

Comparison Between Virtual Goods and Real Goods

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Abstract. This research is intended to find out the price between virtual goods and real goods, knowing how people to transact through the virtual world, and knowing the convenience of users at a price between virtual goods or the real goods. The method used from this study is a comparative method to present a complete picture of the situation related to some of the examined variable situations. The results of this study are to find out how the differences between virtual goods and real goods and how much potential can be used to build businesses in the virtual world. Virtual world is very potential for making a virtual goods and making revenues.

1. Introduction

At present, the virtual world is widely used by young people as communicating with each other. In addition to communicating, they use a virtual world to shop. However, the items purchased are not genuine goods, but virtual goods. Virtual Goods is non-physical objects, and cash purchased can be used in online communities or online games. Digital merchandise, on the opposite hand, perhaps a broader class together with digital books, music, and movies (Baar, 2011). The virtual world is one type of social media.

Social media is an interactive computer media technology that can facilitate the creation and distribution of information, ideas, career searches, and other forms of expression through virtual communities and virtual networks (Kietzmann, Hermkens, McCarthy, & Silvestre, 2011). There are so many types of social media: Blogs is a list of chronologies posted on the website, can be read and commented by visitors; Microblogs is same with blogs, but 200 characters restrict the character; Forum is a virtual discussion platform where all users can ask questions about something, answer other people's questions, and ask thoughts. Communication in the forum is not in real time. (Frank & Aichner, 2015).

One type of social media is the virtual world. A virtual world may be a computer-based simulated atmosphere (Bartle, 2003) will be employed by several peoples can produce personal avatars, and together people explore a virtual world, manage activities and communicate with others (Frank & Aichner, 2015). There are so many other terms that refer to the virtual world: virtual world (VR); virtual environment (VE); multi-user virtual environment; massively multiplayer online game (MMOG); immersive virtual world (IVW); serious virtual world; virtual world social; and synthetic virtual world (Girvan, 2018). The term is critical, but there is doubtfulness in its use of literature because these terms are very amphibolic, whether they included in the real world or not (Girvan, 2018).

Following its world, the virtual world also establishes virtual currencies for sale and purchase transactions in its world and allows companies to sell virtual goods even real goods (Frank & Aichner, 2015).

The supposed virtual goods sales or microtransactions revenue model involves marketing some practical things, “avatars” or currencies to the users of an online service. Maybe most frequently, the item sold-out for real cash could be a virtual currency, they can change for virtual goods. The things will vary from weapons and Armor in online games to clothes in virtual worlds and simple two-dimensional graphical badges in social networking sites (Hamari & Lehdonvirta, 2010). Virtual goods purchased using virtual cash.

Virtual cash (or in-game currency) is employed to buy virtual goods among a spread of online communities, that embrace social networking websites, virtual worlds, and online gambling sites. A key revenue driver inside social media, virtual currencies are specific inside every game and are accustomed to purchasing in-game goods. Characters in virtual worlds own things inside the context of the virtual world and users can collect every games' virtual currency to buy land, supplies and numerous things accustomed enhance their status and add points. Some virtual currencies are time-based, relying upon measuring of in-game achievements to accrue exchangeable points.

Interaction of the virtual world is movement and navigating through the world. In considering