased a custom avatar

because, “I wanted something that was unique to me, and not found elsewhere on the grid.” Even with thousands of items available throughout *Second Life*, individuality is important enough to some residents that they seek out their own custom items.

In-world individuality takes three broad forms. First, residents who follow social norms – either consciously or unconsciously – can try to look as attractive as other residents, but with their own individual items to set themselves apart: custom goods such as clothing or skins can be used to ensure that the avatar is attractive, but in a way that cannot be easily duplicated.

Second, some residents seek out fantastical or unusual features that do not follow the norms, but are still well-made and attractive. Many residents take on avatars that are wholly or mostly human or humanoid, and until recently, all default avatars were human. Other avatars include, but are by no means limited to, animals, stuffed animals, robots, animated inanimate objects, cartoon characters, superheroes, mythical and fantasy creatures, and many variants on human and non-human hybrids. These avatars and skins are widely available, although not to the degree that other appearance related items like clothing and humanoid skins are. Custom options are also helpful here. One survey respondent, for instance, mentions that they had a custom avatar made because, “I wanted a furry that was unique and my own.”

Finally, some residents choose to intentionally seek out items that are unattractive. Going against the world’s norms by modifying an avatar to be less conventionally attractive can assert a much stronger sense of individuality than might be available from pairing designer jeans with a custom shirt. These modifications can be unintentional, as with residents who do not know how to alter their body, or who buy and attach badly made additions that do not fit as they should. These attempts can result in body parts that are different colours or shades, augmentations like breasts or buttocks that do not fit, or body parts that are drastically out of proportion. In other cases, however, modifications are intentional and break conventions associated with appearance. In these cases, modifications may be extreme, but are likely to be so well executed that it is difficult to mistake them simply for an accident.

Norms of attractiveness can be transgressed in a variety of ways. First, residents can acquire well-made items and use them in unconventional ways, such as attaching a penis to their head, choosing to excessively inflate or deflate their shape, or using shocking colours and textures for hair, skin, eyes, and other features. Second, although uncommon, residents can acquire poorly made items and use them intentionally. Relatively complex items such as shoes, hair, or t-shirts made by unskilled residents tend to be unattractive because they do not fit well. Since they are not commonly worn, intentionally using these items can maintain individuality. Finally, a few *Second Life* creators specialize in items that are well made, but do not meet some of the more conventional standards of attractiveness.

Such items, which tend to be well-made, violate the established norms of appearance. The Loft, for instance, sells an unconventional assortment of virtual goods. The store offers items such as a huge tongue, pimples and blemishes, wooden teeth, buckteeth, hearing aids, braces, and headgear. They are not particularly expensive, with braces and headgear for L\$25 and the huge tongue for L\$100. However, these are not items that are often used on avatars. They are also not readily available within the world or through online marketplaces, and seem to exist only at a small number of in-world stores, and from fewer than five vendors on the online marketplace. This rarity, however, ensures that residents could use these items as highly individual features for their avatar.

In some instances, individuality is a side effect of residents attempting to make a relatively accurate representation of their offline self. As with attractiveness, one of the most common complaints in this area centers on the height of avatars and the consequences of creating a non-standard avatar. Avatars in *Second Life* are notoriously tall with an average height of between six and seven feet tall. Measuring avatars with the height slider set to 50 percent – the middle of its range – indicates that females are six feet while males are six feet four inches. This increased height can be an issue for individuals who wish to have their avatars represent their actual offline height. Relative to other avatars, these residents tend to look remarkably short and stand out from other residents. They can also face the same issues that are raised around short avatars and

age-play. However, by maintaining a relatively short height, residents are able to maintain their individuality.

Beyond the use of unconventional items, there is also a divide between different items and how they are constructed with respect to realism. The braces offered through The Loft are those that only exist in orthodontic nightmares and are the large, cumbersome variety no longer used today. In contrast, other braces are available, but these are small, neat braces, often with many options for customization. The Prettiful series of customizable dental braces, for instance, cost L\$300 on the marketplace and come in the shape of hearts, stars, and diamonds. While the latter set of braces are likely to be used in creating a somewhat accurate representation of either the offline self or, more broadly, a wearer of braces, the larger, more prominent braces from The Loft are more likely to highlight individuality by breaking with in-world conventions of attractiveness. While the latter highlights the search for realism in *Second Life*, the former highlights the possibility of establishing individuality through less attractive means.

The search for distinctiveness is not limited to the body. Forms of consumption centered on land and buildings are also ways to establish individuality. Residents who are interested in building routinely attempt to create highly novel and individual sims that reflect their needs and interests, from developing a personalized home to creating an innovative and popular club. Even though there are normative standards of attractiveness associated with the body, there are fewer associated with property. Creating or acquiring unique and special virtual goods is important; however, while quality and well-constructed features are appreciated, almost any aesthetic from idyllic Eden to post-apocalyptic nightmare is acceptable so long as the sim is well-executed.

While residents may seek out their own ways of establishing individuality for avatars or sims, those who sell goods also use these ideas as a selling point for their merchandise. One of the most common practices for selling virtual goods through the marketplace is to highlight the rarity of a particular item in an effort to show how it will play up the resident's individuality. For instance, the ad for a large Strato-Sphere Sky

House begins by saying, “The Strato-Sphere is “one of a kind” sky box destined to be used as a residential structure” and goes on to describe the many features of the building, including the fact that it can be modified and customized by the purchaser (S. Shepherd, 2010). Other advertisements include terms like unique, rare, custom, one of a kind, and limited. The use of these terms as marketing strategy further suggests the importance of using consumption to establish and maintain individuality within *Second Life*.

6.5 Consumption, Conspicuousness, and Status

In spite of the focus on the individual, consumption does not occur in a vacuum. It is situated within a community of residents who are able to see and even interpret other residents’ consumption. They may see anything from membership in a particular group to a creative sense of style, or from relatively little consumption to expensive taste in virtual goods. Even though residents desire virtual goods for personal reasons, they also bear meanings that are visible to and understandable by others, and that can position residents within the virtual community. As Baudrillard claims, “it is well known that objects tell a great deal about the social status of their owner” (1981, p. 35). Although consumption may be largely by and for the resident, there are also broader social implications when consumption is visible and conspicuous.

Veblen defines conspicuous consumption as the use of money or other goods as a way of denoting higher status. By spending in particular ways, people are able to demonstrate how well off they are. In *Second Life*, conspicuous consumption is not necessarily intentional. There is value for the individual in customizing an avatar or establishing land for their own purposes or pleasure. In these cases, conspicuousness may be an unintentional side effect of consumption. Any resident who is in-world will be visible to anyone else who is close by. The items that they have acquired and the way that they have been put together are therefore on display. Furthermore, the virtual goods that residents desire may simply happen to be conspicuous due to their appearance, expense, or fantastical qualities, or the fact that they are seen to be preferable to others. For other residents, however, conspicuous consumption is intentional. There is value in intentionally consuming in ways that are visible to and recognizable by other residents to gain and maintain status through displays that are intentional. Although residents are

consuming for themselves, they can also actively highlight their consumption, both in *Second Life* and through other venues.

Although conspicuous consumption seems to appear in *Second Life*, it is important to consider how the term functions when applied to a virtual world that has significant differences from offline life. For Veblen, a key element of status consumption is wealth and the waste of money or resources (1979 (1899)). Waste signals that the individual has enough wealth that they are able to use resources in unproductive ways. There are a number of elements in *Second Life* that make the idea of virtual wealth and waste somewhat less straightforward than what is found in Veblen's work. These differences necessitate an evaluation of the ways in which virtual consumption is conspicuous, especially in terms of whether virtual waste is possible, and whether wealth can be demonstrated with regards to virtual goods.

Virtual waste takes a different forms than set out by Veblen. However, when freebie or inexpensive virtual items are consumed, the wasteful element of conspicuous consumption can be pronounced. With the low cost of virtual goods and the availability of freebies, residents acquire what they do not need simply because it is there. Residents have large inventories including items that are rarely, if ever, used. The figuratively bulging inventories mentioned by residents are testament to consumption excess (Rymaszewski et al., 2008). Since inventories are not visible to other residents, abundance is not immediately apparent, but is made conspicuous in other ways. Handing out gifts, changing clothing and accessories frequently, and discussing difficulties with managing an inventory can showcase consumption. Although virtual items do not perfectly match ideas of waste associated with conspicuous consumption, they are wasteful when consumed in such vast quantities that many are never even used.

The role of wealth in conspicuous consumption is also visible, both in terms of the differences between paid and freebie items, and in some of the more expensive virtual goods. First, the expenditure of wealth in general can be seen using freebies as a point of comparison. The availability of freebies ensures that all residents can to consume, but their widespread presence also highlights consumption that is paid. Although freebies are

popular among survey respondents, many residents still specify that they think that paid-for goods are of better quality and are worth buying. As a result, paid goods can be valued over those that are free, and become conspicuous because a level of wealth was required to acquire them.

Second, conspicuousness through wealth is also seen through expensive purchases. While virtual goods can have some costs associated with them, their most significant cost is the time required to make them. As a result, many purchasable virtual goods are still relatively inexpensive, costing only a few dollars. Conspicuousness is therefore seen around goods that are more expensive and recognizable than the average virtual good. The example of jewelry from JCNV's GENESIS and NOVA jewelry lines is also applicable here. Costing up to L\$30,000 or USD\$115, these items demonstrate wealth to anyone able to identify the item in question. While expensive enough to be conspicuous on their own, there is also a sense of waste inherent in purchases that are this expensive, especially when less expensive items are also available.

Virtual goods that are conspicuous appeal to residents, especially when they are linked to characteristics like quality, rarity, and exclusivity. They also tell something about the purchaser to others. Meanings associated with consumption are dependent on goods being visible, especially in terms of gaining and maintaining status. While not all residents will recognize an item or know its value, they may notice its beauty or quality. Moreover, given that discussions of avatar appearance and virtual goods are common among residents, the quality, rarity, and cost may also come up in discussions that allow residents to highlight their consumption.

This conspicuousness is not exclusively found within *Second Life*. Consumption is also showcased on websites, forums, and blogs. One forum, for instance, has a long-running thread called "Show your style" displaying avatar looks. This thread shows residents' personal styles, the different elements from which they are constructed, and often the sources and costs of the virtual goods. For sims, the Flickr group "*Second Life* Home, Garden and More!" encourages residents post pictures of their homes (Flickr, 2010). Both of these examples demonstrate some of the ways that consumption is made

visible. These efforts focus on sharing style and creativity, but can also be a platform for conspicuousness as residents highlight their consumption.

When the definition of conspicuous consumption is expanded from clear ideas of subsistence and waste to include other motivations and intentions, *Second Life* consumption practices fit within Veblen's framework. While conspicuous consumption has defined characteristics in terms of wealth and waste, it is also linked to the creation and maintenance of status. When used in the service of status, consumption must be visible to the point where others recognize not only what consumption practices are being engaged, but what the meanings of those practices are and what they say about the resident who is engaging them. Given in-world and web-based discourse, *Second Life* consumption becomes very conspicuous.

Finally, it is also important to note that consumption can also be conspicuous by surpassing needs. According to Veblen, conspicuous consumption is acquisition above and beyond what an individual needs for subsistence (1979 (1899)). The lack of needs suggests that most consumption within the world is conspicuous by default. Without physical needs, there are few practical reasons to consume. As a result, almost *any* consumption within the world is need-surpassing luxury consumption, driven by desire rather than by need.

6.6 Virtual Taste

Conspicuous consumption is also engaged by Bourdieu, who asserts that it is also bound up with notions of distinctiveness and status (1984). Expanding upon Veblen's work, consumption enables certain groups to establish status by constructing social hierarchies based on aesthetic taste. Bourdieu states that, "the manner of using symbolic goods, especially those regarded as the attributes of excellence, constitutes one of the key markers of 'class' and also the ideal weapon in strategies of distinction" (1984, p. 66). This claim reinforces the idea that certain forms of consumption indicate better taste and higher status than others.

Given *Second Life*'s relative freedom and large population, there are many groups of residents with different interests and purposes. These groups can have vastly different expectations around consumption, and taste is more particular to smaller groups, rather than the broader social classes set out by Bourdieu (1984). While each group has its own conception of taste, these preferences are not universal. In some groups, status may be achieved by consuming to achieve a particular look. In others, it can be the result of acquiring the latest trends. With a constantly shifting population and marketplace, establishing standards of good taste, and especially standards that endure over time, is difficult at best.

This is not to say, however, that identifying good taste in *Second Life* is impossible. Although taste varies, there are certain general characteristics of consumption that are positively regarded. As with attractiveness and individuality, discussions focus on qualities that are recognizable to those who are familiar with *Second Life*. Survey respondents make clear the value of creativity, innovation, and quality. Respondents who did not look for freebies first when shopping often mentioned their preference for quality. Statements like, "If you dress nicely and appear to have put time and effort into your avatar, you seem to get better responses from other residents and "I don't think I'd be as well received if my avatars weren't as well put together" indicate preferences for careful creation and use of items, rather than preference for or recognition of specific designers. Furthermore, while specific designers may be difficult to recognize at a glance, quality items that are well put together are more easily identifiable. Even when residents are unable to consistently identify what virtual goods other residents own and used, they can identify items and applications marked by creativity, quality, and innovation.

Status ideals are also engaged in the sales of virtual goods as a marketing technique. Thousands of marketplace listings use descriptive terms like "status," "prestigious," "elite," "impressive," "luxury," "tasteful," and "high class," which suggest an awareness of the power of consumption to establish status. The volume of goods purporting to offer these advantages also suggests residents' desires – or, at least, the perception of resident desires by sellers – not only to have customization, attractiveness,

and individuality, but also status. The use of these terms, however, is no guarantee that these items will bear the meanings that they say they do.

Motivations for gaining status have been explored by a variety of theorists. Baudrillard, for instance, draws on the idea that the use of consumption is a way to “simulate the social essence” (1998, p. 60) by mimicking the status only available to a few people at birth, and not generally available to the majority of the population. He asserts that consuming in order to simulate status is a way of attempting to gain “salvation by objects” (ibid). These ideas are also engaged by Schor, who considers why Americans overspend (1998). In her analysis, individuals give the impression of belonging to a higher status group through consumption. By overextending their consumption to give the impression of being in a higher class, they can reap some rewards of being in that group, including include better social contacts, or invitations to more exclusive groups and social arenas (explored in greater detail in chapter 8).

Along with customization, attractiveness, and individuality, conspicuousness, taste, and the status that they create also serve individual ends. This kind of consumption can be read as a form of membership within particular status groups; however, its effect is to set certain individuals and groups of people apart from each other by virtue of their consumption, or their capacity to consume. The status afforded by conspicuous consumption and taste is a product of consumption itself. Those items that are the best quality, the most expensive, and the most exclusive are those that have the greatest chance to be conspicuous or to indicate good taste, and the greatest likelihood of generating status.

6.7 Conclusions

Consumption serves a variety of purposes for *Second Life* residents. By consuming, residents are able to customize their avatar, make it attractive, or establish their individuality. While virtual goods are not material, they do have a use-value in meeting some practical and many social needs, and take on sign-value as they do. When individuals consume virtual goods, they are often doing so based on their own needs, wants, and preferences. They wish to look a certain way, embody a particular style, or

change who they are within the world. At the same time, their consumption is also a signal to other members of the community, and is a way of establishing social status. This status is based partially on what residents own, but more on the quality of their consumption and whether it is used in creative or innovative ways.

In addition to sign-value, this kind of consumption can also be linked to Bauman's ideas of the consumer society, which were discussed in Chapter 3. For Bauman, identity in the consumer society is established through consumption (2007). For *Second Life* residents, this identity formation takes two forms. In a very practical way, consumption is implicated in identity as residents move away from default avatars and establish themselves within the world. Alongside this creation of the self is the development of an identity that is visible to other residents. While the resident is establishing their own identity within the world, they are also situating themselves within a community in which consumption has meanings. In turn, these meanings are understood by other members of the community, and can be linked to conspicuousness and taste and, consequently, to status.

7 Subcultural Consumption and Resistance

The roles that consumption plays for *Second Life* residents are important, but so too are the ways in which its practices and deployments relate to community.

Consumption relates to belonging and group membership, and also to the establishment and demonstration of social and cultural capital, where cultural knowledge and social networks have value (Bourdieu, 1977). Because consumption is situated within a community, other residents read and interpret the consumption of others. Some residents judge others negatively based on their consumption, suggesting that the intended meanings of consumption are subject to contestation, misinterpretation and multiplicitous readings (Hall, 2006). Consumption is also linked to the formation of resistant subcultures that subvert social norms and dominant ideals (Hebdige, 1991), both on-line and off-line.

7.1 Consumption and Belonging

In an environment positioned by its creators as a social space, group membership is important. Out of over 20 million total residents, 805 thousand log in more than once in a month (LindenLab, 2010b). A relatively low number of repeat logins suggests that the community is not necessarily based on synchronously sharing the virtual space. By focusing on smaller groups, residents are able to develop a sense of community-within-community that mitigates some of the instability and difficulties caused by the large population. While not the only defining feature, consumption helps define smaller communities that foster in-world interaction.

The use of consumption in belonging can be fairly direct. For instance, land provides a place for other residents to gather. Of the survey respondents, 68 and 55 residents strongly agree and agree, respectively, that they have acquired land because they want a place for their avatar to live. There is almost equal agreement with the idea that they want a place for their friends to visit, with 52 people strongly agreeing and 56 agreeing. These results suggest a focus on both the individual and community.

Residents could establish private sims, but almost as many want a place for their friends

as want land for their personal use. Providing land for other residents to use is a way to foster a sense of community and belonging through a shared space.

Conversely, belonging is also signified through individual consumption. Consumption practices often exist with respect to reference groups. According to Bearden and Etzel, “A reference group is a person or group of people that significantly influences an individual's behavior” (1982, p. 184). This influence can manifest in three different ways: informational, utilitarian, and value expressive. With informational influence, the reference group is a credible source through which an informed decision can be made. In utilitarian influences, rewards are gained and punishments are avoided by conforming to the wishes or preferences of others. Value-expressive influence is more psychologically motivated and is expressed by an individual either being sympathetic to the reference group, or by attempting to be like its members (ibid).

Although there are deviations from group norms, research suggests that reference groups exist in *Second Life* and that consumption is based on these influences. While it is not the only reason for consuming and not the only way of becoming part of a community, group belonging can be facilitated by consumption. As previously discussed, consumption is seen as a sign of membership within the broader community. As one respondent writes, “Sometimes owning nice things shows you’re not in it as just a lark.” By consuming goods and using them to customize an avatar, residents show commitment to the world. In this case, consumption is based both on utilitarian and value-expressive needs (Bearden & Etzel, 1982) because it facilitates acceptance into the community and can even prevent harassment.

In terms of value-expressive influence, customization also grants the ability to identify or associate with other residents and groups. By customizing the avatar in particular ways, or building up virtual land with a theme, residents can affiliate themselves with others. In doing so, they can also make clear their world views, preferences, and ideologies. In these instances, consumption serves as a marker of belonging in the world in general, and within particular groups and communities more specifically.

With the broad focus on customization as a mark of belonging, any consumption can become a sign of membership within the broader community. However, it also serves as a sign of membership in smaller, more specific groups where it functions in more prescribed ways. Residents may formally join up to 25 groups, although they are not prohibited from attending meetings, events, or sites associated with groups to which they do not belong. The world hosts thousands of groups based on interests including fashion, literary criticism, music appreciation, role-playing, debating, politics, social activism, and business. Groups do not necessarily require consumption, but using goods to facilitate or indicate membership is not unusual.

Group belonging facilitated through consumption can be very direct. Some creators only release specials or freebie items to members of their groups. To receive these items, residents join groups that are usually affiliated with a particular store or designer. Any resident who has these items is marked as a member. General groups have also formed around residents who are interested in particular items or types of shopping. Groups such as FREE*STYLE, Fabulously Free, and PURE keep members informed about new freebies, contests, and specials. For paid consumption, groups like Second Life Fashion Addict, Second Style Magazine, and Fashion Feed of SL allow members to stay abreast of the latest trends, offerings, and news. Here, residents form groups with other members that are crucially based on consumption.

These groups facilitate community around particular elements of consumption, but there are additional links between the two. Consumption creates belonging within communities of residents that are founded on more social and interest-based activities. With its large population, *Second Life* supports thousands of groups (Tom Hale/T. Linden quoted in McDunnough, 2010). Groups are available for almost any topic or interest, from jazz music lovers to fantasy role-players, and from virtual world researchers to fetish enthusiasts. Given these diverse interests, group membership is often directly or indirectly linked with consumption in a variety of ways.

With direct consumption, certain items or types of items are required for group membership, and purchases can be highly specific. For those participating in a sailboat

or jalopy race, or a fight in a combat-based sim, a standard item is required to ensure an equal playing field. To this end, one boat designer writes in a marketplace ad that, “I was thinking of having a race, or series of races, some time in the next couple of weeks. I know nothing about real sailboat races, so it would probably be a simple affair. Everyone would race the same class of boat, though -- i.e., a Flying Tako” (Massiel, 2006). Without the specific boat, residents are not able to actively participate in the suggested race.

Similar conditions apply to residents who wish to participate in Crossroads, a role-play and combat sim. The sim’s website specifies that, “This sim allows only the use of melee and bows/throw weapons as well as some approved guns which fit in the environment. We offer a pack of approved weapons, which are very balanced and CCS enhanced in the mall” (Jaro, 2007). While this statement sets out the sim’s requirements, it also suggests items that meet the requirements. Visiting the sim reveals weapons that range in price from one L\$400 model to a series of L\$900 to L\$1000 pistols and rifles.

Required purchases are also seen in the sale of head-up displays (HUDs) that provide additional environmental information. Before entering, newcomers must buy a HUD to fully experience the different features of the sim. HUDs can serve a variety of functions and therefore have a range of prices. Specialty HUDs, such as those that offer animations or allow the user to animate other residents can cost thousands of Linden dollars. HUDs used to interact specifically with particular sims usually sell for between L\$5 and L\$50. Although not particularly expensive, they are still items that are required to interact with the environment, and therefore must be purchased by anyone wishing to use the sim.

Such cases are, however, somewhat uncommon. Few groups require specific purchases. Instead, membership is often based on general categories or types of goods. These categories allow for greater leeway in terms of what is purchased and how it is used. Requirements can be unofficial and common sense, or can be official and stated. For the former, residents can assume that particular forms of consumption will be necessary to their engagement with a sim or group. Rather than requiring resident have a

particular boat or weapon, for example, it can be assumed that to join a yacht club, a resident should have a yacht, that playing in a combat sim would require a weapon with which to fight, or that belonging to a fashion group would necessitate having trendy or fashionable clothing.

Despite these occasional requirements, relatively few residents have been formally required to consume. When asked if they ever had to acquire goods, only nine respondents strongly agreed, with an additional nine agreeing. 48 were neutral, 48 disagreed, and 60 strongly disagreed. Instead, *Second Life* consumption is more likely to be driven by looser, more indirect guidelines. In these cases, consumption requirements are somewhat specific, but broad enough to allow residents a variety of options through which to meet expectations. This is especially noticeable within groups that are associated with role-playing, which takes inspiration from a variety of sources. In some cases, role-playing is based on genres such as Westerns, vampires, or post-apocalyptic society. In others, they can be based on particular time periods that range from the distant past through to the far future. In some, role-playing activities are based on particular texts, such as the books of Anne Rice, the Star Trek television canon, or the Star Wars movie series.

These less formalized and more value-expressive forms of membership often fall into the category of style. For Dick Hebdige, “style” is intrinsically linked to group membership (1991). Hebdige focuses largely on subcultures, where style is positioned as a clear marker of allegiance with a particular group and the interests and ideologies that it espouses. While these groups do not generally have specific clothing requirement, there are some expectations, especially regarding member appearance. Many role-play sims require participants to wear a particular style of clothing, although these expectations are not so formalized as to be a requirement. For example, sims such as Avilion and 1920s Berlin have dress codes. The Elven-themed sim of Avilion asks for residents to wear clothing based on medieval or fantasy conventions. Similarly, the 1920s Berlin sim asks that residents wear decade-appropriate clothing. While requirements are suggested, there is a great leeway in terms of what residents can use.



Figure 7.1: A sign detailing the dress code for Avilion, an elven-themed sim.

These expectations promote both free and paid consumption. In some cases, freebie goods are offered at the entrances to areas with particular requirements. The presence of freebies enables acquisition but reduces the need to pay for new items in order to participate. In spite of the presence of freebie items, though, participation can drive paid consumption. Even when present, freebies tend to be limited. At the entrance to Avilion, for instance, there are eight available options. If all residents were to rely on these items, there would be many avatars with the same goods. Since residents desire customization and individuality, this is not necessarily the preferred option for establishing group membership. One survey respondent reports that, “I’ve ordered specially-made clothes and other items from content creators. These items are usually used specific roleplay scenarios (either a special outfit or a tool to enhance the roleplay scene).” As with the default avatars, few choices result in limited options for establishing a resident’s preferred appearance. In a world where residents prize individuality, consumption is necessary to remain distinct from other residents, especially when expectations are also in play.

Furthermore, relying only on the easily obtained freebie items can be seen as a lack of commitment to the community. In the same way that new residents can be judged on whether they have put effort into their avatar, new group members may not be seen as full members of a group unless they have made an effort to acquire additional items. If residents wish to maintain their individuality and affirm their dedication to the community, they will have to locate other freebie goods to use either alone or in combination. Or, as with some survey respondents, they may have to buy other items with which to construct a singular and unique appearance.

With this kind of niche consumption, specific items are more difficult to find for free than basic items, such as jeans and t-shirts. Within *Second Life* are a wide variety of period, specialty, costume, and other stores. Searching for particular items for free, however, does not always yield a wide selection. In-world, searching for free steampunk and elven clothing turns up many stores but few freebies. Conversely, dedicated freebie stores such as Amity Island Freebies and the Freebie Warehouse offer few specialty outfits. Amidst the widely available basics are few items appropriate to the many groups that rely on a defined aesthetic. The same is true of the web-based marketplace; a search returned 21 results for free steampunk goods and 47 for elven. Relative to the vast number of available freebies, niche options are somewhat limited.

In contrast, there are more options for those who are willing to pay. In-world, stores dedicated to particular styles, aesthetics, and groups provide specialized goods. These stores may be found through the search function, but are frequently located at related sims. The Gorean sim of Tharna, for example, has a marketplace of over 50 stores that sell clothing, weapons, furniture, and homes. Gorean role-play is based on John Norman's Gor novels, which involve a world that involves Master-slave relationships. Therefore, the items in these stores engage the fantasy aesthetic of the novels, but also the Master-slave theme through the sale of items like collars, cuffs, and revealing clothing. As one role-player suggests, "Let's not forget the most important part of a Gorean sim...the market :) Cant have a proper sim without some shopping!" (Zelmanov, 2007). Similarly, the elven sim of Elf Clan has a marketplace of stores that sell items that fit the group's fantasy aesthetic. For residents who wish to join a

subculture or niche community, consumption is important, often to the point where paid consumption is necessary.

Consumption options, however, do not mean that putting together an avatar is easy. There can be difficulties in finding someone capable of or willing to make particular outfits, or in putting together costumes from available items. These issues are highlighted through the example of Ballet Pixelle, *Second Life*'s ballet troupe. The troupe's website notes that, "Because of the lack of a costume designer, we spend a significant amount of time finding and assembling off-the-rack costumes and AVs that fulfill the artistic vision" (Saarinen, 2009). Given that a recognized in-world institution faces these issues, it is not surprising that individuals are subject to the same in-world difficulties in putting together their own customized avatars.

While these requirements are fairly common in niche communities, they are also found in the broader population. Dress codes and other formal requirements surrounding appearance are found at some venues and sims. For instance, Frank's Place Jazz and Dance Club requires formal dress, and as with many role-play sims, shops selling appropriate clothing are located around the club. Visiting the RMS Titanic necessitates semi-formal dress, and clothing options are readily available in shops that are close to the venue. Similarly, while attending an in-world fashion show does not generally require a dress code, it does necessitate the acquisition of fashionable items for those who want to show that they belong in this social arena.

This is not to say that *Second Life* group membership is based exclusively on what members consume. To suggest that virtual goods alone are enough to create and sustain membership would be a simplification. While they do indicate membership, clothing and other virtual goods will only get a resident so far. Other elements of engagement come into play, notably social networks and cultural knowledge. Considering consumption in terms only of requirements makes establishing membership sound difficult, tedious, and perhaps even tiresome, which is not the case.

More importantly, finding items and constructing an avatar can be pleasurable. In addition to liking changing their appearance, residents also appreciate being able to look

a specific way and to appear unique. Within communities based on niche interests, residents are likely to be interested in, excited about, and engaged with the group. Acquiring goods and developing an avatar may be challenge. This challenge, however, is not necessarily unwanted or unpleasant. Even when requirements are formal, the rules are not necessarily a problem because these are groups in which residents may already have an interest and affinity.

Although there is a more pronounced focus on clothing and avatar appearance, less body-based elements of virtual life such as land or housing can also be implicated in membership and belonging. For instance, group members can design their land, homes, and other holdings based on their reference groups. Someone who is a member of a steampunk group, for instance, can create a house that relies on steam powered machines and a Victorian aesthetic. This particular example can be seen in the home of Larissa Starostin which is displayed through photo-sharing site Flickr (2010). The group highlights a variety of choices, including photos of sims that reflect affiliations including, but not limited to, elves, cyberpunk, and anime stories.

These elements of group belonging are connected to Hebdige's ideas of subcultural style (1991). While they are not always as intentionally subversive as his cases – but, in some cases, may actually be more so – consumption amongst *Second Life* groups can be read in a similar way to subcultures in terms of establishing membership and belonging. In subcultures, the focus on consumption is strong, and Hebdige asserts that,

The relationship between the spectacular subculture and the various industries that service and exploit it is notoriously ambiguous. After all, such a subculture is concerned first and foremost with consumption. It operates exclusively in the leisure sphere...It communicates through commodities even if the meanings attached to those commodities are purposefully distorted or overthrown (1991, pp. 94-95).

Second Life subcultures are made distinct in part by what they consume. This distinction is facilitated by the ease of altering the virtual body as well as the acceptance of such alterations. In-world, a range of consumption options is available, from the smallest necklace or tattoo to modifications of the entire body. The opportunity for drastic shifts in appearance also makes it possible for many avatar features to show affiliation. For

instance, a resident can have a body shape, full-body tattoos, hair, and piercings that indicate membership.

With this flexibility, residents can more easily join multiple groups. While useful for personal customization, the ease of altering an avatar's appearance also makes it possible for avatars to more easily affiliate themselves with multiple subcultures. In both offline and online interactions, it is common for individuals to affiliate themselves with many identities and subcultures (Boellstorff, 2008). In *Second Life* this process is facilitated by the fact that the body can be quickly and easily altered to fit the expectations of a particular group.

In Hebdige's account, many of the stylistic choices made by groups are ones that require time to change. Dyed hair, cropped hair, dreadlocks, tattoos, and piercings are not simple or quick to change, but can be altered in seconds in *Second Life*. Even clothing-related stylistic choices, which are relatively easy to change, are not as quick or as easy as in *Second Life*, where changes are instant and clothing is always available in inventories. This speed and ease makes alterations to the avatar significantly faster and easier than would otherwise be possible.

This ease is further facilitated by the ability to create "outfits" in *Second Life*. Once a resident has created a look they like, they can save all of its components. Once saved, the look can be applied to the avatar all at once. In this way, an entire avatar can be changed with a few clicks of the mouse button. This simplicity means that moving from a sim focused on vampiric role-play to one dealing with enacting Star Trek storylines requires only a quick change into something more appropriate. For a resident who has an interest in different groups, moving from one sim, event, or meeting to another is facilitated by the ease with which even the most stringent style requirements can be easily and quickly adhered to. Because of the capacity for easy changes and a ready supply of goods in-world and in inventories, consumption offers residents the opportunity to engage with many groups. Owning multiple avatars, outfits, accessories, and other items becomes a way to belong within different groups and easily adopt the style or aesthetic particular to each.

Consumption is linked to group membership in ways that are formal and informal, direct and indirect, prescribed and suggested. Through these practices the meaning of virtual goods becomes linked to community and belonging. While these meanings are not absolute – many communities use similar items to convey membership, and some groups have more distinct or required forms of consumption than others – they do serve as markers of affiliation. Consuming allows residents to more easily fit into the broader community as well as niche groups by gaining the acceptance of other group members and establishing their own sense of belonging.

7.2 Consumption and Social and Cultural Capital

The consumption of virtual goods is useful in establishing group membership. However, it also plays a role in the development of social and cultural capital within smaller groups and the virtual world at large. Social capital is defined by Bourdieu as, “the aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance and recognition – or in other words, to membership in a group” (1986, p. 21). This form of capital is therefore the resources available to an individual in terms of the belonging, support, and connections afforded by a social network. In turn, Bourdieu explains cultural capital as the cultural habits, knowledge, skills, education, and competences of individuals (ibid). Such abilities develop over time and can also help individuals to raise their status. These assets are not economic in nature, although they can be converted into financial benefits, and may initially require some monetary input. In both cases, however, an individual is able to leverage non-financial resources within society. Social and cultural capital are manifested in *Second Life* in different ways, and dealing with all permutations is not within the scope of this research. However, certain aspects of social and cultural capital are linked to consumption, as well as production.

Consumption is linked to production by virtue of the fact that it is usually the end goal of making or developing something. With production, cultural capital is established through being able to create desirable items and understanding how they can best be released or sold within the world. The work of some designers, developers, and creators, for instance, is more recognized and valued than others. Chip Midnight, for instance, is

famous for skins, while PixelDolls is known for clothing. In addition to creating quality products, these stores are recognized for their wide selection of virtual goods, some of which are difficult to find.¹ While these designers run successful businesses, they are also recognized for their ability to meet the needs and desires of *Second Life* residents, and for doing so in ways that are valuable to the community.

With production, social capital also comes into play by building networks of customers and affiliates. This process can involve social status that is gained through giving items away. To return to Chip Midnight and PixelDolls, the designers use cultural capital to create desirable goods, but they also make use of social capital to drive consumption. Both designers are frequently discussed in forums, blogs, and articles, and are often recommended by residents. Furthermore, both designers offer freebies to other residents and are involved in the virtual community, further increasing their social capital by giving back to the community in recognized ways and also raising awareness of their goods.

Beyond production, consumption establishes social and cultural capital through community membership. Cultural capital is expressed in two related ways: acquiring and using items, and doing so in ways that recognize to the norms of the world. Knowing how to locate, acquire, and use items indicates cultural capital through knowledge of the world. One mistake often made by new residents is not unpacking boxes of goods before applying them to the avatar. This causes the box to attach to the avatar, instead of the anticipated pants, shirt, or hat. While this is a common error, avoiding mistakes demonstrates knowledge of how the world works. In addition, cultural capital is also established when this knowledge is shared. Forum posts, for instance, often focus on where residents can find particular virtual goods or on solving these problems. Being able to respond to these queries demonstrates knowledge to other residents.

¹ Chip Midnight, for instance, is the creator of a black skin (among others). Given that ethnicity is often under-represented, this skin caused a stir when released (Au, 2006). However, it also served to address a need within the virtual world.

Knowing how to locate, acquire, and use items is important, but finding the “right” or most appropriate ones shows additional cultural capital. This can range from understanding that sculpted prim (sculptie) shoes are considered better than prim shoes to being able to acquire an entire outfit appropriate for a particular role-play sim. Acquiring items that follow norms demonstrates knowledge of the world and also a deeper understanding of some of the more subtle meanings of consumption. This knowledge is often situational. Knowing that a particular club has a dress code, where to find an appropriate outfit, how to accessorize it, and what scripts or animations to use are indicative of knowledge and understanding. Furthermore, even forms of resistance fit within this category, since in order to resist norms, those norms must be understood.

Besides being implicated in cultural capital, consumption also plays a role in social capital. Because of its focus on social networks, social capital arises from who residents know and how they use social connections (van der Gaag, 2005). While this form of capital is not specific to consumption, it can still be indicative of who a resident knows. For instance, on one blog, the author writes about a fashion designer, saying,

Eshi Otawara has a lot of fangrrls and fanbois. I happen to be one of them. Actually, I am more than a fan—I am her “stalker.” Almost every night I call Eshi on her home phone and leave her a message, usually in the vein of “Where are you? Pick up!” I “stalk” her because Eshi is a real life friend of mine, a great friend, one of the best I have. So with full disclosure, I am showing you this stunning piece Eshi donated for auction for RFL named Kabuki limited. I modeled it and then snatched it out of the hands of another bidder because from the moment I first laid eyes on it, I had to have it. Besides Eshi, I have the only existing copy in *Second Life*. (Beresford, 2009a)

Eshi Otawara is a well-known designer who creates distinctive and sought-after designs. Her creations are often easily identifiable. The dress in question is notable for two reasons. First, it was a limited edition, with only a small number sold for a two-week period. Second, it is also said to be the most expensive dress in *Second Life* after the last copy sold at a charity auction for the American Cancer Society’s Relay for Life (Aeon, 2008). While this account does incorporate an auction rather than a more direct gift, the focus is on who the author knows as well as the limited availability of the item and highlights their social capital through this example of consumption.

The importance of social capital is also even more evident in another post noting the gift of a pair of boots. With the item clearly acknowledged as a gift, there are explicit links made between friendship, acquisition, and, in the author's own words, showing off. Beresford writes that, "Well, in honor of Eshi's RL bday, I am doing another blog. I already said the mushy stuff in the other one, so this one will be a straight to the point deal wherein I show off the boots Eshi gave me and I try to look sexy. (2009b). In this example, the focus is on the consumption of a virtual good and the social capital that made its acquisition possible. More generally, another resident notes that, "connections will get you free stuff, because your designer friends will hook you up" (Uritsky, 2006). While it is difficult, if not impossible, to determine by sight whether an item was purchased or a gift, there are many ways in which this social capital can be set out. Here, it is mentioned in a blog post, but forum threads and in-world discussions are also ways that social capital can be made clear, even when the provenance of a particular item is not immediately apparent.

This use of consumption in social capital demonstrates two things. First, the consumption of these goods shows that a resident is established enough to know other residents, and to know them well enough to receive gifts. In this sense, the showing off of a gift can demonstrate belonging in a social network. Conversely, from the perspective of the designer this also demonstrates a beneficial social relationship. In these examples, this designer is appreciated enough to have residents who want to wear their clothing. Furthermore, they appreciate it enough to make public statements that establish the importance and value of the creator. With people consuming goods and then talking about them, the designer is established within as the producer of quality, desirable clothing who is worth buying from and even worth knowing. Therefore, by making certain elements of consumption public, producers and consumers can benefit from the establishment of social capital.

7.3 Consumption, Visibility, and Recognition

The visibility that links consumption with social and cultural capital also relates to how these practices are read, understood, and interpreted by other residents. On an individual level, the meanings that residents associate with their consumption are relatively straightforward. Consumption is heavily linked to in-world customization, attractiveness, individuality, belonging, status, and social and cultural capital. However, understanding what meanings residents associate with their own consumption is a separate matter from how these practices are viewed and interpreted by others. Consumption habits and preferences are visible to other residents who can then interpret these practices. Understanding these interpretations is a useful start to considering the potential consequences of consumption (dealt with in chapter 8).

Consumption happens in a world with many thousands of residents. Even if they do not directly interact with each other, residents can see each other. They can also see land, houses, and other property. Within the world, residents do notice the consumption of those around them. More importantly, they read and interpret consumption in ways that are not necessarily intended by those around them.

Many *Second Life* residents notice the consumption of others. The majority of survey respondents notice when someone they know has modified their avatar, put on new clothes and accessories, used new animations, and put up a new house or buildings. Compliments on new hair or clothing also reflect the fact that residents notice consumption and are fairly common in-world, especially among residents who know each other. Some residents are also able to identify the work of designers or items from particular stores. When asked about whether they could identify another resident's skin or features, 72 respondents indicated sometimes, while 28 said never, 36 said rarely, 34 said often, and 5 said always. Clothing and accessories had a similar spread with 88 indicating sometimes, 20 never, 17 rarely, 39 often, and 11 always. Over half of respondents were able to identify skin, features, clothing, and accessories sometimes, often or always. Fewer respondents indicated the ability to identify animations, vehicles, houses or dwellings, or furniture, items that are not as in widespread circulation as avatar-

based items. Although the ability to identify virtual goods is not universal, it is something that many residents can do, at least to a degree.

The ability to recognize particular goods and designers is also seen in discussions around stealing and copying virtual goods. In one account of design theft, an *Alphaville Herald* reporter writes that, “I teleported in to immediately recognize some Nyte N Day, ETD, and Gurl 6 designs - some of which I personally owned so I can tell in the details for certain - not to mention tens of other styles of recognizable clothing from the top designers in SL” (Sassoon, 2007). This account also indicates that some residents have the ability to recognize the work of particular designers at a glance.

Beyond identifying illicit activities, the recognition of others’ consumption can serve multiple functions. For some, recognition is a matter of personal interest and a demonstration of knowledge. Popular designers and content creators are regularly recognized within particular circles of interest and influence, such as role-playing or high-fashion groups. Being able to identify the work of particular designers again indicates the knowledge that is important to group membership and social and cultural capital. There are also opportunities to demonstrate knowledge of consumption more generally. For instance, in response to a blog post on fashion, a commenter writes, “Love the modded curly loose updo....I recognize the “independant” curls from Naughty Designs, but not the bangs” [sic] (Stacey, 2006). This comment demonstrates – in general and to others – knowledge of particular designers and what they produce.

These abilities are also evident in forums where residents use their knowledge to assist others. This knowledge is especially useful in helping other residents who are looking for particular goods. In these forums, the seeker usually posts a photo, and other users offer information, such as who the designer is and where to buy it (SLUniverse, 2010a). This approach is also used by residents trying replicate a particular look or outfit – such as one from an offline magazine, or a more generally described style – where other users provide suggestions about items or stores that may fit the request (SLUniverse, 2010b). This assistance makes clear some residents’ ability to identify virtual goods.

Being able to recognize goods can also be a source of pleasure for residents. In an account of her band's travels through *Second Life*, Lolly Gladstone writes that,

“Though I give credit to the makers of what we wear, I don't necessarily always point out what was a gift or a prize. Personally I think it's fun to examine the outfits of other avatars and see something I recognize to have been obtained for free, and to see how interestingly it can be combined with higher priced items. Like in real life, not everyone has to know what you got on sale!” (2009)

In this account, pleasure emerges in a few different ways. It is associated with inspiration, especially in terms of seeing how other residents have used particular items. There is admiration of the creativity of others, as well as pleasure in the knowledge that a free item might not be perceived as free by others who could be looking. Pleasure can also come from noticing that others own the same items, suggesting that they are popular, or perhaps worthy of ownership.

Even when they are unable to identify particular items, in-world interactions indicate that residents notice the consumption patterns of others. Comments, such as complimenting a new shirt or couch, show that a resident has noticed a new item or a change to the avatar or sim. Survey respondents indicate a willingness to compliment others. When asked if they would compliment another resident who had something that they liked, 101 respondents agreed, and another 41 strongly agreed. While compliments on other's possessions are not uncommon, they are also not common enough to suggest that they are just offhand conversation, or that they are given without thought. In an hour spent at an in-world party, for instance, three different compliments were given to a resident on her new, bright blue dress. In two hours at a blues club, a greeter greeted 23 residents, but only one was offered a compliment on her outfit. The relative rarity of compliments suggests that although consumption is recognized, it is valued enough that compliments are not given without a reason, such as noticing something new or different. That said, compliments also suggest that residents notice virtual goods – and perhaps even the consumption that goes along with them – even when they do not recognize the item itself.

7.4 Criticisms of Consumption

Beyond the relatively straightforward identification of goods, recognizing consumption can lead to interpretation and judgment of those practices. While the accumulation of social and cultural capital can be relatively positive consequences of consumption, criticism is less pleasant.

Residents are aware that others are looking at and noticing them, both in general and in terms of their consumption. One resident writes that other residents should, “Be respectful. We spend a lot of time, \$L, and effort to be pretty for you. We are not asking anything of you. So dont treat us badly [sic]” (Zelmanov, 2006). The key point here is the idea of putting in effort for others. As with status and conspicuous consumption, this comment makes clear that the resident is not only aware that others are looking, but that they are dressing somewhat intentionally for those who look. This awareness is also seen in forums. Residents post pictures showcasing their appearance, clothing, and style (SLUniverse, 2010c), or their homes (Flickr, 2010). In doing so, residents are making clear that they are aware of being – and, in some cases, actively trying to be – in the gaze of other residents, frequently with regards to their consumption.

In his work on encoding and decoding, Stuart Hall (2006) suggests that the model of an audience simply accepting a text is limited and inaccurate; a more apt model is of a message that is based on a particular set of codes, which are usually those of the dominant ideology. When sent, the audience may accept those codes, but through their own agency they may also choose to reject them and interpret the message in their own way. While Hall is referring to mass media prior to the advent of *Second Life*, his model is no less applicable here. The codes of *Second Life* – both of the world itself, and those derived from offline life – may suggest the way in which the meanings of consumption could be interpreted. Conversely, residents may not accept these codes and will interpret the meanings of this consumption in different ways.

Consumption can therefore bear multiple meanings. Fiske raises the possibility of miscommunication through consumption. Speaking again about jeans, he writes that, “The semiotic richness of jeans means that they cannot have a single defined meaning,

but they are a resource bank of potential meanings” (1989b, p. 5). Although it deals with clothing specifically, this statement raises the possibility that any commodity can have polyvalent cultural significance. Virtual goods can therefore have different meanings for the avatar and for other residents who are privy to their consumption.

One way that consumption can be interpreted is financial. Those who can easily identify virtual goods can also have information about and beyond where items are from and who designed them. Survey respondents indicated that 111 respondents could sometimes or more often identify where another resident acquired their skin or features, 138 their clothing or accessories, 97 their animations, 36 their vehicle, 67 their house or dwelling, and 81 their furniture. These residents may also have an idea how much money other residents spend on their avatars, especially if they can identify particular goods. They can therefore evaluate consumption from a financial perspective. When asked if they could estimate the cost of another resident’s possessions, 131 could do so sometimes or more frequently for skins or features, 135 for clothing or accessories, 96 for animations, 47 for vehicles, 81 for houses or dwellings, and 86 for furniture. Furthermore, given that ostentatious displays are not always appreciated (Huntress, 2011), spending too much money on an avatar can be negatively interpreted (discussed in greater detail later in this chapter). Conversely, others may also be aware of how many freebies a resident has or how little money they have spent, which can also be a point of criticism (Jewell, 2009),

Residents who are not aware of virtual good costs also evaluate consumption. As previously mentioned, compliments feature in in-world conversations, and are also seen frequently on forum and blog posts, especially in threads that feature residents’ style. In one thread, for instance, residents write that they “just fell in love with an outfit” (Miller, 2009), and that certain outfits or avatars are “gorgeous” (Arilynn, 2009), “Just wonderful” (Roussel, 2009), and “A very sweet look” (McMahon, 2009). Furthermore, approval is also indicated by the forum’s built-in clickable responses, through which residents can easily indicate approval or thanks for a post. By clicking on these responses, dozens of residents indicate their approval and appreciation of particular elements of avatar style.

Much as a resident may be convinced that they consuming in positive ways, there will also be those who interpret their consumption differently. Based on the prevalence of insults, both in-world and on the web, readings of consumption also incorporate negative judgment. For instance, the number of sites dedicated to highlighting virtual fashion faux pas and appearance-related issues is testament to the fact that what is consumed in the virtual world is noticed and interpreted by other residents. There is, for instance, a range of blogs dedicated to highlighting issues with consumption and appearance. One of many popular sites is the *What the Fug?* blog. The terms “fugly” and “fug” are hybrid words derived from the phrases “fantastically ugly” or “fucking ugly” (Morgan & Cocks, 2004-2008). Modeled after the blog *Go Fug Yourself* that popularized the term and the approach to style criticism, *What the Fug?* highlights what the authors perceive to be the worst of *Second Life* fashion and consumption, from the overuse of enhanced body parts to badly made and badly used clothing.

What the Fug? is highly critical of fashion consumption and how it is used. In a post titled “Happy Fugentine’s Day”, for instance, an author writes about an avatar with questionable clothing, hair that does not fit, and shoes that the author deems unattractive. She writes, “I know lag was bad and it would be prudent to cut back on prims, but HONEY, sometimes you just have to know where to cut back! Put on a pair of jeans instead of that skirt and get some real shoes on!” (Chenau, 2009). This is only one example of many; the blog has over 400 posts. Furthermore, the blog also accepts reader submissions, suggesting that people beyond the administrators are judging other residents based on their consumption.

Criticisms are focused on three main interrelated issues, all of which are linked with what is being consumed and how it is being used. First, judgment can be passed based simply on what items a resident has opted to purchase. In terms of the body, these judgments tend to centre on what items a resident has selected to wear or use. For example, selecting a skin that is perceived to have too much makeup can be grounds for criticism (Magnolia, 2008). Second, judgment is also passed on the quality of items. While some of the onus lies on developers to create well-made goods, there is also pressure placed on the consumer to select and use quality goods. This issue is highlighted

on the blog through a criticism of prim breasts that do not properly fit the avatar (Calamity, 2009). Residents who choose items that are of lower quality rather than those that are well made are sometimes judged on these choices.

Third, related to these interpretations is judgment based on how well a resident has used the items that they have acquired. Many items can be adjusted once they are attached to the body. Other residents note the quality of these adjustments. A female resident may purchase a new skin for her avatar, but if she fails to ensure that her tattoos don't distort the skin colouring, for example, or elects to inflate the breasts to unrealistic proportions, she may be judged for using the skin badly. One post, for instance, showcases a resident wearing body chains and silky scarves, and points out that these items have not been properly fitted to her body and hover around it (Calamity, 2009). Even an item that is well-made may be judged based on misuse.

Given the freedom associated with *Second Life* and the variable preferences of its millions of users, it is difficult to claim that these items and the way that they are used are inherently wrong. However, the overarching purpose of the site does suggest that appearance and consumption matter enough that people are willing to take the time for public critique. The other implication is that in order to belong – or, at least, in order not to be singled out in negative ways – there are certain norms of appearance that should be followed. Along these lines, *What the Fug?* is not all negative, and does suggest easy avatar makeovers – complete with prices and links – for those who wish to change the look of their avatar. In doing so, it sets up consumption not only as a problem, but also as a solution.

These examples are particular to specific examples of consumption, where a resident has made what is seen to be a poor choice in what they have acquired or used. However, judgments are also seen more broadly around general consumption habits, especially around residents who consume a lot. When asked about how they thought other residents perceived those with a lot of goods, survey respondents indicated that there are some negative perceptions associated with consumption. For instance, 12 respondents strongly agreed that those who had a lot of virtual goods were pretentious,

while 41 agreed with this suggestion. Similarly, 17 respondents strongly agreed and 51 agreed that residents thought that those who had a lot of goods were showing off, and 14 strongly agreed and 42 agreed that they were too focused on shopping. Conversely, relatively few respondents indicated that they thought that residents perceived those with a lot of virtual goods as hard workers or generous. While most responses for these assessments were neutral, some respondents still indicated that residents interpret the consumption of others in ways that are not necessarily positive, especially when they consume a lot of virtual goods.

These perspectives are also reflected in concerns around ostentation and investment. Some residents are critical of those who become too invested in consumption, especially in terms of consumption for the sake of consumption, or for showing off. If residents become too focused on their avatar and consumption, they may be perceived as self-involved or conceited.

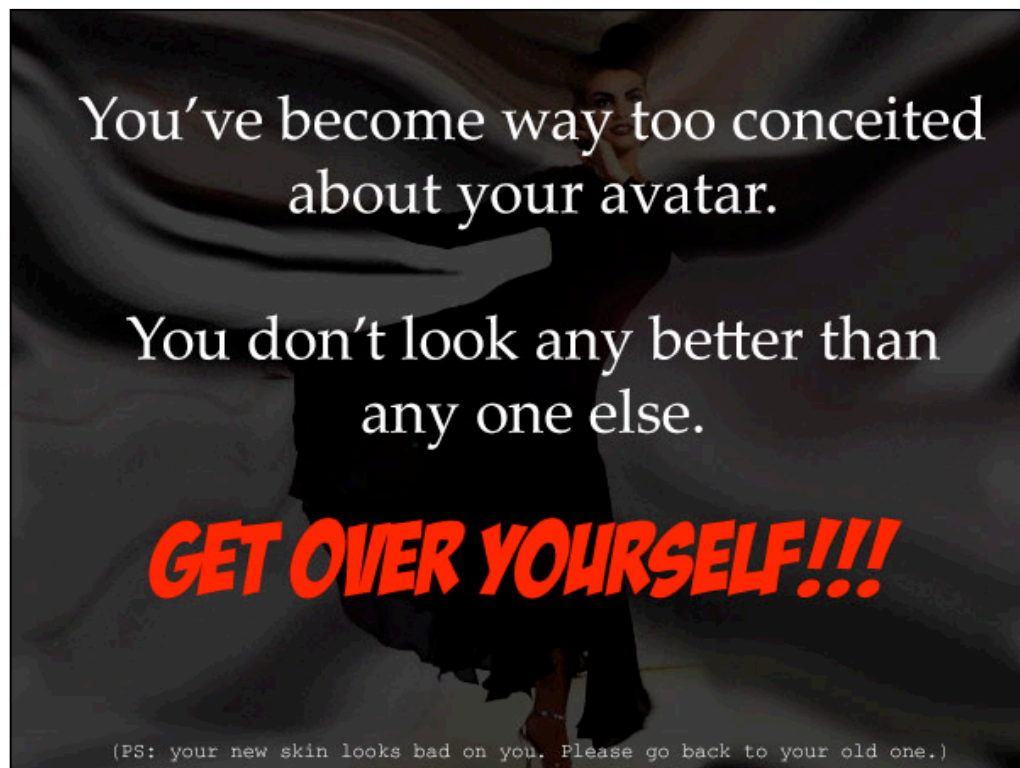


Figure 7.2: Virtual post card from SLSecret showcasing resident sentiments about those who are too focused on developing their avatars (SLSecret, 2008b).

These sentiments are expressed through a postcard submitted to SLSecret, a *Second Life* version of the popular PostSecret website. In this submission, the contributor indicates that residents who are too conceited or focused on their avatar need to get over themselves. Similarly, other residents also speak out specifically against what they perceive as excessive consumption. On a fashion thread, one notes that, “Ostentatious displays are not received well. Simple elegance is noted. Confidence is the one true and universal appeal no matter what time you live in, but how that confidence is portrayed will vary” (Huntress, 2011).

Consumption is therefore implicated as a practice that is noticed and used to critically evaluate others, as seen with concerns around being pretentious, showing off, ostentatious, or conceited. These assessments, however, may not be intended by or representative of the resident. Issues with consumption are most strongly linked to excessive consumption without a purpose beyond excess in its own right. The exception here seems to be excessive consumption for a particular purpose. In situations where consumption is seen as important or even required – such as to fit in within a particular community or event – consuming a lot or paying high prices for virtual goods does not seem to be as much of an issue.

7.5 Consumption and Resistance

Consumption is linked to group membership, both in terms of showing affiliation and following group norms. However, there is also room in consumption for expressing resistance. For Hebdige, style marks group membership, but also serves as a form of resistance against mainstream society; “The meaning of subculture, then, is always in dispute, and style is the arena in which opposing definitions clash with the most dramatic force” (1991, p. 3). By rejecting the group norms and expectations around appearance in *Second Life*, residents are able to resist the dominant ideals of the world and make statements about issues such as heteronormative standards of attractiveness, representations of disability, and even the focus on and meanings of consumption within *Second Life* itself.

Not all subcultures within *Second Life* can be read as – or, for that matter, are intended to be – subcultures of resistance. For many groups, belonging is facilitated by consumption without engaging the subversion or resistance found in Hebdige’s work. As previously discussed, consumption can simply be a factor that facilitates belonging. However, in some cases where consumption is used stylistically and to indicate belonging within a particular subculture, there can also be resistance associated with these practices.

Although he asserts that membership in smaller interest groups does not prohibit the feeling of belonging to the broader virtual world community, Boellstorff also acknowledges the presence of a wide variety of subcultures *within Second Life* (2008). He writes that, “no one denied during my research that there were subcultures in *Second Life*” (pp. 7-8) and “as an individual researcher I could not familiarize myself with every subculture or region of *Second Life*” (p. 79). These accounts acknowledge not only the existence of subcultures, but also the fact that they are widely recognized and accepted.

While subcultures are present, it is important to acknowledge the differences between offline subcultures, such as those examined by Hebdige, and those present in *Second Life*. In the virtual world, subcultures, and especially those that are controversial or clandestine, are more readily accessible. Because of the anonymity associated with the world, residents have greater freedom to safely explore less accepted practices. As a result, these practices are also more likely to be on display, with different subcultures more active and visible within the virtual space.

Subcultures such as fetish communities may be viewed with some wariness in offline life (Chalkley & Powell, 1983). In contrast, they are relatively common and are not generally subject to the same perceptions within *Second Life* (Bardzell & Barzell, 2006). This is the case for many *Second Life* communities ranging from sex fetish and vampiric groups through to Star Trek fans and Gorean role-players. Although these groups may have detractors, by and large they are not subject to any overwhelming or widespread derision. As a result of this acceptance, subcultural style can also be more

visible in *Second Life* than it is offline, both in terms of the options available to residents and the degree to which these options are engaged.

It is, however, difficult to see the actions of these residents as resistance in the same way that Hebdige reads the self-presentation of punks in 1970s London. Given the breadth and visibility of these groups, some expressions of resistance may not be as obviously resistant within the world itself as they would be in offline society because they are surrounded with other groups who are equally visible and resistant. This situation does, in some ways, seem to throw into question the very idea of “resistance”.

Despite the increase in visibility and decrease in negative perceptions of subcultures, there are, however, still elements of consumption that can be subversive and resistant, even within the relative freedom of the virtual world. Because *Second Life* supports many subcultures, in-world resistance is difficult. There are simply so many interesting and unusual ways of living a virtual life that there are few opportunities for in-world resistance, since almost anything that could be considered resistant is likely already present within the world. That said, resistance can also be seen in terms of using the virtual world and its consumption opportunities for engaging in practices that would be more difficult and less accepted offline.

The avatar is an important site for this kind of resistance. The malleability of the virtual body and the fact that it can be fundamentally altered is used for subcultural resistance. Acts of stylistic resistance that are not available offline can be easily achieved within a virtual world, especially through consumption. One of the most recognized examples of such practices is seen in the furry community. Furies are individuals who are fans of anthropomorphic animals, some of whom choose to dress like animals. In offline life, this can mean making or buying a costume or “fursuit” that can be worn to simulate the appearance of an animal (Gerbasi et al., 2008). In the virtual world, however, the body itself can become a furry avatar. WikiFur, a wiki created by and for the furry community, states that many virtual furies do not like be thought of as wearing a fursuit over their avatar, and see the furry form as the virtual body itself (2010).

The opportunity to virtually create the ideal body is reason enough to construct or

acquire such an avatar. Doing so, however, can also be an act of resistance against normative ideas of sexuality. In a discussion of in-world teasing, one member of the furry community acknowledges that she understands that furries behave in what are perceived to be unusual ways, stating, “What we do is pretty silly, and different from the norm” (Relee Baysklef, quoted in Au, 2005). Despite the freedom of *Second Life*, this example suggests that there are still in-world practices that are still seen as unconventional. Donald E. Jones also makes note of these differences, explaining that, “Virtual furries are an example of the post/human monstrosities that Graham argues challenge our ontological categories of nature/culture, human/animal/machine and body/environment” (2008). In these cases, consumption can establish resistance to a dominant paradigm within the virtual world or offline society, even as it fulfills the desires of residents.

Another even more contentious example can be seen in the example of age-play (Meek-Prieto, 2008). For age-play, child avatars are created or purchased, features changed or acquired, and child-appropriate clothing styles used to mark the avatar in ways that imply youth. Child-like animations are acquired that make the avatar move in particular ways. Given the extreme natures of these transformations, creating child avatars can be a challenge. Therefore, consumption is often necessary, but is used in a way that works against the norms of the world and is often viewed with derision, especially when sexual practices are involved.

In *Second Life*, child avatars often appear as resistant and subversive. These avatars are banned from many sims because of the perception that they are linked to sexualized age-play or virtual child pornography (Meek-Prieto, 2008). In spite of these perceptions, child avatars still exist within *Second Life*, as do groups dedicated supporting those who choose to represent themselves in this way. By continuing to present themselves in ways that are often viewed with distaste, child avatars are engaging in practices – including consumption – that are resistant to social norms. Although few communities are subjected to excessive criticism for simply existing, some communities and their members, like those involved in age-play, consume in ways that are subversive not only offline, but also within a relatively accepting virtual world.

Although this approach is not resistant to dominant ideals, virtual consumption can also be read in terms of the ways in which it subverts the limits of offline bodies and identity. These previous examples depict desires that are extremely difficult if not impossible to meet offline. Short of animalistic tattoos and extensive plastic surgery, humans have few options for becoming animals. Similarly, once they are grown there are no options for physically returning to childhood. By consuming, individuals who desire this kind of identity and existence are able to virtually create it and resist offline limits that would otherwise make such explorations impossible.

Virtual consumption can therefore be a form of resistance to both practical realities and hegemonic ideals. Actions may not always appear to be resistant within the virtual world, with its many highly prominent and very visible subcultures. However, these actions may be acts of resistance against offline norms that prove problematic for residents. As Hebdige suggests, style is a marker of group belonging and resistance (1991). By establishing a prominent, visible, and clearly defined subculture within *Second Life* and marking it through style and consumption, residents are able to establish identities and communities that defy problematic conventions.

Finally, while a full psychological investigation of this phenomenon is not within the scope of this project, scholars have conducted research into online identity and representation. The freedom associated with online interaction is seen as facilitating the expression of a “true self” (Bargh et al., 2002; McKenna et al., 2002). In many cases, such as with groups that may be persecuted or mistreated, the online realm becomes a place where offline hegemonies, normative conventions, and problematic elements of life can be effectively subverted and resisted (Au, 2008c; Heinz et al., 2002; Turkle, 1995). As such, challenging and resisting dominant norms can be a very important element of virtual life.

7.6 Anti-consumerist Resistance

Consideration of consumption practices as resistant also raises questions around whether lack of consumption or anti-consumerist activities are present in the world, and what the intentions and effects of such interventions might be. While style in *Second Life*

expresses varying levels of resistance, consumption can also be linked to resistance through anti-consumerist activities that deny consumption as a form of protest.

Anti-consumerist choices are easier to make in *Second Life* than they are offline. Because of the lack of physical needs, a resident need never consume anything in the virtual world. In offline life, consumption is almost always required for survival, even if it is driven largely by necessary purchases such as food and clothes. In other ways, however, anti-consumerist activities can be more difficult. With a plethora of virtual goods easily acquired for free, it is easy to consume. Unlimited inventories simplify collecting and storing virtual goods. Furthermore, beyond the energy used to run the *Second Life* servers and the resident's computer, there is little waste attached to consumption (Lin, 2008). Although not consuming in *Second Life* is easy from the perspective of meeting needs, the abundance of free items makes it easier to consume without spending money, taking up space, or wasting materials.

Residents can and do consume without spending. Some residents rely exclusively on freebies, and many are proud of their freebie-only lifestyles. It is almost impossible, however, to find residents who do not consume at all. When asked about consuming virtual goods, only two percent of survey respondents indicated that they had never bought virtual goods. Furthermore, when asked about their in-world anti-consumerist activities, 67 percent of residents indicated that they did not participate in any anti-consumerist activities. Of those who did participate, the most commonly cited activity was swapping or trading goods by 10 percent of respondents, an activity that is still linked to consumption, albeit in a less market-driven way. For other activities, such as political events, protests or rallies, swapping or trading services, Buy Nothing Day, or barter economies, less than five percent of respondents had participated in each category. Therefore, although it is possible to exist in *Second Life* without consuming, the vast majority of residents consume, although not always in ways that require an exchange of money. Given the degree to which residents consume, resistance based around consumption is based almost exclusively on what residents consume rather than on the choice to not consume.

7.7 Conclusions

Consumption in *Second Life* is linked to individual ends. By consuming virtual goods, residents are able to customize their avatars, increase their attractiveness, and establish their individuality among the large population. Simultaneously, the visibility of many virtual goods also adds an element of conspicuousness to some forms of consumption, which in turn can lead to the development of status. These are not, however, its only functions. Consumption also plays a role within in-world community relations. By consuming, residents are able to establish themselves as members of the broader *Second Life* community, as well as of smaller interest groups. Within groups, consumption can be used to establish or demonstrate social and cultural capital.

The fact that consumption occurs within a community means that it is seen, interpreted, and even judged and criticized. While residents may be showing their individuality, belonging, wealth, social connections, or attractiveness through consumption, these are not always the meanings ascribed to their consumption practices by other residents. Compliments are prevalent in *Second Life*, but so too are insults. Although there is a good deal of goodwill expressed towards the consumption of other residents, there is also a significant amount of discussion and discourse that indicates that not all consumption is seen in a positive light both in terms of specific consumption choices and how much is consumed. Furthermore, consumption can also be used as a form of resistance by establishing membership in subcultural groups, and by rejecting social norms and dominant ideologies. While these forms of resistance are applicable to the virtual community and can work to subvert its expectations, *Second Life* also offers options for resisting some of the norms and limitations of offline life. Although residents are not heavily engaged in anti-consumerist activities or practices, they do use consumption as a form of resistance.

8 Inequality and Consumption

Second Life consumption is marked by inequality. Consumption inequality is grounded on underlying inequalities of income and wealth. Although some accounts raise the egalitarian potential of virtual worlds, researchers have also accounted for the presence of various types of inequality in such worlds (Balsamo, 1996; Heinz et al., 2002; Nakamura, 1999a, 2002, 2009). However, this work has focused largely on social inequality that is not directly linked to consumption – for example, considerations of in-world racism, sexism, ableism, and other body-based inequalities (Shapiro, 2010). Income, wealth and consumption create another form of inequality within the virtual world.

This chapter will consider how income and wealth shape consumption, and also residents' perceptions of how consumption affects their virtual lives. In doing so, it will address the inequality that is associated with consumption (Attanasio et al., 2002; Blundell & Preston, 1998). Although the consequences of inequality are broad, and pervade in-world culture, inequality also acts at an individual level, shaping each resident's virtual experience. This chapter will also, however, examine features of the virtual world that moderate unequal consumption, for although inequality does affect individuals and social interactions, the virtual world undermines many of the more pronounced and problematic consequences.

8.1 Virtual World Inequality and Consumption

Researchers have long been discussing virtual worlds in terms of their egalitarian potential, even while acknowledging some of the limitations of this approach (Balsamo, 1996; Heider, 2009; Manjikian, 2010; Nakamura, 1999a, 1999b, 2002; Wellman & Hogan, 2004). However, many of these accounts do not consider the ways in which consumption in virtual environments might also factor into this inequality. The links between consumption and virtual world inequality are best seen in the case of video game worlds. Historically, multiplayer game developers have maintained an equality of opportunity amongst players (Castronova, 2005). Using offline money to buy in-game

items has often been banned to assure that the affluent do not use their wealth to their advantage in-game, upsetting the “even playing field”. Players start out equal, and any inequality or disadvantage that arises is the result of some players dedicating more time, effort, or skill to the game, rather than their ability to pay or consume. The development of RMT services that allow players to pay for in-game currency, goods, and services, and its related controversies and associations with cheating (Consalvo, 2007) demonstrate how generalized and important the assumption of equal opportunity is.

Second Life – and, as the medium develops, an increasing number of other virtual worlds – works against these norms by removing the limits that create a relatively even playing field. The exchange of offline money for Lindens places few limits on income and consumption inequality. Because Lindens can be cashed out there are also incentives to generate in-world wealth. Au reports that in 2009, for instance, 50 avatars grossed over USD\$100 000 (2010). The market economy thus becomes an important element of *Second Life* as some residents seek to make their virtual lives profitable.

These features have driven media coverage, which often looks at *Second Life* as a virtual consumer mecca. This is a position taken not only by Linden Lab (LindenResearch, 2009), who emphasize shopping opportunities, but also by the news media. Such accounts express attitudes ranging from interest (Boss, 2007; Hof, 2006) to questioning and disbelief (“Inside Virtual Insanity,” 2009; Keegan, 2010) about paying for something that does not tangibly exist, and often focus on paid consumption and the potential for profitability. Yet to consider *Second Life only* as a site of virtual consumption does not offer a complete picture. Such analyses fail to account for the way that consumption makes accessible benefits like self-expression, uniqueness, and group membership. Furthermore, these reports also often fail to note that there are features of the virtual world that mitigate some of the more negative aspects of consumerism.

8.2 Economic, Income, and Consumption Inequality

Offline economic inequality and its manifestation in consumption are widely recognized. In *Distinction*, Bourdieu writes that, “this economy demands a social world which judges people by their capacity for consumption, their ‘standard of living’, their

life-style, as much as by their capacity for production” (1984, p. 310). As with offline life, this demand is also present within *Second Life*. This judgment of others, in turn, has negative social effects. Bauman writes that,

“In addition to living in poverty, or at least below the required level of affluence, people classified as the ‘underclass’ are condemned to social exclusion and are deemed ineligible for membership of a society that requires its members to play the consumerist game by the rule precisely because they are, just like the well-off and the rich, all too open to the power-assisted seductions of consumerism” (Bauman, 2007, p. 139).

In addition to being physically and materially disadvantaged because of economic issues, inequality is also linked to social effects that can be equally dire (Wilkinson & Pickett, 2009). The presence of inequality in offline life, however, does not give rise to a mirrored existence in virtual worlds, even when these worlds mimic offline society. Nor does it guarantee that the virtual population will feel the effects of inequality in the same way as their real world counterparts.

The ways that residents consume, the associated meanings, the differences between residents’ consumption practices, and their understandings of these practices point to inequality in *Second Life*. Although the focus here is on consumption, wealth and income are intimately tied to consumption and its associated inequality (Attanasio et al., 2002; Blundell & Preston, 1998). Income is the amount of money that a resident acquires in a given period of time, which may dictate how much or how often a resident is able to consume. In turn, wealth is an accumulation of assets that includes in-world income, but also take into account accumulated savings, land, and virtual goods. Although wealth is facilitated by income, it can be highly variable based on the practices of residents. *Second Life* is therefore marked by extreme economic inequality among its residents. This inequality can be divided into two related categories: income inequality and consumption inequality. The correlations are not always direct, but consumption inequalities are frequently underpinned by income inequality (Attanasio et al., 2002; Blundell & Preston, 1998).

Insiders have noted the inequality of wealth and income distributions within the population (Au, 2007; Llewelyn, 2007, 2008). From using camping chairs to property

development, incomes vary from one or two dozen to hundreds of thousands of Lindens a month, although exceedingly high incomes are relatively infrequent. For instance, only six percent of survey respondents indicated that *Second Life* is their primary source of offline income. In addition, economic data suggests that only about ten percent of the active population spends money in *Second Life* (Au, 2007; Llewelyn, 2008). For many residents, this inequality is based on their lack of in-world income and, consequently, a lack of consumption power within the world.

Income inequality is also indicated by measures of in-world economic activity. Beyond examinations of the ten percent of the population actively engaged in building and spending within the market economy (Au, 2007a; Llewelyn, 2007), other measures of inequality have been calculated. The Gini coefficient is a common measure of income and wealth distribution. It is measured on a scale of zero to one, where zero represents a completely equal distribution throughout the members of a group, and one represents complete inequality, with one person having all the income. Offline, the three countries with the highest known Gini coefficients are Namibia with 0.71, Seychelles with 0.66, and South Africa with 0.65 (CIA, 2011). The countries with the lowest known Gini coefficients are Sweden, Hungary, and Norway with 0.23, 0.25 and 0.25 respectively (ibid). Canada has a Gini coefficient of 0.32, and the United States of America 0.45 (ibid). When applied to *Second Life*, the coefficient is around 0.9, depending on when the economic data was gathered (Brandstetter, 2009). As Thomas Brandstetter states, “The calculation gives a fascinating picture: The Gini coefficient in *Second Life* is remarkably high and documents a very unequal distribution of income in the virtual world” (p. 64).

Prior to academic research on this topic, residents calculated *Second Life*’s Gini coefficient with similar results. Taking care to account for variables including the resident attrition rate, results ranged from 0.85 to 0.97 depending on the time of calculation (Murakami, 2008c, 2008d). After looking at economic data from April 2008, one resident writes,

Counting ONLY those residents who actually earn something in SL
(trying to include the non-earning residents gives a nonsense figure
because you start counting bots and people who stopped at OI [Orientation

Island])...*Second Life* in 2008 has a Gini coefficient of 0.96. The poorest 50% receive only 0.87% of total income. The richest 10% receive 80% of total income (Murakami, 2008b).

In response to an article about virtual economies, another participant writes that, “I recently calculated the Gini coefficient for the SL income earners to be around 0.89” (stochio, 2007). All calculations relating to *Second Life* have pointed to high levels of income inequality. In addition, these figures have been widely circulated. They also have yet to be disproved in a public forum and have since been confirmed through academic analysis (Brandstetter, 2009). It is also telling that there is very little surprise or disagreement among residents. Few residents have contested the results posted in forums. As a result, it is possible to surmise that the disparity is indeed so significant that residents are aware of this inequality, and therefore not surprised by it or inclined to contest the results.

Variable incomes and wealth are also seen in survey respondents. Some respondents are able to support themselves by paying for land, tier fees, and other elements of virtual life, while others fund their virtual lives with offline income, and still others simply go without. Those who do not have income are limited in their ability to consume, especially outside of the freebie economy. With paid purchases largely inaccessible, residents may not be able to acquire the virtual goods that they want, especially for items that are not widely available as good-quality freebies, such as hair, skins, and specialty clothing. When asked, “Has there been anything in *Second Life* that you have wanted to buy, but couldn’t?”, 46 percent of respondents said yes. When asked what they wanted and why they did not acquire it, responses ranged from hair and skins to houses and land, but almost all responses specifically mentioned that the item in question was unaffordable.

Lack of income also limits ownership of and access to land. Given that land offers benefits including creating a private retreat, establishing a store or business, or renting to other residents, those without income can be disadvantaged relative to higher earners who can afford land and its fees. Survey respondents are very clear on the

importance of land within *Second Life*. When asked what they would do with access to unlimited Linden dollars, almost all respondents indicated that they would purchase land.

Economic capital is also linked to social capital. Schor accounts for the ways in which individuals use their economic wealth to consume their way into a better social networks (1998). According to Jaramillo and Moizeau, “the purpose of conspicuous consumption is to enter in communities/social groups in order to benefit from social interactions. The reason agents are interested in joining social groups is that these groups may serve to allocate goods or services not available on the market” (2003, p. 2). By consuming, residents also gain access to forms of consumption that otherwise might not be available to them through members-only events, discounts, and freebies. As one survey respondent mentions, “joined a group because it was closed unless you did and I wanted to be in that group for the information and benefits it provided.” Conversely, those who cannot afford membership are denied access to subscription-based groups and their benefits.

These conditions divide the *Second Life* population by wealth, income, and consumption. However, it is important to consider not only the fact that residents are divided, but also the implications of these divisions. Pamela Taylor notes the possibility of class division within *Second Life* as well as the degree to which divisions are visible and experienced by residents:

The ability to show roles such as land-owner and member above an avatar's head does scream of class division as does the way we choose to dress our avatars. Although one may find many free clothing options, buying designer and cutting edge clothing for your avatar is very hip and compared to real life prices, such objects as Prada shoes are considered very affordable with Linden dollars. (2009)

This statement reaffirms the reality of class division based on consumption, but also suggests that these divisions may not be as significant or meaningful as they would be in a non-virtual context. It raises questions about whether the virtual nature of *Second Life* consumption mitigates some of the issues commonly associated with first life inequality.

8.3 Perceptions of Inequality

Income and consumption inequality are prevalent within *Second Life*. However, residents' perceptions of such inequality do not suggest that it is a significant concern for as many residents as might be expected, given the level of inequality, or that it has an overwhelmingly negative impact on their virtual lives. Happiness studies are often used as a basic measure of perceived inequality. Happiness research is focused on empirically measuring happiness. In doing so, researchers are able to consider economic and other inequalities based on levels of individual senses of welfare (Di Tella & MacCulloch, 2006). This work is used as a way to help inform economics, especially in terms of understanding how economics affect well-being and the ways in which policy can be used ensure social benefits (Frey, 2008; Frey & Stutzer, 2002).

Based on surveys, only three percent of respondents claim to be unhappy when they are in *Second Life*, while less than one percent are very unhappy. 20 percent claim to be neither happy nor unhappy, but 56 claim to be happy and 21 claim to be very happy. Of those who are unhappy or very unhappy, none indicated "yes" when asked, "Do you think other *Second Life* residents respond to you differently based on what you own?" This correlation suggests that even when residents are unhappy, this state is not a result of feelings of inequality resulting from consumption.

When asked how well-off they thought they were as compared to others, almost all respondents felt that they were average or above in every category, including their avatar, things that they own, in-world wealth, and friends and social networks. Respondents indicate that the things that they own make them happier than monetary wealth. However, their things do not make them any happier than their avatar, friends and social networks, or in-world activities do. These insights offer a framework for understanding perceptions of consumption-based inequality. Measures of happiness and senses of inequality correspond with respondents' perceptions of in-world treatment. When asked directly if they thought that people were treated differently based on what they owned, 68 percent of respondents disagreed. While some residents do indicate that they recognize the more general effects of in-world consumption inequality, more than

two thirds do not think that people are treated differently as a result of their consumption or what they own.

Similarly, when asked if they felt that other residents responded to them differently based on what they owned, 35 percent of respondents answered yes while 65 percent answered no. Longer-term residents were as likely to perceive inequality as the newest residents. Six of the 12 respondents who had been residents for between one and six months, six of the 14 who were between six months and a year, 35 of the 110 between one and four years, and 16 of the 40 who had been residents for over four years believed that they were treated differently based on what they owned. Inequality can therefore be experienced at any stage of involvement with *Second Life*; there is no greater perception of inequality found within more established users than those who are new to the world. Perceived inequality is also relatively constant. New residents are not experiencing more inequality simply because they have not yet established themselves within the world while older residents are not more aware of inequality because of their longer tenure.

The relative lack of perceived consumption-based inequality is also suggested by residents' perceptions of power and influence. When asked how residents acquired power and influence in *Second Life*, possessions were not widely seen to help, with only 48 respondents agreeing, and 13 agreeing strongly. However, monetary wealth – which can be linked to consumption – was linked with 84 respondents agreeing, and 19 strongly agreeing, while owning a business received 80 agrees and 37 strongly agrees. In these examples, respondents do not feel that consumption itself leads to power and status, although they think that monetary wealth and owning a business do.

Instances where residents do perceive inequality can be specific or general. Specific instances do include consumption inequality, especially among residents who were not able to consume as they would like. Around a third of residents believed that they or others experienced differential treatment because of what they owned, though this might be for good, ill, or even naught (for greater detail, see later in this chapter). In contrast, almost half of survey respondents felt that there are more general hierarchies of power in *Second Life*. There is a long-standing perception of elite residents, sometimes

referred to as the Feted Inner Core (the FIC, or alternately, the Fetid Inner Core), the Sims Shadow Government (Sklar, 2006), or the more general Power Elite (Rymaszewski et al., 2008). This group is said to use its influence to gain favours that advantage their in-world businesses and that may disadvantage other residents.

When survey respondents were asked if they believe that *Second Life* has an elite group of residents, 47 percent said yes while 53 percent said no. Of the 53 percent that felt that there were elites, only eight percent felt they were members of this group, suggesting that their feelings of being well-off are also not related to being members of the elite. Respondents' opinions on what made this group elite were divided fairly evenly between those who felt that status was obtained by those who contribute to the world through their creativity and skills and those who are business owners or who have wealth. These perceptions suggest that although general equality is seen or experienced more than strictly consumption-based inequality, it is not seen in a particularly negative light, since the focus is on work-based contributions to the world.

8.4 Consequences of Inequality

Although *Second Life* is virtual, in-world situations have real effects on residents, especially in terms of emotional or psychological harm. While avatars cannot be physically damaged, attachment to the virtual self makes it possible for participants to experience harm when something negative happens to the avatar (Dibbell, 1993). Experiences like ostracism and flaming can be harmful for residents who value their virtual identity and life (Wolfendale, 2007). Therefore, although the inequality is virtual, residents still experience negative consequences.

Before considering the specific effects of inequality within *Second Life*, the recognized effects of inequality should be considered. Offline inequality lends itself to a set of widely recognized social consequences, some of which are found in *Second Life*, and some which are moderated by the fact that the world is virtual and enables a variety of practices and conditions that help to moderate inequality. While *Second Life* can and should be studied as its own stand-alone world, considering how inequality functions offline serves as a way of understanding inequality and its manifestations more broadly

while also serving as a point of comparison from which to understand what is occurring virtually.

Issues around consumption inequality are linked to what people have, but also as to who has more or better than other people (Wilkinson & Pickett, 2009). Consumption on its own is not necessarily an issue, so long as basic needs are met. It can become an issue, however, when linked to inequality, or when some members of a community have more than others. Inequality is therefore relative rather than absolute. Given that virtual goods are used largely socially, this is the situation in-world. While no one within the world is physically suffering as a result of not being able to consume, some residents do feel the discrepancy in consumption levels.

Research suggests that people are happier with less if everyone around them has the same (Wilkinson & Pickett, 2009). Conversely, if they have a lot, but those around them are better off, they will not be happy. For example, someone who has a small house and knows others with small houses is likely to be happier than someone who has a medium sized house but knows people who have mansions. Once basic needs are met, happiness is based on relative levels of consumption rather than absolutes, with those who have less feeling disadvantaged.

While two thirds of residents did not notice consumption-based inequality, a third did. When asked if residents respond to each other differently based on what they own, one resident suggests that, “Many times people with stuff (clubs, land, businesses) act like they are better than others. Not all, but some,” while another notes that “A lot of people tend to base whether they will even talk to another avi based on how that avi looks. If they look like a noob or are all dressed in freebies, most people will shy away from them.” In terms of in-world interactions, one resident writes that, “If I own nothing and have a basic avatar, although residents who have acquired a large amount of items are generous, most times they do not openly befriend those who do not appear to be as ensconced in online acquisitions as those who are [sic].” In these instances, residents note that how others are treated can be based on ownership and consumption.

When asked, “Do you think other *Second Life* residents respond to you differently based on what you own?”, those who answered affirmatively had the most to say. One resident writes, “I think there are plenty of people who’d like to have a rich partner, just like in RL” and other suggests that, “Those who do not have as much may be envious, those that have more may be derisive.” Others offer more specific comments, indicating that, “If your avatar looks noobish and wearing low quality items, people doesn’t seem to feel as interested in meeting you as they do if you wear good stuff” and that, “A default avatar, low quality clothes, hair and stuff makes the person wearing those items in their avatar go rather unnoticed. IMO, *Second Life* has a strong component of, let’s say, vanity.” One respondent sums up a problem faced by new residents, detailing how, “I can’t help but notice a lot of people avoid obvious newbies like they have the plague or something.” In these instances, residents offer specific examples of the ways in which consumption – or lack there of – can be a disadvantage.

Issues with being treated differently are also expressed by those who own more. One respondent writes that, “There are people who treat you nicer, thinking they can get something from you.” Another suggests that, “A lot of people seem to think that I am made of money and tend to constantly ask for L\$ or for me to buy them things or to help pay their tier etc.” While inequality is commonly associated with those who are not as able to consume, these residents also point to some of the problems faced by those who are well-off. These issues are also reflected in accounts that suggest that even when others do not expect something, interactions are still negatively affected. These experiences usually centre on intimidation by status. One resident notes that, “specially new residents tend to be overwhelmed when they realize I have a sim and expensive clothes, not realizing it took me 4 yrs and lots of real money [sic].” Similarly, store owners write that, “well when pp come in my store, they dont see me as another avi but as the owner, sometime they get more shy because of this [sic]” and “as a business owner, I think people tend to think I’m unapproachable, which is isn’t true.” The theme in these comments is missing out on interactions because of apparent affluence, an element of inequality that is experienced as problematic even by those who are well-off.

More direct instances of mistreatment are described in forums and blogs. For instance, one forum thread starts with a resident asking about freebies, saying, “I was shopping at a freebie shop, suddenly a dude came to me and called me a cheap bi*ch. I asked why, he said because I wear free stuffs. Do you guys think that I am a cheap person that I wear free stuffs [sic]?” (Mint, 2009). In response, another resident notes that, “I’m new here too, less than 14 days and I had the same experience on the Help Island with I first started” (Northman, 2009). These comments make evident the fact that some residents have a bias against those who rely on freebies and treat them poorly. Furthermore, taking these issues to the forums and asking for advice suggests that this treatment bothers new residents, and can be read as a form of harm arising from consumption practices.

Given these examples, it is important to note that many follow-up responses acknowledge the importance of freebies. One resident notes, “I’m a freebie snob myself, I don’t think I have any left in inventory, but some of the gang here have put together stunning looks with freebies” (Connolly, 2009). This response highlights the idea that not engaging in paid consumption is not only viable and acceptable, but can also be an expression of creativity, which is highly valued. Residents may have negative experiences as a result of not being able to consume to the same degree as others, but these are not sentiments that are not shared or expressed by all residents.

Perhaps not so surprisingly, some residents who are relatively well-off offer additional accounts detailing how inequality can be beneficial. One writes that, “Sometimes when i got to an event, they will expect me to tip. Or when men find out I have my own club, they treat me with more respect then they would just another ‘pixel stripper’.” Another suggests that those who respond differently are, “Mainly other business owners. They take me as an equal.” These stories suggest that some people are more respected than others based on their consumption or ability to consume. They also indicate that some of the 35 percent of residents who report inequality may actually consider it to be advantageous.

In some instances perceptions are not based on consumption, per se, but on the care and attention to in-world life that it denotes. As one respondent suggests, “Good clothes and a good avatar create respect.” Another notes that, “well-dressed, well-presented or interesting avatars draw attention and give an impression that the owner makes an effort.” Although “good,” “interesting,” “well-dressed,” and “well-presented” could be read as referring to purchased goods, there is no explicit mention of buying virtual goods in these comments. Consumption is almost always part of creating an avatar, but relying on purchased items is not necessary, and avatars that are customized using carefully selected freebies are considered to have made an effort. Even though some residents perceive in-world inequality, it is not consistently or definitively linked to paid consumption in particular, even though it can certainly be a factor.

Inequality is not only linked to the consumption of virtual goods, but also to access to land and ability to join groups. For the former, land offer personal and professional benefits, and some of the most recognized and powerful people in *Second Life* are linked to land. Anshe Chung’s in-world success, for instance, is largely based on buying, selling, and renting property. As one interview respondent notes, “The inequity that I notice in SL isn’t around what clothing, skins, or toys an avatar has, but whether they have land, which I don’t. ... I feel that loss, every time I have to rez an object and go to a public sandbox” (Respondent 1). For the latter, groups offer inside information, special notifications, offers, deals, and even freebies. Therefore, those who cannot or will not pay for membership will not have access to the group or its benefits.

These accounts suggest that some residents feel that they are disadvantaged or even mistreated as a result of inequalities in consumption. Research into inequality acknowledges some of these issues, noting that, “The term *wealth discrimination* places all on an equal plane, and implies that the wealthy are irrationally favoured over others” (Kelly, 2001, p. 64). In terms of *Second Life*, a third of survey respondents have suggested that there is reason to believe that at least some residents are experiencing inequality and discrimination within the world that is at least partially based on their consumption or ability to consume.

Finally, it is important to note that because residents can leave, those who are addressing these issues in-world and through surveys and forums are likely to be happy enough with their virtual lives that they have maintained their in-world presence. *Second Life* has a notably high attrition rate; insiders estimate it at around 90 percent of new users (Clay Shirky, quoted in Ammirati, 2007). Residents who are unhappy enough to leave the world – either because of their experiences with in-world inequality or for any of a number of other reasons – are not likely to be stating their opinions through surveys or on forums. However, the possibility of leaving because of inequality is one that has been acknowledged. As one resident writes, “Most people don't kill themselves IRL because their neighbours are doing better than them. But I have definately known people to leave SL because of this, or become economically inactive [sic]” (Murakami, 2008a). While it is difficult to tell how many people have left for this reason, this account raises the possibility that at least some residents have left or could leave the world as a result of its inequality.

8.5 General Factors Moderating Inequality

Despite these problems there are many elements of *Second Life* that help to moderate the issues typically associated with first life inequality. This is especially important in a world where income inequality and, by extension, consumption inequality, is far more pronounced than in most offline societies (Wilkinson & Pickett, 2009). While a third of survey respondents indicate that they feel that there is inequality within the world, this number is relatively low, especially in relation to in-world inequality. Respondents do not make note of many of the negative social consequences conventionally linked with inequality. While these impacts are not completely eliminated, features of the virtual world moderate them.

One of the most important factors that moderate in-world inequality is the virtual nature of the world. The relative freedom made possible by virtual interactions is such that many of the conventional issues with offline inequalities become obscured. Taylor writes that, “On the virtual surface of *Second Life*, economic, social class, gender, and racial issues appear muted by the interface. Although the majority of the avatars I know possess human skin colors and forms, the software allows non-human forms, multiple

skin colors and textures, the possibility of clones, and multiple accounts” (2009). Even fundamental elements of selfhood often linked with inequality are obscured, hidden, or made mutable to the point where they have very little effect.

Inequality is also muted in terms of consumption. Because avatars are not subject to physical needs, they are also not subject to the issues of survival or physical well-being commonly associated with inequality. As suggested by Dyer-Witthford and de Peuter, “Virtual poverty is, of course, not the same as actual poverty” (2009, p. xii). In offline life, consumption is at least partially based on corporal needs. Fiske suggests that although certain things like preference and status do come into play with regards to purchases, there is still an element of physical need underlying most consumption. Without physical needs, residents do not physically suffer. Lack of consumption may be a social status issue, but residents have no risk of reduced access to food, shelter, or medicine (Kawachi et al., 1997; LeClere & Soobader, 2000; Messias, 2003; Szwarcwald, Bastos, Viacava, & de Andrade, 1999). Because virtual goods do not have physical uses, unequal distribution is not as deeply felt as it otherwise would be. Were residents threatened with being unable to buy food, clothes, or shelter while others lived luxuriously, it is likely that there would be more problems with the significant divisions.

The lack of physical needs is also evident in the situation of the many residents who do not have land, and who are often positioned as being “homeless” (Rymaszewski et al., 2008). In offline life, being homeless bears a significant stigma coupled with significant physical risks (Ratcliffe, 2006). In contrast, being homeless in *Second Life* has little stigma, especially since most residents do not own their own land. Given the ratio of residents without land to those with, being homeless is a common state, especially for relatively new residents. Only 22 percent of respondents indicate that they own land, while 13 percent specified that they owned land as part of a group, and 36 percent said that they rented. Therefore, not owning or renting land is not an uncommon state of being, and is not usually looked down upon because it is such a common and understood element of virtual life.

This lack of stigma is also seen in residents who take on homelessness intentionally as a lifestyle. Residents indicate that, “I’m a hobo by choice. I have been rezzing in sandboxes and changing my clothes underneath the sea” (amana, 2011) and that “I am homeless in SL! Finally I did it!” (Fotherington, 2011). One resident also recounts how,

I was homeless in SL for about a year actually. I rarely changed my clothes and I spent most of my time up on a hill. The sim had lots of trees with fruit and there was plenty of water around to bathe in and/or drink. (Drink from one side of the land, bathe at the other side) There were 2 fire pits to keep me warm at nights. Occasional people would come wandering through and some were very nice to speak with, others were just a little too involved in themselves to hold my attention. There was even a tunnel to hang out in, in case of any rain. (Fairey, 2010)

While predicated on offline realities, this account presents homelessness as a reasonable way to live in the virtual world. Further on in this discussion, however, some residents point out the differences between offline and *Second Life* homelessness and acknowledge that avatars do not physically suffer. Within *Second Life*, acceptability is taken to the point of romanticizing homelessness. This approach is visible in the variety of goods that create a homeless or hobo aesthetic. Options include a vintage hobo outfit (Dollz, 2011), a skirt made of newspaper (Mills, 2011), and a tent (Muni, 2011). In these examples, homelessness is discussed as a worthwhile lifestyle rather than a situation in which residents are markedly unequal, as it would be in a situation in which more pressing issues rested on it.

Inequality is also moderated by residents’ ability to create. 63 percent of survey respondents indicated that they make virtual goods. The possibilities for production are also visible in *Second Life* forums and other areas where residents gather. Most large *Second Life* forums offer sections dedicated to creating; their presence and use suggests the importance and availability of content development. This is also evident in the tutorials made available by Linden Labs and the hundreds of tutorials on YouTube that are focused on everything from the basics of building through to more specific projects such as creating a house, clock, shirt, or guitar. With these skills, residents need never go without since they have the tools to make almost anything they desire.

Finally, despite the prevalence of consumption, *Second Life* is intended to foster collaboration and social interactions between residents. Therefore, while consumption may be a compelling focus, sociability also provides a way to engage in the world without compelling residents to consume. *Second Life* offers ways for residents to connect in addition to a wide variety of activities, from music and poetry readings to games and discussion groups. Although inequality is not eliminated, since some residents are not consuming while others are, the world's virtual nature and social focus helps make it possible to experience and enjoy the world without actively engaging in consumption.

8.6 Economic Factors Moderating Inequality

For those who cannot, do not, or do not want to make their own goods, freebies also reduce the effects of inequality. Through the freebie economy, residents have access to virtual goods that, in some cases, are close if not equivalent to purchasable items. Coupled with in-store specials, prizes, and other opportunities, residents have access to a variety of free goods. Consequently, residents are able to participate in virtual consumption.

Survey respondents and other residents note the availability of quality freebies, suggesting that at least some freebies are well made enough to be desirable. Many residents rely on the freebie economy for their consumption. While they may purchase certain items, such as hair and skins, survey respondents indicate that the vast majority use or have used freebies. Even some respondents who do not currently rely on freebies indicate that they recognize their importance to *Second Life*. Given the quality associated with many freebies, there is little stigma attached to using these goods. The issues that do exist are largely associated with supporting content creators (Llewelyn, 2008). The practice is so popular that forum threads and dedicated blogs have been created to find and showcase the best freebies. The acceptability of freebies is also highlighted through SLSecret. In one postcard, a contributor acknowledges the volume of freebies and offers thanks (albeit in what a somewhat snide way) to those who make these items available.



Figure 8.1: Virtual postcard from SLSecret showing (possibly somewhat snide or sarcastic) appreciation for freebie content in-world (SLSecret, 2008b).

Beyond virtual goods, free housing is also available to residents. The official *Second Life* guide makes note of the Hobo Village at Calleta which is specifically intended for this purpose (Rymaszewski et al., 2008). Similarly, in a forum thread on the topic of free places to stay, residents discuss free places to stay with one resident writing that,

Lately, I have been looking at places where they would let a poor wandering avatar to stay for as little as L50 per week and I came across this hotel. The owner was kind enough to provide rooms/houses which are quite spatial and will decorate it to your specification and needs... ALL FOR FREE. I did not even see a donation tip or jars anywhere. I had the chance to ask the owner what motivates him to do such a kind act for strangers? He said he wanted to provide for those who are creative but cannot afford to enjoy *Second Life* like most of us. (amana, 2011)

Coupled with the availability of freebies, this means that even residents who do not want to or are unable to pay to consume are still able to engage in important elements of *Second Life*. While residents may still consume different goods based on their in-world assets, the fact that any resident can gain access to land and quality goods makes it possible to live a virtual life that is at least close to on par with those lived by those who are able or willing to pay to consume. That amenities from virtual goods through to access to land are all available at no cost to resident drastically undermines the potential for consumption-based inequality to become a problem.

Even for those who pay for virtual goods rather than relying on freebies, the exchange rate between in-world and offline currency helps to moderate many of the effects of inequality. Other than the more expensive options, the majority of virtual goods are affordable for many residents. Although survey respondents indicate a variety of goods that are unaffordable to them, from premium accounts and in-world land to custom skins and specialty avatars, 80 survey respondents agreed and 34 strongly agreed that they had bought virtual goods because they were affordable. The Social Research Foundation indicates that residents are reasonably affluent in their offline lives. According to their survey data, the annual household income of 48 percent of residents is less than \$50 000 annually, while 36 percent fall between \$50 000 and \$100 000, 13 percent between \$101 000 and \$250 000, two percent between \$251 000 and \$500 000, and one percent over \$500 000 ("Social Research Foundation," 2008). Other research suggests that 40 percent of residents have a household income of over \$90 000 (Edery & Mollick, 2009). Although Au recounts some rags-to-riches stories (2003) and reports that some residents have been affected by the recession, as evidenced by fewer purchases (2009a) and reduced donations to sims (2011b), these numbers suggest a relatively affluent population.

With an exchange rate of around L\$250 to \$1 USD, a lot of Lindens can be had for not a lot of money. Furthermore, many goods are inexpensive, especially when compared to their offline counterparts. Expensive purchases certainly occur; an Eshi Otawara fishhook dress, for instance, sold at auction for L\$460 000, or USD\$1840. However, a lot of in-world consumption is not costly. The affordability of virtual goods

is indicated by the economic data provided by Linden Lab. Looking at transactions based on dollar ranges for September 2010 (the last month for which this economic data is available), 190517 transactions were between L\$1 to L\$500, followed by 87309 transactions between L\$501 and L\$2000. This data indicates that many thousands of transactions cost only a few dollars.

Affordability makes it possible for residents to make purchases in the virtual world that they may not be able to make offline. These options allow for the fulfillment of consumer fantasies in ways that otherwise might not be accessible (Molesworth & Denegri-Knott, 2007b). As one survey respondent says, “My favorite thing to purchase in SL would have to be clothes. I don’t have the ability to have a fantastic wardrobe in RL, so having it in SL is amazing.” Similarly, an SLSecret postcard discusses how the sender spent more on their wedding dress in *Second Life* than they did offline. Despite being expensive, the author indicates that the purchase was worthwhile since they did not have a big offline wedding or fancy dress. By purchasing one in *Second Life*, the resident acquired a virtual item with significant personal meaning.

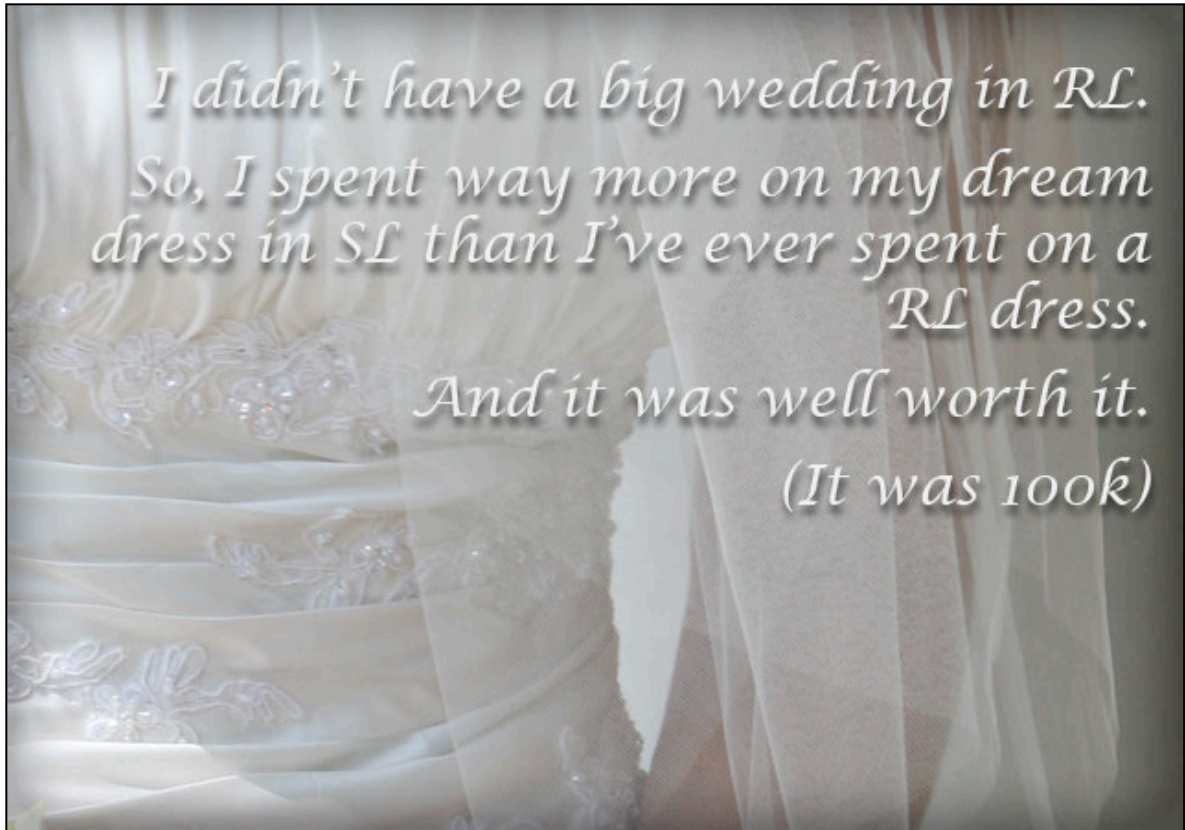


Figure 8.2: Virtual postcard from SLSecret detailing an expensive wedding dress purchase that is valued by the resident for personal reasons (SLSecret, 2008a).

Furthermore, by comparing their online consumption to what they consume offline, rather than to the online consumption of others, residents may further undermine perceptions of virtual inequality. While it is certainly possible that the resident wants to be conspicuous in their consumption, the main focus here is on what *Second Life* is able to offer that offline life cannot. In this account there is no sense that the resident is experiencing in-world inequality, or spending money in an attempt to impress other residents. Rather, the purchase of an expensive virtual dress offers something valuable and very personal to the resident. While it is difficult to predict how other residents might read this purchase, the item is meaningful for the personal significance that it holds. By focusing on meanings, the importance of consumption shifts from elements that can highlight inequality to those that are more likely to invoke personal meaning and sentiment.

8.7 Meanings Moderating Inequality

The example of the wedding dress highlights how meaning can moderate consumption inequality. Meanings associated with goods can shift over time, or gain meanings above and beyond those attached to the initial purchase or acquisition. Shaowen Bardzell and William Odom set out some of the ways artifacts gain meaning over time within the context of a *Second Life* community (2008). Their participants offer a number of insights about the meanings associated with particular goods. For instance:

“The feathers [are my most important object]. They are symbolic of acceptance as Sampson’s mate by a native woman we respect. Even though they aren’t real, it’s the symbolic offering that’s the most important. Not the items themselves.” (Tamari, quoted in Bardzell & Odom, 2008, p. 245)

“[My favorite object is] my collar because i am His, and only His, it is the symbol of O/our D/s [Dominant/submissive] relationship and all that means to U/us.” (Maugwen, quoted in Bardzell & Odom, 2008, p. 245)

“[My] most precious object is the chair on the deck. It is where we sit and talk. It can be about stuff going on in Ithaca or what is happening to us in RL. It was been with us throughout our time together and sometimes we just sit there and don’t speak at all.” (Dianna, quoted in Bardzell & Odom, 2008, p. 245)

These accounts focus on meanings that become attached to goods or artifacts over time. Residents speak of these items in ways that invoke belonging. The meanings are attached not so much to the objects themselves as to their symbolism, which develops over time and through relationships with other residents. By shifting the focus from the conspicuous elements of consumption, some of focus on inequality resulting from quantity, quality, and cost is supplanted by consumption based on important personal and social meanings. The feathers, collar, or chair that have a deep personal meaning are, for that resident, not likely to be outdone by even the best, newest, or most innovative version of the item in question. While these meanings are not likely to be perceived by other residents, personal meanings turn consumption into something that is deeply meaningful, rather than an indication of wealth, status, or inequality.

Personal meaning is apparent in survey responses, especially when residents were asked, “What is your favourite Second Life purchase and why?” In some cases, residents mention virtual goods that have meaning because of associations with offline life. Two respondents specifically mention in-world pets, with one saying their favourite purchase is, “My pet dachshund. he reminds me of my sweet doxie I had years ago” and another identifying, “My pet wolf-dog, because it reminds me of a real pet wolf-dog I had & because it seems like it’s alive.” A musician declares, “My flute. I am able to compose with it and share it with others. As a musician, this is by far my favorite purchase.” In these examples, meaning comes not from goods that are interesting, unique, custom-made, or expensive (although they could be any or all of these things), but from those items that have personal significance.

Personal meaning is also apparent in terms of in-world relationships. Three respondents detail purchases related to relationships as their favourites, with one identifying, “The wedding band I will give my *Second Life* fiance when we get married next weekend. Because I love her and there is nothing virtual about our love,” another specifying, “The wedding dress. It was beautiful. I was so in love. I felt marvelous that day,” and a third writing that, “There’s the club and houses and skyboxes but I think my favourite would be the engagement ring for my partner.” In these accounts meaning comes from highly personal associations and relationships that have little, if anything, to do with consumption itself.

Finally, the effects of inequality are moderated by broader social and cultural meanings that become attached to consumption. Although consumption is important, a lot of its value is not related to the act of consumption itself, but rather to the innovation and creativity with which residents find and use their acquisitions. As one respondent writes, “If you dress nicely and appear to have put time and effort into your avatar, you seem to get better responses from other residents.” While consumption matters, it is not strictly the act of consumption itself that matters, but how the resident engages and uses consumption.

Consumption is important for customizing the avatar, establishing community membership, and gaining status, but importance is placed not just on the fact that residents have virtual goods and what goods they have, but also on how they use these goods. The importance of creativity can be seen in vanity threads. While some forum posts indicate where residents acquired individual pieces, the focus tends to be on the style in aggregate. Individual pieces may stand out, but the important element of these threads is the skill with which residents have put together something that is entirely their own. Innovation, creativity, knowledge, and skill are valued. This shifts the focus from what a resident has, whether they have freebies or paid items, and how much they spent to their skill, undermining inequality.

It is often positive features of the world that moderate inequality, however, judgment is also a factor. As discussed in the previous chapter, judgment makes clear what consumption practices are not welcomed or appropriate in *Second Life*. In these accounts, it is made clear that some specific aspects are unwelcome, but also that other residents do not appreciate more general behaviours such as excessive or showy consumption. Awareness of this expectation helps limit excessive consumption, and consequently the inequality that arises from it.

Of course the negative consequences of inequality are probably also moderated in the off-line world by people's attribution of intense individual or social meaning to relatively inexpensive consumption items. It is, however, possible that this aspect of consumption practices has a heightened significance in *Second Life* precisely because of the divorce of consumption from basic, physical survival needs. Moreover, the sense of personal and social meaning is also linked to the valuation of virtual experience over offline that some residents express. Virtual life can be incredibly important for a wide variety of reasons. The anonymity of online interaction may allow residents to feel more comfortable than they do offline (Christopherson, 2007). For some people, online life can be the only place where they can express their "true self" to others (Bargh et al., 2002). Others see the virtual world as an escape from problematic offline realities (Au, 2008c; Turkle, 1995). In this context, it is perhaps not surprising that the social and affective aspects of apparently minor consumption items can assume a large significance.

Finally, building on these ideas, the consequences of inequality are also reduced in residents who indicate and point out to others that there is a great deal more to virtual life than consumption alone, and that focusing heavily on consumption is a poor way to experience the world. Speaking against excessive consumption and on the focus on consumption in *Second Life*, one resident reiterates these ideas from a more personal perspective, explaining that,

“I don’t see why I would want my *Second Life* to be about the same striving and profit that my first is; that said, I have ideas about how to make real money with *Second Life*. I quit the service, because it was just another place where the amount of money and stuff you had was the primary social cue people used to judge others.” (Ratcliffe, 2006)

Similarly, another resident laments commercialism not as a problem in and of itself, but as something that devalues other elements of *Second Life*, such as creativity and innovation, explaining that,

What is depressing is that those who try to bring something other than crass commercialism to the world of SL (and we sometimes forget that this was what Linden used to promote SL as and what brought many of us ‘residents’ into SL – the fact that it is a rich world full of variety, people and creative potential) struggle to maintain their presence because like many good things in our RL communities they rely on the goodwill and efforts of a few in a system set up to favour those focused on consumption. (Scott, 2011)

This perception also recalls the fact that survey respondents indicate that they feel that creativity and skills are as important to gaining influence (if not more so) than wealth and consumption. Even in instances where an excessive focus on consumption may not be judged outright, the privileging of consumption over other important elements of virtual life is not well received by many residents. Consumption is very important, but there is a sentiment against the valuing of consumption over other elements of virtual life such as skills, innovation, and creativity that helps to downplay the significance of consumption and the inequalities of wealth that consumption expresses.

8.8 Conclusions

Consumption in *Second Life* is linked to inequalities of income and wealth. Personal accounts of virtual experiences by residents suggest that there are real and

concrete effects of consumption inequality within the world. However, the large gap between the in-world haves and have-nots as seen in the economic data does not easily correlate with the finding that only about a third of residents indicate that they have experienced this inequality, or that they perceive it more generally within the world. With estimates that only about ten percent of residents are well off enough in terms of income, wealth, and opportunities to engage in in-world paid consumption (Llewelyn, 2008), the fact that only a third of residents feel that there is consumption inequality and even fewer offer specific instances from their own experience suggest that there are factors moderating in-world inequality that reduce its impact on residents.

Despite the significant levels of inequality apparent in *Second Life*'s economic data, these inequalities do not necessarily enter into virtual society as much as might be expected. In instances where they are apparent, features of the virtual world limit their effects. It is the interplay of a variety of different factors that help to moderate these effects. Elements such as the virtual nature of the world, the availability of freebies, low-cost consumption opportunities, the meaning of virtual goods, the value of skill and creativity, and judgment all play different roles in reducing – although not eliminating – the impacts of inequality. While each has an effect on its own, collectively these influences help to account for the relative low perception and experience of inequality in *Second Life*.

9 Conclusions

Within *Second Life*, consumption has meaning – for individuals who consume, but also for those who exist around them within the social relationships of the virtual world. Despite the fact that virtual goods are immaterial and cannot exist outside of the virtual world, consuming is an important experience for many *Second Life* residents. Residents consume a lot of virtual goods, and they do so regularly, often paying real money. They consume for myriad reasons; virtual goods serve multiple roles in their virtual lives. The importance of consumption for virtual life, however, does not mean that its significance or its effects necessarily mirror those conventionally found in offline life. The place of consumption within the world and the ways it affects the in-world experience and interactions of residents are not necessarily those that would be expected of an environment that does have an extensive – although by no means exclusive – focus on consumerism.

9.1 Research Objectives

The objective of this research is to consider in detail the roles and impacts of consumption on the lives of *Second Life* residents. By using participant observation, surveys, content analysis, and interviews, a multi-dimensional perspective on consumption in *Second Life* was constructed. Combining in-world participation, directly gathered resident input, and analysis of the thoughts and opinions that have voluntarily been submitted to online sites, generates a more complete picture of in-world consumption than would be possible with a more limited selection of methods.

Three central topics were considered: the consumption practices *Second Life* residents are enacting, the meanings of these practices, and the effects of these practices on the experiences and interactions of residents with the virtual world. By *consumption practices*, I mean what, how much, how frequently, and where residents were acquiring virtual goods, how much they were spending, and the configuration of their consumption preferences, as well as how these market purchases relate to the important freebie economy. *Consumption meanings* signifies how residents perceive and understand their consumption activities, both in terms of their own ends and in relation to more broadly

social activities, as well as their perceptions of the consumption practices of others. *Consumption effects* considers the consequences of these consumption practices and meanings for the population in general, especially in terms of in-world inequality.

9.2 Consumption in *Second Life*

Consumption in virtual worlds has often been tied to video games and, consequently, to economies that are mainly restricted to the virtual world, and not expressly or intentionally linked to offline economies (Castronova, 2001, 2002). In most instances, residents work within the world to earn their money and goods. While real money trading and “gold farming” have been on the rise, they generally remain illicit subversions of the economic design of virtual worlds (Heeks, 2008) and are often seen as a form of cheating (Consalvo, 2007). This economic design has two major implications, especially with regards to consumption and inequality. First, players start at the same level, and with the same attributes. In order to ensure that gameplay is equal and not influenced by offline wealth, every player starts with the same benefits and limitations. Second, in-world income and wealth are correlated with in-world effort rather than offline wealth. As players proceed through the world, their abilities, gear, weapons, vehicles, wealth, and other elements of the game are linked to their commitment in terms of time and effort.

In contrast, more socially oriented worlds like *Second Life* allow residents to buy currency that can be used for in-world consumption. It is, of course, possible for residents to establish themselves within the virtual world spending little or no money. However, a crucial point is that a relatively small expenditure of offline money can have a major impact on the resident’s virtual life in terms of consumption. For instance, USD\$10 can be exchanged for around L\$2500. With L\$2500, a resident could purchase a new skin, hair, and clothing and completely recreate their avatar. With a high exchange rate and a low cost associated with virtual goods, supplementing or replacing in-world work with even a relatively small amount of offline money can fundamentally change and simplify the in-world experience.

Because of these conditions, consumption and acquisition within *Second Life* are attainable in ways not necessarily possible in offline life. With low or even nonexistent costs for virtual goods and few, if any, other living expenses, virtual life can be affordable. This is especially important given the relative affluence suggested by residents' household incomes (Edery & Mollick, 2009; "Social Research Foundation," 2008) and by the degree of paid consumption indicated by economic data and survey responses. As Llewelyn suggests, "Almost all without exception do *not* live in dire conditions in RL, so this is not a *social* issue like many have embraced in the past" (Llewelyn, 2008). For many residents inhabiting *Second Life* is itself a consumption practice linked if not to offline affluence, then to a degree of disposable income, where some offline money or virtual earnings – that could, instead, be cashed out – can reasonably be spent in the virtual world. In some cases, this kind of consumption serves business or other practical purposes. In many, however, residents are simply consuming what they want, including consuming goods that they are not able to afford or willing to spend money on offline.

Conversely, virtual goods are available to any resident who wants or needs them whether they are willing to pay or want to rely on freebies. With no cost to join the world and free consumption readily available within it, residents can easily live a virtual life without having to spend any money. Easy, albeit low-paying jobs such as surveys, camping chairs, and other basic jobs that do not require a high level of skill are also available to residents who want to make a few Linden dollars without spending money to do so.

Even when they are purchased, virtual goods can be inexpensive. As one survey respondent suggests, "I think the very low cost of the goods allows people to play more with purchases. I found that there's very little I can buy with \$10 real dollars that can give me as much amusement as converting those dollars to Lindens and spending them on whatever appeals" (Respondent 4). Another notes that, "Eventually I made a (so far) one time payment and have gradually been spending that money. But with the exchange rate \$20US can actually go quite a long way in SL. I don't think I have spent half of that yet and that was three years ago now" (Respondent 1). In these instances, the low cost of

virtual goods makes purchases affordable, and means that a lot can be bought with relatively little money.

Superficially, *Second Life* mirrors the consumer society (Bauman, 1988, 2007). Consumption is a common activity, and one that in advanced capitalism has moved from the necessity of consumption to the ongoing desire of consumerism (Bauman, 2007). Residents of *Second Life* regularly consume virtual goods, both purchased and free. They often enjoy spending some of their time shopping. Residents who participated in interviews often made note of this fact, pointing out that,

...the role of consumption is, in large part, the role it plays in RL. It is used as a means of socialization, getting to “know” SL and how it works. It is used as a marker of identity and status for residents. It is used to define and shape communities with distinct goals. On the user side, it is a chance for exploration and play—to see what SL can do and to see what it is like to look certain ways. It perhaps enables us to fulfill our RL desires for consumption. It also fulfills desires to be both narcissistic but also expressive. And, like most shopping in RL, it is used as a form of entertainment. (Respondent 7).

Many residents also take the time to create their own goods in-world and sell or give them away to others. Beyond its status as an activity, consumption is a source of meaning within the world. By allowing residents to customize their avatar, develop their individuality, and establish group membership within smaller groups and the *Second Life* community at large, consumption becomes a social element of the world.

Because of its virtuality and the presence of inexpensive and free items, in-world consumption avoids many of the contentious issues conventionally associated with high levels of consumption and undermines several of the negative effects of the consumer society. Those who do experience problematic effects cite issues like being disregarded or undervalued based on how they look or what they own. These accounts also suggests that the issues go both ways and can be a problem not only for those who cannot consume a lot, but also for those who are well off. Despite the fact that consumption is linked to in-world inequality, however, the effects of these potential issues are not seen to be a problem by many residents. Consumption and possessions are not factors that are widely perceived to affect how that resident is treated by others, or to strongly influence a

resident's status. Instead, factors such as social networking, creativity, and owning a business are seen to be more important.

Overall, *Second Life* appears to be a digital society in which high levels of consumption proceed without manifest discrimination against the virtual poor. Residents are generally willing to share freebies and freebie knowledge with other residents, and most acknowledge the value of freebies within the world, especially in relation to outfitting new residents and those who are not in a position to afford paid items. Conversely, freebies are actively embraced and even encouraged by many residents who see the value in their availability for their own ends, and also the ways in which they are a boon to the community and the economy. *Second Life* appears, at minimum, as a virtual society with a very strong gift economy, and perhaps even as a form of online welfare state where residents are helped by members of the virtual world, and in turn, also have the potential to help others.

9.3 From Offline to Online Consumption

Consumption has a great significance within *Second Life* in terms of practices, meanings, and impacts. However, this significance also goes beyond these elements of virtual life itself. When considered in terms of its relation to offline consumption, ideal worlds, and future research, it is possible to see the effects and potential of virtual consumption beyond the immediate limits of *Second Life*.

Second Life has attained cultural prominence in an era in which consumption inequality has intensified. In the last few years, there has been increasing analysis of the tendency towards heightened inequality within North America and other advanced capitalist and consumerist societies. As a result, there have also been many expressions of popular and academic alarm about income and consumption polarization and inequality and the effects of these social conditions. As Wilkinson and Pickett (2009) document, inequality is on the rise, with increasing and profound differences between the wealthy and other members of society. Indices such as the UNICEF index of child wellbeing, for instance, show that wellbeing is strongly linked to inequality. In turn, the effects of inequality are such that the authors claim outright that unequal societies are at a distinct

disadvantage compared with more equalitarian ones. Studies focused on income and consumption inequality reveal a variety of negative effects including problems with health and education (Kawachi et al., 1997; Spencer, 2004), in addition to more social problem like judging others (Bourdieu, 1984).

When virtual environments are examined, the question of how these worlds are positioned with regard to issues of consumption and inequality and what replication or alternative they offer to current social reality becomes an important point of concern. The practices, meanings, and effects of consumption within *Second Life* offer a starting point from which to consider the similarities between online and offline consumption and their significance to online and offline life. While consumption in *Second Life* is important in its own right, it also offers unique perspectives when considered as both a reflection of and foil to offline consumption.

Virtual worlds can and often do mimic offline life. Despite the freedom available to developers in terms of the worlds that they create, most environments rely on at least some offline conventions in order to make worlds easily recognizable and understandable for participants. *Second Life* both mimics and diverges from offline life. Many features of the world from the physics to the economy and from what residents choose to build to how avatars are represented are based on what exists offline. The effects, however, are not necessarily comparable. The online world is an environment in which the consequences of these practices are not the same as they would be offline, despite the fact that they appear to be superficially similar.

The most important differences between offline and online consumption centre on the fact that residents do not have physical needs and that virtual goods do not require materials to build or replicate. These features mean that residents will not suffer – other than socially, which is still an important issue – as a result of not being able to consume, and that virtual goods can be easily made available to other residents with few, if any costs. In addition, both free and paid consumption are possible in *Second Life* in a way that they are not in offline life. For the former, the widely available freebie goods as well as the opportunity for residents to make their own items mean that almost any item is

available for little to no cost. For the latter, the relatively low cost of many goods makes consumption more affordable than it would be in offline life. At the same time, all residents have the opportunity to earn money within the world, even if they start with nothing. The issues conventionally associated with income and consumption inequality and commonly seen offline are moderated in-world by these factors.

Given the digitally constructed nature of virtual worlds, there are a variety of possible ways that such environments could mimic or provide an alternative to offline inequalities around consumption practices. Because the virtual world is not an exact mirror of offline life, the effects of consumption practices will not necessarily mirror offline effects. There are many possible outcomes of the inclusion of an in-world market economy and consumption system that apparently mimic those that exist offline. These results fall along a continuum. On one end would be a virtual world in which the inequality characteristic of neoliberal capitalism is not only replicated or surpassed, but also has profound effects on residents. At the other end would be a world where the influence of consumption is drastically reduced, or where it exists largely as a way to share with others without relying on a market economy.

Second Life exists almost squarely in the middle of these two possibilities. On one hand, the marked inequality found in offline life (Wilkinson & Pickett, 2009) is reproduced and expanded in *Second Life*, with drastic differences in wealth, income, and consumption practices between the virtual haves and have nots. On the other hand, much of the inequality in *Second Life*, as represented in the low number of active economic participants and a high statistical marker of inequality, is moderated by social and technological factors. Moreover, for some residents voluntarily taking on the trappings of inequality is even positioned as a romantic gesture or a point of pride.

In-world inequality is high, especially when considered in terms of wealth, income, and consumption practices. Yet despite the high levels of stratification, there is relatively little concern about or discussion of in-world inequality. 35 percent of survey respondents felt that they were treated differently based on what they owned. This percentage is by no means insignificant. However, when considered relative to the high

levels of in-world inequality, a third of the population is a relatively small number of residents. Furthermore, even when residents do acknowledge in-world inequality, it is not necessarily detrimental to their happiness, and those who are not especially happy with their *Second Life* do not indicate that this unhappiness is the result of inequality.

The lack of concern with inequality is also seen amongst residents who choose to take on this element of virtual life as a lifestyle choice. While it is not uncommon for freebies to be lauded in forum threads, blog posts, and in-world discussions, there are also cultures in *Second Life* that embrace the trappings of inequality in ways that defy offline conventions of poverty. While still a relatively small subset of the population, there are cultures based around homelessness and even destitution. Clothing and accessories for hobos and vagabonds are easy to find in-world and on the marketplace. There are sims dedicated to the homeless, and virtual tent cities that residents can visit or permanently reside in. With most of these items available for free, residents have the option of assuming a personal style, or even a lifestyle, that embraces not only freebies, but also the appearance of a culture that is marked by extensive inequality. This lifestyle, however, does not require that residents face the dire problems experienced by the offline homeless.

In addition to the practical elements of virtual life, social elements of the world also downplay the importance of consumption and in-world inequality. Residents' perceptions of the sources of social status, power and influence indicate that social networks, owning a business, being creative, and contributing to the world are important. In contrast, consumption is widely considered less important. This perspective indicates that while some residents feel that there is inequality in the world, it is not strongly linked to wealth and consumption. Income and consumption inequality are therefore not perceived to have very limiting effects on residents' status within the world, even amongst those who do perceive that there is inequality within the world.

Drastic inequality in combination with reduced concern among residents suggests that inequality has a different meaning in *Second Life* than it does offline. *Within Second Life, inequality has been converted into difference—at least for many residents.* The

trappings of consumption inequality are still undeniably present in the income and consumption available to residents. The negative consequences, however, are largely stripped away from living and interacting in the virtual world leaving residents with virtual lives that are frequently seen as diverse, rather than unequal.

Because of these circumstances, *Second Life* can be read as a utopia of inequality. The in-world inequality in income and consumption practices cannot be ignored, especially given its effects on some residents. Yet, despite the drastic differences between residents in terms of their income, wealth, and consumption, these differences are so moderated that the majority of residents who are actively involved in the virtual world do not appear to experience many of the negative effects commonly associated with high levels of stratification. Therefore, *Second Life* offers both a recapitulation of everyday inequalities and a way of inoculating against them. On the surface, inequality in *Second Life* mirrors that found in offline societies, with marked differences between those who have income, wealth, and consumption power, and those who do not. However, the absence of consequences as a result of these inequalities also reduces their power over residents of the virtual world. In this way, capitalism and the consumer society are mimicked and preserved while the actual effects of these social forms are largely abolished.

9.4 *Second Life's* Utopia of Inequality

In defining utopias, Michel Foucault writes that, “They present society itself in a perfected form” (1986). Because of their association with perfection, these spaces are unreal, and have no real place. Virtual worlds would theoretically be ideal utopian sites because of their capacity to be digitally constructed and shaped in ways that could allow for structural perfection in social organization, politics, and economics. However, given the interpersonal and social conflicts and issues found as commonly in virtual worlds as in offline life (which arguably increase both the realism and the challenge of the world and help to maintain user interest), virtual worlds that support many users and complex systems are rarely, if ever, truly utopian.

As part of the challenges used to keep residents engaged in virtual spaces, introducing economic systems is one way to encourage maintained interest. It is difficult to find any current virtual worlds with significant populations that do not include some form of economic activity from basic exchange through to a full-fledged market economy. Furthermore, because market systems tend to be at least somewhat unequal, some residents will have an advantage over others, reducing the possibility of creating and maintaining a utopian virtual space.

Given its general reproduction of social inequalities (Boellstorff, 2008), *Second Life* is not entirely utopian. Speaking on Neal Stephenson's *Snow Crash* in particular and the role of consumption in virtual worlds in general, Molesworth and Denegri-Knott address this issue, stating that, "far from being a separate, utopian space where the problems of the real world are forgotten and inhabitants enjoy hedonistic, virtual lives of abundance, the metaverse is *also* structured as an extreme parody of a consumer society" (2007b, p. 114). Understanding in-world inequality and the ways in which it is moderated, however, offers insights into the potential of virtual worlds for refiguring understandings and experiences of virtual life and consumption in new and potentially less problematic and more utopian ways.

Among interview respondents, the potential issues with consumption inequality in *Second Life* are frequently reiterated. In contrast with survey results, where only a third of residents indicated that they felt there was in-world inequality, all interview respondents mentioned its presence and influence to varying degrees. One respondent points out the importance of consumption in *Second Life*, stating that, "If SL is used for the goals of entertainment, community participation, relationships, activities, experiences, and personal expression, consumption plays a central role in them all. Consumption is probably one of the core values and central means by which these goals are met" (Respondent 7). The importance of consumption makes it likely that some people will feel effects when it is unequal, even if that group is smaller than would be expected based on the level of inequality within the world.

Interview participants make clear that inequality *can* be an issue within *Second Life*. When asked about inequality, responses included absolute pronouncements of in-world inequality, with one respondent stating that, “There is absolutely inequality in sl in terms of consumption, not everything is available to all avatars. The effects, from my view and from my experiences is exactly the same as it is in rl - and that saddens me greatly” (Respondent 5). Another respondent notes that, “Consumption sifts users into categories—those who are willing to spend a lot of money in SL vs those who don’t or can’t. This, in turn, probably affects what communities to which users belong” (Respondent 7). Others make note of inequality that acknowledge the influence of offline life on the virtual environment. For instance, one resident explains that, “We bring inequity into the world” (Respondent 4) while another states that, “there is but that can be fixed by bringing money into the world ;-)” (Respondent 3). In all interviews, however, at least a degree of inequality was mentioned in regards to *Second Life*.

Because some residents feel the negative effects of in-world inequality, albeit in different ways, *Second Life* cannot truly be considered a utopia. The phrase I introduced earlier – “a utopia of inequality” – is, however, intended to convey something of the paradoxical, contradictory nature of *Second Life* consumption. The world is not a utopia in the classical sense, either in terms of its economic or consumption practices. Utopianism is typically marked by a better, more equal world (Levitas, 2010). While all residents can get some version of the things they want or need for their virtual lives, for those without the means there will always be items that are out of reach and only available to those with currency. Rather than being a true utopia, it is a utopia of inequality because it is a world that is marked by extreme stratification but also by fairly significant reductions in the effects of this stratification. While stratification does have some of the consequences commonly associated with hierarchy and inequality, many of these impacts are reduced within the virtual world.

While inequality is often seen in terms of virtual goods, two respondents specifically mention that land is the most significant marker of inequality. *Second Life* land can be expensive because of purchase and maintenance fees. Consequently, being able to afford land can result in a significant divide among residents. One respondent

specifies that, “The inequity that I notice in SL isn’t around what clothing, skins, or toys an avatar has, but whether they have land, which I don’t” (Respondent 1). More generally, another respondent notes that, “Sim owners are the aristocracy of SL and are much sought out as friends and partners” (Respondent 4). This resident also notes that land owners get more assistance, discounts, and influence than other residents, suggesting that land is another important site of resident inequality.

Although interview respondents do express concerns around the existence and consequences of inequality, they also make note of some of the factors that help to moderate its impacts. For instance, one respondent writes that, “There are inequalities, but many are based on personal choice” (Respondent 2). This idea is extrapolated in a later statement that,

It is great to purchase and own things in *Second Life*, but I know several people who pride themselves in only living on freebies, or on very little real money investment. They do not seem to ‘suffer’ at all, and in fact, do a pretty fine job of outfitting themselves. Some do it for real financial reasons, and some for the pure challenge of living on nothing.
(Respondent 2)

This perspective is also seen in acknowledgements that there are ways for residents to work around in-world consumption inequality. Another resident acknowledges that,

...users either have to take the time to learn how to get what they want by other means (i.e. teach themselves to build). Or, they have to adjust their expectations, and try to find groups of residents who are similar to them in that they don’t want to make consumption a central aspect of their SL experiences. I suppose another effect is that users make choices to spend more RL money in order to obtain more SL stuff. Although this is not the only thing a user must do to increase one’s sense of acceptance and status in SL, I believe it helps significantly. (Respondent 7)

While inequality is still recognized by these respondents, they also note some of the features of *Second Life* that reduce its effects, including learning and building, finding similar-minded residents, or living primarily on freebies.

These experiences and ideas are also reflected in recent activities and discussions around Occupy SL, a *Second Life* based extension of the broader Occupy movement.

Started in September 2011, the Occupy movement is an international social movement intended to address and work against economic and social inequality. Although much of Occupy SL is focused on solidarity with the offline movement, some discussions have taken on and debated perceived issues with the virtual world. One resident, for instance, starts a thread by writing that,

People are getting fed-up with the Linden / Marketplace crowd refusing to act with integrity and take care of rip-offs and problems, and with the Linden Dictatorship in general. I want people to show they still have a spine, and to start uniting in an indefinite protest against this overlord attitude until the Linden / marketplace crowd and in-world merchants drop the attitude and start acting with integrity. (Koga, 2011)

The majority of residents who respond to these comments, however, indicate high levels of satisfaction with their *Second Life* experiences, especially in regard to dealing with merchants and the benefits they bring to the world. As one respondent suggests, “Bottom line; any sort of boycott to SL merchants in general would be unfair and uncalled for” (Vaher, 2011). While there are still concerns about inequality in these discussions, their focus is almost exclusively on the first life issues addressed by the Occupy movement. In fact, one resident asks, “Please don't compare the (relatively speaking) minor issues with LL, the marketplace and a *handful* of bad merchants with the important, historic and courageous RL movement to address excessive corporate greed, class divide and mass control of our media and governments by the corporate 1%” (Ember, 2011). These discussions suggest that although residents are concerned enough about offline inequality to be aware of and even involved in the Occupy movement, they do not experience the same level of concern around their virtual lives, and are frequently satisfied or happy with them.

It is important to note that even though the impacts of inequality appear to be felt by the minority of *Second Life* residents, and the moderating effects of the virtual world are recognized and acknowledged, the reduced effect on the majority in no way diminishes the feelings of those who do experience it. As one interview respondent states, “I think that the psychological impact could be negative in the sense that users can want what they can't have or cannot join particular groups because they don't have what

others have. I think that everyone underestimates the emotional and psychological impact of SL use” (Respondent 7). Although many residents may not have experienced or seen inequality within the world, for those who have, its effects are important and should not be understated.

9.5 *Second Life's* Potential

Despite a negative caveat about the role of consumption in virtual worlds, Molesworth and Denegri-Knott also state that, “in a society structured around consumption as a main resource for individual daydreams and fantasy, and where fantasy is continuously encouraged by the media, it is likely that it is issues relating to consumption that are frequently ‘worked out’ in the aesthetic dramas afforded by digital spaces” (2007b, p. 123). While not strictly utopian, *Second Life's* utopian tendencies and moderation of some of the negative effects of income and consumption inequality are useful to consider in light of the world’s potential. The reduction of the negative consequences associated with consumption inequality raises questions not only about the purpose of the world both as a virtual space, but also as a site that is linked to offline life and that can function in potentially harmful or beneficial ways.

This opportunity to engage in fantasy and fulfill desires is noted by interview participants. As one resident claims, “SL users bring our internalized desire for consuming goods and services with us into SL” (Respondent 7). Another details how, “Consumption lets you indulge all of your fantasies. We consume because we **can** consume, and **choose** to consume. I like buying clothes, I like living in a nice place, and I can afford to do both” (Respondent 2). Later in the interview, the same resident states that,

“We get the chance to wear clothes we couldn’t (or wouldn’t) in real life. We get the chance to buy new outfits for less than what a doll outfit costs in RL. We get to live in a house, in a place we couldn’t even dream of living in RL. In short...we get to live out our fantasies. Beach-front property, tree house, large mansion...all can be yours for a small amount of real money. We get to do, and to be, whoever/whatever we want. (ibid)

In these examples, residents note that virtual world consumption offers opportunities to consume not only in ways that they want, but also in ways that might otherwise not be available to them based on offline factors like availability or cost.

Second Life also showcases some positive tendencies that can be of benefit to residents. The ideal of the virtual world as a potential utopia is not a new one, even if it is a utopia that is yet to be fully realized as a result of the somewhat limited but still present inequality. Earlier work on virtual worlds often mentions that such spaces could, at the very least, be places of interaction that were largely free from defining offline characteristics like ethnicity, age, or sex (Balsamo, 1996; Nakamura, 1999a, 1999b). Nakamura, for instance, points out that people are free to construct their virtual bodies in any way that they wish (2002). Although these accounts are usually tempered with recognition of the problems and limitations of this approach, the possibility of more egalitarian choices and interactions is still present. In turn, these possibilities can also be considered in terms of other body-based characteristics, such as wealth and consumption.

When applied to economics and consumption, these ideas offer a useful approach to considering *Second Life*. Although wealth is an element of offline identity that could be used to define the online individual, this recognition is not commonplace. In-world wealth can be made visible to other residents based on what residents own within the world. Pricey clothing, extensive land, expensive housing, and custom avatar skins and hair can all suggest how much money residents have spent. In offline life, this would be the equivalent of recognizing a designer purse or an expensive car. The fact that residents cannot consistently identify what other residents own or how much those items cost suggests that although wealth and consumption are sometimes visible and recognized, they also remain somewhat hidden. Furthermore, because currency can be obtained in a variety of ways, the source of wealth is obscured and could be the result of offline influence, in-world work, or in-world gifts. Consequently, virtual bodies are not consistently and identifiably being linked with affluence, or its lack.

Beyond identification, interview respondents also suggest that consumption is not as important as creativity and care. These responses mirror those of survey respondents

who indicate that characteristics such as creativity, generosity, and in-world involvement are more valuable than consumption itself. One interview participant states that, “I hope that I would appreciate someone who has spent the time and effort to tailor their avatar with freebies more than someone who has just spent the cash to buy all the best toys” (Respondent 1). Another details how,

When someone has not fitted their shoes properly, or is missing parts of their outfit – and they have been in world a long time – I tend to judge them more harshly. If someone is wearing a very skimpy outfit at an inappropriate venue, I think less of them. For me, indulging in your fantasies is fine, but it also gives a window into who/what you really are underneath, and if you show up naked or in lingerie to a literary event (or similar) then you show a total lack of class in both worlds. But...that is personal choice, and not at all based on how much ‘stuff’ that person consumes in world. There are elegant, classy people who do well with freebies or just a few items, and there are crass, tacky people who consume a lot. (Respondent 2)

In these accounts, attention to detail and using virtual goods in unexpected ways are far more important than what an avatar owns, and whether it was paid or free. In fact, both respondents also note that free or paid consumption does is not an issue, stating that “you don’t know what was bought and what was found” (Respondent 1) and, “You can fulfill many of your fantasies, and that does involve consumption – whether free or fee” (Respondent 2).

Because of these features and preferences, when compared to the offline world, virtual worlds still offer escape, alternatives, and in some cases, even hope. Moving beyond the issues commonly associated with consumer fantasies, Molesworth and Denegri-Knott acknowledge that virtual worlds enable participants to actualize their offline consumer fantasies (2007b). With the in-world economic system and consumption, any resident, no matter their in-world or offline wealth, can acquire almost anything that they need or want. Virtual goods are almost always less expensive than their offline counterparts. As such, while the focus on consumption within the world may not be entirely positive, the availability of inexpensive and free virtual goods allows for residents to play out their consumer fantasies.

Worlds like *Second Life* also, however, have the potential to present users with alternatives to existing systems of economics and consumption. Although the freebie system may not be tenable offline because of the costs to manufacture and distribute goods, it does offer residents an alternative view of consumption as well as a counterpoint to the market economy. There are issues linked with the freebie economy, including a sense of entitlement among some residents and concerns about effects on the market economy that helps to support the world (Llewelyn, 2008). However, the availability of free items and the tendency to share, give away, and help others all showcase an alternative to the market economy that actually helps residents. These are all benefits that can help to reduce the significance of income and consumption inequality within *Second Life*. At the same time, this hints at the possibilities inherent in virtual worlds for presenting residents alternative economic systems.

This is not to say that the freebie economy is necessarily preferable to the market economy. Capitalism is a significant feature of *Second Life*. As one interview participant states, “I think that consumption runs the virtual world. Marketing and sales is a huge part of SL, raking in the big money for Linden Labs” (Respondent 2). The market system is not only the most prominent economic feature of the world, but it also underpins other activities like the freebie and dollarbie economies. The market economy supports the continued maintenance and existence of the world, provides in-world and even offline incomes for some residents, and offers residents a way to engage with a market economy for little to no cost and without many of its common issues. In brief, it has a concrete purpose within the world. Furthermore, at present there are things that the market economy can offer to residents that the freebie economy cannot. Land, for instance, is almost exclusively available for purchase or rent. Quality, individuality, and specialty items are also available almost exclusively through payment necessitated by the effort that is usually required to develop such things.

Given these conditions, *Second Life* can be read in terms of Paolo Virno’s work on, “the communism of capital” (2004, p. 110). In citing Virno’s phrase I do not want to invoke all the complexities of an autonomist analysis of capital, off-line or on-line. Nonetheless, the statement does suggest a point made by a number of other authors,

namely that advanced capitalist societies have attempted to make themselves more acceptable to citizens by incorporating aspects of what were once thought of as radical political agendas. Virno suggests that, “the capitalistic initiative orchestrates for its own benefit precisely those material and cultural conditions which would guarantee a calm version of realism for the potential communist” (ibid). This claim suggests a new form of hegemony in which communism is subsumed into a version of capital that appears to be more acceptable to those who would be likely to oppose it and its effects. By invoking communist ideals in ways that actually support capital, the perceived threat of communism is incorporated into capitalism. This is not an ideal situation, and Sylvère Lotringer notes that although, “there is as much communism in capital *as capital is capable of*” the issue is that, “communism in any shape or form would require equality, and this, capital is incapable of providing” (introduction to Virno, 2004, p. 17).

Applied to *Second Life*, Virno’s communism of capital acknowledges the capitalist inequality of the world, but also recognizes its more idealistic, communal features that help to undermine the effects of inequality. Consumption in *Second Life* exists in a way that many of its conventional meanings and consequences are abolished. Perceptions of inequality and objections raised against its related issues are drastically reduced. Consumption is used to facilitate shared interactions and in-world experiences. As a result, capitalism and consumerism function in ways that are less problematic and more palatable than they do offline, and offer various alternative forms of consumption and systems of meaning.

Although the world is not a perfect utopia, with its multifaceted experiences it can be considered a heterotopia. For Foucault, heterotopias are spaces that bear multiple layers of meaning (1986). Because they are capable of taking on many meanings, they are also spaces that are non-hegemonic and that can break with many social conventions and expectations. *Second Life* can be read as a heterotopia in its own right. It is a virtual world that is malleable, changes or inverts elements of offline life, supports deviation, juxtaposes different and even incompatible sites, and is both isolated and penetrable. Within the space, consumption also engages many of these hallmarks of a heterotopia. In-world consumption is frequently changeable, deviant, and oppositional to the

practices, meanings, and options found within offline consumption. Furthermore, by virtue of the reduced effects of inequality, affordability, and accessibility, *Second Life* also supports consumption that takes on multiple meanings and that can be very different from offline consumption. Within the virtual world, residents are able to experience a virtual life that, while not perfectly utopian, challenges many conventions of offline consumption and opens multiple new possibilities and experiences.

9.6 Consumption Beyond *Second Life* and Future Research

This research is particular to *Second Life*. Because it is specific to one virtual world, it cannot be generalized without careful consideration and application. This is especially true given the vast differences between different environments into which digital consumption is entering. The even more intense focus on consumption in *Entropia Universe*, for example, is very different from that of *Second Life*, as is the highly limited in-world consumption of a game like *World of Warcraft*. In turn, *Second Life* differs from other social environments, such as the more teen-oriented *Habbo Hotel* and the much less populated *There*. Direct application of this research to other worlds must therefore be made with caution. However, the conclusions drawn from this research and the methods employed are ones that have the potential to inform research into other virtual worlds with respect to their similarities to and differences from the economic activities and consumption practices found in *Second Life*.

Understanding these elements of consumption offers a starting point from which to consider consumption in other virtual environments. This research indicates that consumption plays an important role for virtual world participants both in terms of their own in-world preferences and their social activities within the broader community. This importance can be seen in other research into virtual worlds such as *Habbo Hotel* (Lehdonvirta, 2009a) and *EverQuest* (Castronova, 2001). Understanding that this is an important element of virtual life increases the possibility that virtual consumption will be regularly engaged in similar ways, even in worlds that have yet to be studied in-depth.

This understanding of consumption practices, meanings, and consequences is also useful for examining the field of virtual consumption more generally. Because it can be a profitable venture, consumption is making its way into more aspects of online life, especially when linked to offline currency. The importance of paying offline money for virtual goods is especially clear in the case of *World of Warcraft*. Blizzard Entertainment has long banned RMT, but given the success of this form of exchange and its potential for profitability, as of 2009 the developer began selling premium in-game content, and announced that it's forthcoming *Diablo III* would allow for RMT between players. Similar approaches can also be seen in social media. For instance, from 2007 to 2010 *Facebook* offered users purchasable gifts, a practice that is now facilitated through third-party developers. Its associated games also allow users to buy extra weapons, special pets, and other virtual goods for offline money or purchased credits.

While they are not virtual social worlds, these spaces and the consumption that happens within them may function in a similar way to *Second Life* in terms of their practices, meanings, and consequences. Understanding consumption as it appears in *Second Life* helps to create a framework through which to consider the meanings and implications of other forms of virtual consumption, such as games and social media. Identifying how these forms of consumption are engaged offers the opportunity to compare and contrast their roles in different digital interactions, spaces, and communities. Given the increasing consumption found in other digital environments, studying this particular example offers a more complete understanding of the different ways that consumption is used and can affect the lives of those who engage it.

Considering the roles of consumption in a virtual world like *Second Life* can also serve as a starting point from which to consider or even implement alternatives. *Second Life* is fairly established in terms of its consumption practices and its economic systems, which are unlikely to change drastically anytime soon. However, the increased ease of developing and supporting virtual environments has facilitated the creation of worlds that move away from mimicking offline consumption. *OpenSimulator* (or *OpenSim* for short), for example, is a free open-source server platform that is used to host virtual worlds. Although utopian and other idealistic visions are not realized in *Second Life*, at

least in part because of the economic and consumption systems, other worlds can take this as a starting point and develop alternatives.

It is difficult now to find a well-populated virtual world that does not rely on some form of exchange, but this does not mean that such an environment is not possible. With the right technology, anyone could theoretically create virtual worlds that range from free-market economies complete with significant inequality and related consequences through to utopian collectives where economics never enter into the world. While many of the *OpenSim* grids have economic systems, a few like *Metropolis* *Metaversum* do not. Although there is nothing inherently wrong with creating a virtual world that relies on exchange, understanding the resulting issues serves as a starting point from which to consider and potentially even create future virtual worlds. In turn, new virtual worlds could help further address issues with consumption and better serves the needs of some, if not all users.

Finally, given that there are agents who are invested in the economic success of *Second Life*, future research should also consider whether virtual consumption is linked to offline inequality. In-world consumption does feed into offline capital (Dyer-Witheford & de Peuter, 2009). Linden Lab generates profits through premium accounts, land sales, marketplace sales, and the Linden exchange. Exact figures on Linden Lab's profitability are difficult to find, and figures on individual salaries are even rarer. 2008 estimates suggested that the company had been making USD\$40 to \$50 million per year from *Second Life*, although this figure was denied by the company, which claimed less profitability without specifying numbers (Au, 2008b). In turn, a 2009 estimate placed the company's worth at between USD\$658 to \$700 million (Au, 2009d). While these figures do not necessarily represent the costs associated with running a virtual world, they hint at its potential profitability.

Beyond the world's owners and developers, some residents are able to generate real-world profits and even fortunes based on online activities (Au, 2010; Chung, 2006; Hof, 2006). While some incomes are modest, others are said to be in the millions of dollars (Chung, 2006), and in 2010 50 avatars were reported to have made over USD\$100

000 (Au, 2010). Virtual consumption is therefore not only linked to in-world capitalism, but also to offline capitalism as well. Although online inequality may not be a huge issue, offline inequality is (Wilkinson & Pickett, 2009). Given that *Second Life* residents may become affluent in their offline lives because of their in-world activities, there is reason to be concerned about whether online consumption can be linked with offline inequality, and to consider whether this is an issue that requires further investigation.

Although this research offers important contributions to the field of virtual worlds research, its greater contributions are more broadly associated with digital media studies. As digital technologies converge, there is increasing crossover seen across a wide range of technologies, programs, and applications. Therefore, although this research applies specifically to virtual worlds and the consumption that happens within them, it also begins to elucidate the practices, meanings, and consequences of consumption that are found more generally in digital media.

Consumption is increasingly found not only in video games and virtual worlds, but also in social media applications. With its clear links to both video games and social media, consumption in *Second Life* can be seen as a case study of consumption that helps to inform and understand these practices in other digital spaces. Furthermore, given its profitability, and the increasing willingness of participants to spend money on virtual goods, this growth is likely to continue with virtual consumption expanding into an ever-broadening virtual field and being engaged by a widening body of digital participants. Through understanding the underlying elements of consumption in a virtual world like *Second Life*, we come to a greater understanding of consumption in other digital media as well as a starting point from which to consider similarities and differences.

On one level, *Second Life* points to the extent and the limits of our social imagination about consumption. Residents frequently choose to shop, despite being able to do anything they want within the virtual world. At the same time, they choose to do so in ways that can be drastically different from offline life, both in terms of the ways they consume, what they consume, and the consequences of that consumption.

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Appendix I

Second Life Survey Questions

Note: survey questions were web-based, which allowed for branching questions. When certain responses were selected, a new question or series of questions would be revealed below.

How long have you been a Second Life resident?

Less than a month
Between 1 and 6 months
Between 6 months and 1 year
Between 1 year and 4 years
Over 4 years

What kind of Second Life account(s) do you have?

One premium
One free
Multiple premium
Multiple free
Other - please specify

Why did you choose this type of account?

How much time do you spend in Second Life, on average, in a week?

Less than 1 hour
1 to 4 hours
5 to 9 hours
10 to 19 hours
20 to 29 hours
30 to 39 hours
More than 40 hours

What are your favourite places to hang out in Second Life?

Do you buy, or have you ever bought Second Life goods or services (either freebies or with Linden dollars)?

Yes

No

How do you get Lindens to buy goods or services, or how have you gotten them in the past? (Please select all that apply.)

I get an allowance with my Second Life account

I buy them

I use camping chairs, money trees, or other free sources of Lindens

I sell virtual goods in-world

I sell services in-world

I work for someone in-world

Other - please specify

What is your job?

Do you buy, or have you ever bought Second Life goods (either freebies or with Linden dollars)?

Yes

No

What are your favourite places to shop in Second Life?

When you shop in Second Life, do you look for freebie items first?

Yes

No

Why or why not?

Approximately how often do you buy Second Life freebie items?

Never

Daily

Weekly

Monthly

Yearly

Approximately how often do you pay Linden dollars for Second Life goods?

Never
Daily
Weekly
Monthly
Yearly

In total, approximately how many Second Life freebie items have you bought?

None
Between 1 and 9
Between 10 and 49
Between 50 and 99
Between 100 and 249
Between 250 and 499
Over 500

Approximately how many Second Life goods have you paid Linden dollars for?

None
Between 1 and 9
Between 10 and 49
Between 50 and 99
Between 100 and 249
Between 250 and 499
Over 500

What Second Life freebie items have you bought? (Please select all that apply.)

Clothing
Jewelry
House(s)
Hair
Skin(s) and/or avatar(s)
Furniture
Vehicle(s)
Pet(s)
Art
Script(s)
Texture(s)
Other - please specify

What Second Life goods have you spent Linden dollars on? (Please select all that apply.)

Clothing
Jewelry
House(s)
Hair
Skin(s) and/or avatar(s)
Furniture
Vehicle(s)
Pet(s)
Art
Script(s)
Texture(s)
Other - please specify

Approximately how much money have you spent in total on Second Life goods?

None
Less than 249 Lindens
250 to 2 499 Lindens
2500 to 12 499 Lindens
12 500 to 24 999 Lindens
25 000 to 124 999 Lindens
125 000 to 249 999 Lindens
Over 250 000 Lindens

Approximately how much was your most expensive Second Life purchase?

I only buy freebies
Less than 249 Lindens
250 to 2 499 Lindens
2500 to 12 499 Lindens
12 500 to 24 999 Lindens
25 000 to 124 999 Lindens
125 000 to 249 999 Lindens
Over 250 000 Lindens

Have you ever been required to buy an item? (For example, to join a group, or interact in a sim.)

Yes
No

What did you have to buy, and why?

Have you ever bought anything in Second Life that was custom made for you?

Yes

No

What did you buy, and why?

What is your favourite Second Life purchase and why?

Do you buy, or have you ever bought Second Life services?

Yes

No

Approximately how many times have you bought Second Life services?

None

Between 1 and 9

Between 10 and 49

Between 50 and 99

Between 100 and 249

Between 250 and 499

Over 500

What Second Life services have you spent Lindens on? (Please select all that apply.)

Building

Scripting

Event planning

Photography

DJing

Hosting

Modeling

Interior design

Stylist

Other - please specify

Approximately how many Lindens have you spent on Second Life services in total?

None

Less than 249 Lindens

250 to 2 499 Lindens

2500 to 12 499 Lindens

12 500 to 24 999 Lindens

25 000 to 124 999 Lindens

125 000 to 249 999 Lindens

Over 250 000 Lindens

For the following questions, please rate your agreement with each statement.

I don't buy anything in Second Life because:

Strongly agree

Agree

Neutral

Disagree

Strongly disagree

I have no interest in buying things that don't really exist

I think there is too much focus on buying things

I object to consumerism in Second Life

I object to consumerism in general

I'm more interested in the social aspects of Second Life

I can't find things that I like

I have all the things that I want or need without buying anything

It's too expensive for me

I want people to like me for who I am, not what I have

My friends give me everything I want or need

Someone else won't let me

I haven't gotten around to it yet

I think that people who buy things in Second Life are:

Strongly agree
 Agree
 Neutral
 Disagree
 Strongly disagree

Expressing themselves
 Showing off
 Supporting the economy
 Wasting their money
 Participating in Second Life to the fullest

Because I don't consume in Second Life, I feel that:

Strongly agree
 Agree
 Neutral
 Disagree
 Strongly disagree

People respect me for my choices
 People think I am unconventional
 People try to convince me that I should buy things
 People try to give me things

Because I don't buy things in-world, in Second Life I:

Strongly agree
 Agree
 Neutral
 Disagree
 Strongly disagree

Have more money
 Spend more time with my friends
 Spend more time meeting new people
 Spend more time participating in activities and events
 Spend more time building
 Spend more time organizing activities and events
 Spend more time exploring the world
 Demonstrate that I object to consumption

Do you participate in any of the following anti-consumerist activities in Second Life?
(Please select all that apply.)

Rallies and/or protests
Swapping or trading goods
Swapping or trading services
Barter economies
Buy Nothing Day
Political events
I don't participate in anti-consumerist activities
Other - please specify

Do you donate any of the following to charities in Second Life? (Please select all that apply.)

Goods
Services
Linden dollars
Time
Land
Other - please specify

If you are at a concert or event, what would be an average tip for you to leave?

I don't usually tip
Between 1 and 4 Lindens
Between 5 and 9 Lindens
Between 10 and 24 Lindens
Between 25 and 49 Lindens
Over 50 Lindens

Is there anything you're planning to buy in Second Life in the future?

Yes
No

What are you planning to buy?

Has there been anything in Second Life that you have wanted to buy, but couldn't?

Yes

No

What did you want to buy, and why couldn't you?

If you had an unlimited supply of Lindens, what would you buy in Second Life and why?

Do you make things in Second Life?

Yes

No

How long have you been making things in Second Life?

Less than a month

Between 1 and 6 months

Between 6 months and 1 year

Between 1 year and 4 years

Over 4 years

What things do you make in Second Life? (Please select all that apply.)

Clothing

Jewelry

House(s)

Hair

Skin(s) and/or avatar(s)

Furniture

Vehicle(s)

Pet(s)

Art

Script(s)

Texture(s)

Other - please specify

Do you use any of the things that you make in Second Life?

Yes

No

Which thing(s) do you use?

Do you sell any of the things that you make in Second Life?

Yes

No

Which things do you sell?

Do you plan to ever sell any of the things that you make?

Yes

No

Do you ever give away items you've made to charitable causes?

Yes

No

What items did you give away, and to what causes?

Do you plan to ever give away any of the things that you make to charity?

Yes

No

Do you release any of the things that you make in Second Life as freebies?

Yes

No

What things have you released?

Do you plan to ever release any of the things that you make as freebies?

Yes

No

Have you ever had your items copied?

Yes

No

How did you handle it when your items were copied? (Please select all that apply.)

I ignored it
 I reported them to Linden Lab
 I complained to my friends about it
 I confronted the person directly
 I wrote about it for other people to read
 Other - please specify

Do you sell goods or offer freebies in Second Life? (Please select all that apply.)

Yes, I sell goods
 Yes, I offer freebies
 No, I don't sell goods or offer freebies

What kinds of items do you sell in Second Life? (Please select all that apply.)

Clothing
 Jewelry
 House(s)
 Hair
 Skin(s) and/or avatar(s)
 Furniture
 Vehicle(s)
 Pet(s)
 Art
 Script(s)
 Texture(s)
 Other - please specify

Are the goods that you sell things that you've made, or has someone else made them?

I've made everything I sell
 I sell only things made by other people
 I sell both my own work and goods made by others

How do you sell your goods? (Please select all that apply.)

I sell them through a sign, billboard, or box
 I sell them in my own store
 I sell them in a store owned by someone else
 I sell them online through my own website
 I sell them online through the Second Life Marketplace
 Other - please specify

What is your bestselling item, and how much is it?

What kinds of freebies do you offer in Second Life? (Please select all that apply.)

Clothing
 Jewelry
 House(s)
 Hair
 Skin(s) and/or avatar(s)
 Furniture
 Vehicle(s)
 Pet(s)
 Art
 Script(s)
 Texture(s)
 Other - please specify

Are the freebies that you offer things that you've made, or has someone else made them?

I've made everything I offer
 I offer only things made by other people
 I offer both my own work and goods made by others

How do you offer your freebies? (Please select all that apply.)

I offer them through a sign, billboard, or box
 I offer them in my own store
 I offer them in a store owned by someone else
 I offer them online through my own website
 I offer them online through the Second Life Marketplace.
 Other - please specify

What is your most popular freebie?

Do you either sell services or offer them for free in Second Life? (Please select all that apply.)

Yes, I sell services

Yes, I offer services for free

No, I don't sell services or offer them for free

What kinds of services do you sell in Second Life? (Please select all that apply.)

Building

Scripting

Event planning

Photography

DJing

Hosting

Dancing

Modeling

Interior design

Stylist

Escort

Other - please specify

How do you advertise your paid services? (Please select all that apply.)

Through a sign or billboard

Through my own store

Through a store owned by someone else

Through word of mouth

Through my own website

Through the Second Life Marketplace

I don't advertise

Other - please specify

What is your bestselling service, and how much is it?

What kinds of services do you offer for free in Second Life? (Please select all that apply.)

Building
Scripting
Event planning
Photography
DJing
Hosting
Dancing
Modeling
Interior design
Stylist
Escort
Other - please specify

How do you advertise your free services? (Please select all that apply.)

Through a sign or billboard
Through my own store
Through a store owned by someone else
Through word of mouth
Through my own website
Through the Second Life Marketplace
I don't advertise
Other - please specify

What is your most popular free service?

Have you ever cashed out your Lindens for offline money?

Yes
No

Is Second Life your primary source of income in your first life?

Yes
No

Do you have access to land that you can use in Second Life (other than a sandbox)?
(Please select all that apply.)

- Yes, I own my own land
- Yes, I rent land
- Yes, I own land as part of a group
- Yes, someone gives me access to their land to use
- No, I don't have access to land

How much land do you personally own in Second Life?

- Less than 512 square meters (less than 1/128 of a region)
- Between 512 and 1,023 square meters (1/128 to 1/64 of a region)
- Between 1,024 and 2,047 square meters (1/64 to 1/32 of a region)
- Between 2,048 and 4,095 square meters (1/32 to 1/16 of a region)
- Between 4,096 and 8,191 square meters (1/16 to 1/8 of a region)
- Between 8,192 and 16,383 square meters (1/8 to 1/4 of a region)
- Between 16,384 and 32,767 square meters (1/4 to 1/2 of a region)
- Between 32,768 and 65,535 square meters (1/2 to an entire region)
- 65,536 square meters (an entire region)
- Over 65,536 (more than an entire region)

What do you use your personal land for, or what do you plan to use it for? (Please select all that apply.)

- A private residence
- My own store
- Building
- Hosting activities and/or events
- Renting homes to other residents
- Renting commercial space to other residents
- Teaching
- Charitable events
- Other - please specify

How much land do you rent in Second Life?

- Less than 512 square meters (less than 1/128 of a region)
- Between 512 and 1,023 square meters (1/128 to 1/64 of a region)
- Between 1,024 and 2,047 square meters (1/64 to 1/32 of a region)
- Between 2,048 and 4,095 square meters (1/32 to 1/16 of a region)
- Between 4,096 and 8,191 square meters (1/16 to 1/8 of a region)
- Between 8,192 and 16,383 square meters (1/8 to 1/4 of a region)
- Between 16,384 and 32,767 square meters (1/4 to 1/2 of a region)
- Between 32,768 and 65,535 square meters (1/2 to an entire region)
- 65,536 square meters (an entire region)
- Over 65,536 (more than an entire region)

What do you use your rented land for, or what do you plan to use it for? (Please select all that apply.)

- A private residence
- My own store
- Building
- Hosting activities
- Teaching
- Charitable events
- Other - please specify

How much shared land do you own in a group in Second Life?

- Less than 512 square meters (less than 1/128 of a region)
- Between 512 and 1,023 square meters (1/128 to 1/64 of a region)
- Between 1,024 and 2,047 square meters (1/64 to 1/32 of a region)
- Between 2,048 and 4,095 square meters (1/32 to 1/16 of a region)
- Between 4,096 and 8,191 square meters (1/16 to 1/8 of a region)
- Between 8,192 and 16,383 square meters (1/8 to 1/4 of a region)
- Between 16,384 and 32,767 square meters (1/4 to 1/2 of a region)
- Between 32,768 and 65,535 square meters (1/2 to an entire region)
- 65,536 square meters (an entire region)
- Over 65,536 (more than an entire region)

What do you use your shared land for, or what do you plan to use it for? (Please select all that apply.)

A private residence
 My own store
 Building
 Hosting activities
 Renting homes to other residents
 Renting commercial space to other residents
 Teaching
 Charitable events
 Other - please specify

How much land do you have access to through someone else in Second Life?

Less than 512 square meters (less than 1/128 of a region)
 Between 512 and 1,023 square meters (1/128 to 1/64 of a region)
 Between 1,024 and 2,047 square meters (1/64 to 1/32 of a region)
 Between 2,048 and 4,095 square meters (1/32 to 1/16 of a region)
 Between 4,096 and 8,191 square meters (1/16 to 1/8 of a region)
 Between 8,192 and 16,383 square meters (1/8 to 1/4 of a region)
 Between 16,384 and 32,767 square meters (1/4 to 1/2 of a region)
 Between 32,768 and 65,535 square meters (1/2 to an entire region)
 65,536 square meters (an entire region)
 Over 65,536 (more than an entire region)

What do you use the land that you access for, or what do you plan to use it for? (Please select all that apply.)

A private residence
 My own store
 Building
 Hosting activities
 Renting homes to other residents
 Renting commercial space to other residents
 Teaching
 Charitable events
 Other - please specify

From whom do you get access to land? (Please select all that apply.)

- A friend
- A business partner
- Family
- An acquaintance
- Other - please specify

For the following questions, please rate your agreement with each statement.

I buy or have bought virtual goods (including freebies) because:

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

- I want my avatar to look a specific way
- I don't want my avatar to look like a default avatar
- I like changing my appearance
- I want my avatar to look unique
- I want my avatar to have a place to live
- I want a place for my friends to visit
- I want to join groups that require certain items or types of items
- I have a job that requires that I buy things
- I can get things that I can't get offline
- I want to support a charity or charities
- They're affordable
- I don't buy things in Second Life

When shopping for virtual goods, I buy based on:

Strongly agree
 Agree
 Neutral
 Disagree
 Strongly disagree

How the item looks
 How well-made the item is
 How inexpensive the item is
 How expensive the item is
 How popular the item is
 How trendy the item is
 How well known the designer is
 Whether the item supports a charity
 Whether the item can be customized
 Whether the item can be copied
 Whether the item can be transferred
 I don't buy things in Second Life

In Second Life, I am able to recognize new residents based on:

Strongly agree
 Agree
 Neutral
 Disagree
 Strongly disagree

Their behaviour
 Their avatar
 Their clothing or accessories
 Where they spend time
 What groups they belong to

In Second Life, I notice when people I know have:

Strongly agree
 Agree
 Neutral
 Disagree
 Strongly disagree

Modified their avatar
 Put on new clothes
 Put on new accessories
 Used new animations
 Rezzed/put up a new house
 Set up new furniture
 Used a new vehicle

When I see someone has something that I like, I:

Strongly agree
 Agree
 Neutral
 Disagree
 Strongly disagree

Admire it, but don't say anything
 Compliment them
 Try to figure out where it came from without asking them
 Ask them where it came from
 Ask other people if they know where it came from
 Ask how much it cost
 Want to get one for myself
 Go and get one for myself

When I have something that someone else likes, I think that they are likely to:

Strongly agree
 Agree
 Neutral
 Disagree
 Strongly disagree

Admire it, but not say anything
 Compliment me

Try to figure out where it came from without asking me
 Will ask me where it came from
 Will ask other people if they know where it came from
 Will ask how much it cost
 Will want one for themselves
 Will get one for themselves

How happy are you when you're in Second Life?

Very unhappy
 Unhappy
 Neither unhappy nor happy
 Happy
 Very happy

Why do you feel this way in Second Life?

How happy do the following things in Second Life make you?

Very happy
 Happy
 Neither unhappy nor happy
 Unhappy
 Very unhappy

Your avatar(s)
 The things that you own
 Your monetary wealth
 Your friends and other social networks
 Your in-world activities

Compared to other residents, how well off do you think you are in Second Life based on:

Very well off
 Somewhat well off
 Average
 Somewhat not well off
 Not very well off

Your avatar(s)
 The things that you own
 Your in-world monetary wealth
 Your friends and other social networks

How much inequality do you think there is in Second Life based on:

A lot
 Some
 A little
 None

How much in-world monetary wealth a resident has
 How long a resident has been in Second Life
 Whether a resident owns land
 How much land a resident owns
 Where a resident's land is located
 How many things a resident owns
 How many friends a resident has
 How many groups a resident has joined
 How well a resident is dressed
 How well a resident's avatar is put together
 How active a resident is within Second Life
 How generous a resident is with their time
 How generous a resident is with their money
 How generous a resident is with their skills
 Whether a resident spends Linden
 How much money a resident spends in Second Life
 How much time a resident spends in Second Life
 Whether a resident has a business

Do you think other Second Life residents respond to you differently based on what you own?

Yes

No

How so?

Do you think how residents interact with each other is affected by the things that they own?

Yes

No

How so?

For the following questions, please rate the frequency with which you experience each situation.

Looking at another resident and their possessions, I can identify where they bought their:

Always

Often

Sometimes

Rarely

Never

Avatar skin or features

Clothing or accessories

Animations

Vehicle

House or dwelling

Furniture

Looking at another resident and their possessions, I can estimate the cost of their:

Always
Often
Sometimes
Rarely
Never

Avatar skin or features
Clothing or accessories
Animations
Vehicle
House or dwelling
Furniture

For the following questions, please rate your agreement with each statement.

When people own a lot of virtual goods, I think other residents are more likely to:

Strongly agree
Agree
Neutral
Disagree
Strongly disagree

Talk to them
Listen to them
Ignore them
Compliment them
Accept them
Insult them
Avoid them
Help them
Give them things
Give them money
Value their opinion
Offer friendship
Offer assistance
Ask for money
Ask for help

I think Second Life residents perceive other residents with a lot of virtual goods as:

Strongly agree
 Agree
 Neutral
 Disagree
 Strongly disagree

Creative

Wealthy
 Pretentious
 Hard workers
 Generous
 Showing off
 Focused on shopping
 Too focused on shopping
 Vain
 Interesting
 Influential

I think that residents gain power and/or influence within Second Life based on:

Strongly agree
 Agree
 Neutral
 Disagree
 Strongly disagree

Friends and social networks
 Monetary wealth
 Land
 Possessions
 Creativity
 Skill
 Owning a business
 Having a verified account
 Having payment info on file
 Charitable work
 Contributions to the world

Do you believe Second Life has a group of elite residents?

Yes

No

Do you think you are a member of this group?

Yes

No

What do you think makes this group elite?

Is there anything else you would like to comment on in terms of consumption in Second Life?

Are you willing to participate in an interview dealing with consumption in Second Life?

Yes

No

What is the best way to contact you?

So I can thank you for your time and contribution, please provide the name of a Second Life resident to whom I can send your compensation.

Appendix II

Second Life Interview Questions

Consumption in Second Life

Consumption of virtual goods plays an important role in Second Life. Most residents engage in consumption regularly and have acquired many virtual goods, both free and purchased. They value consumption for helping to customize their avatar, develop their individuality, and establish group membership. But despite these similarities, many of the social issues usually linked with offline consumption are largely absent in Second Life, especially with regards to inequality.

Although in-world consumption looks similar to offline consumption, its effects appear to be different. Residents do not suffer – for instance, from cold or hunger – when they can't consume. Need-based inequality therefore does not exist in Second Life, although inequality based on want does. Consumption inequality exists in-world, with some residents more able to pay for what they want than others. However, because needs are not an issue, free items are readily available, and other traits like creativity and owning a business are valued more than consumption, not being able to consume in the same way as other residents is not often a disadvantage. As a result, the inequality that is usually associated with consumption in offline life simply becomes another form of difference between Second Life residents, rather than having negative consequences.

Do you feel that this description is an accurate assessment of how consumption functions in Second Life? Please explain why.

What do you think is the role of consumption – both paid and freebie – in Second Life?

What do people get out of consuming virtual goods?

What kind of effects do you think consumption has on Second Life residents, both as individuals and around their relationships and interactions with each other?

Do you think consumption can affect a resident's status, power, or influence within the world?

Do you think that there is inequality in Second Life in terms of consumption and, if so, what do you think are its effects?

Appendix III

Ethics Approval

Office of the Dean

Ethical Review of Research Involving Human Subjects

All non-medical research involving human subjects at the University of Western Ontario is carried out in compliance with the Social Sciences and Humanities Research Council Guidelines (2002). The Faculty of Information Media Studies (FIMS) Research Committee has the mandate to review FIMS student research proposals for adherence to these guidelines.

2008 – 2009 FIMS Research Committee Membership

- | | |
|--------------------------------------|----------------------------|
| 1. T. Carmichael*, Dean and Chair | 5. D. Robinson (alternate) |
| 2. E. Comor* | 6. L. Vaughan* (alternate) |
| 3. N. Dyer-Witheford, Associate Dean | 7. N. Wathen |
| 4. A. Quan-Haase* | |

Research Committee members marked with * have examined the research project entitled:

Buying for Bodies: The Effects of Virtual Consumerism on Online Interaction

as submitted by: Nick Dyer-Witheford (Principal Investigator/Supervisor)
Daniel Robinson (Co-investigator/Advisor)
Jennifer Martin (Co-investigator/Student)

and consider it to be acceptable on ethical grounds for research involving human subjects under the conditions of the University's Policy on Research Involving Human Subjects.

Approval Date: August 22, 2008

Tom Carmichael,
Dean and Chair

Curriculum Vitae

- Name:** Jennifer M. Martin, Ph.D.
- Education:** 2005-2012, Ph.D., Media Studies, The University of Western Ontario
- 2003-2005, M.A., Communication and Culture, York University
- 1999-2003, Honors B.A. (with distinction), Anthropology and English (double major), Wilfrid Laurier University.
- Awards:** Teaching Support Centre Great Ideas for Teaching Award, 2010
- University Students' Council Teaching Award, 2009-2010
- Ontario Graduate Scholarship (OGS), 2005-2006, 2006-2007, and 2009-2010
- Canada Graduate Scholarship (CGS) – Masters, 2004-2005
- Graduate Thesis Research Award, 2008-2009, 2009-2010, 2010-2011, 2011-2012
- Teaching:** Instructor, 2008-2012
Faculty of Information and Media Studies
The University of Western Ontario
Courses:
Game On! Video Game Culture, Technology, and Industry
Cyber-Life: Communications in the Digital Age
Issues in Identity and Community in Online Environments
- Instructor, 2010-2012
Teaching Support Centre
The University of Western Ontario
- Teaching Assistant, 2006-2009
The University of Western Ontario
Courses:
The Meaning of Technology
Political Economy of Media
Mapping Media and Cultural Theory

Publications:

Martin, J. (Forthcoming 2012). "Consumption Without Currency: The Role of the Virtual Gift Economy in *Second Life*." *Virtual World Consumption*, J. Denegri-Knott and M. Molesworth (eds.). Routledge.

Martin, J. (Forthcoming 2012). "A Few Choice Animations: Nonverbal Communication Through Production and Consumption". *Nonverbal Communication in Virtual Worlds*, J. Tanenbaum, M. Seif el-Nasr, and M. Nixon (eds.). ETC Press.

Martin, J. (2010). "Virtual Virtuality: Low-Tech Classroom Activities from Virtual Worlds." *Transformative Dialogues: Teaching and Learning Journal*, 3(3), March.http://kwantlen.ca/TD/TD.3.3/TD.3.3_Martin_Virtual_Virtuality.pdf

Martin, J. (2008). "Consuming Code: Use Value, Exchange Value, and the Role of Virtual Goods in *Second Life*." *Journal of Virtual Worlds Research*, 1(2), November.

Conference Proceedings:

Xiao, L. and Martin, J. (2012). "Supporting Parent-Young Child Activities with Interactive Tabletops: A Conceptual Analysis." In CSCW'2012: *Proceedings of the ACM conference on computer-supported cooperative work*. New York: ACM Press.

Martin, J. (2006). "Consuming Currency: Gold Farming, Alienation, and the Consumption of Virtual Goods Between Online and Offline Environments." *Intersections 2006: Emerging Spaces, Transforming Scapes Conference Proceedings*, March 24 to 26, 2006, Ryerson University, Toronto, Ontario, Canada.

Martin, J. (2005). "Virtually Visual: The effects of visual technologies on online identification." *Digital Games Research Association (DiGRA) 2005: Worlds in Play Conference Proceedings*, June 16 to 20, 2005, Vancouver, British Columbia, Canada.

Conference Presentations:

Martin, J. "Second Life: Power to the People or Virtual Surveillance Society?" Cyber-surveillance in Everyday Life, May 12 to 15, 2011, University of Toronto, Toronto, Ontario, Canada.

Martin, J. "The Work of Play: Labour, Avoidance, and the Effects of Outsourcing Gameplay Under Global Capital". Union for Democratic Communication, May 28 to 31, 2009, Buffalo State University, Buffalo, New York, USA.

Martin, J. "Virtual Transgression: The Politics and Potential of Excess in Second Life". *The Aesthetics of Excess*, March 5 to 7, 2009, The University of Western Ontario, London, Ontario, Canada.

Martin, J. "Recreating Media Content: Transmedia Storytelling In Second Life". *Perspectives on Transmedia*, March 6, 2009, The University of Western Ontario, London, Ontario, Canada.

Martin, J. "Creativity from Code: Resisting and Subverting the Limits of *World of Warcraft*." *Immersive Worlds*, June 4 to 6, 2007, Brock University, Saint Catharines, Ontario, Canada.

Martin, Jennifer. "Consuming Currency: Gold Farming, Alienation, and the Consumption of Virtual Goods Between Online and Offline Environments." *Intersections 2006: Emerging Spaces, Transforming Scapes*, March 24 to 26, 2006, Ryerson University, Toronto, Ontario, Canada.

Martin, J. "Virtual Technologies: Possibilities and Potential for Education." *Canadian Society for the Study of Education*, May 28 to June 5, 2005, University of Western Ontario, London, Ontario, Canada.

Martin, J. "Virtually Visual: The Effects of Visual Technologies on Online Identification." *DiGRA 2005: Worlds in Play*, June 16 to 20, 2005, Vancouver, British Columbia, Canada.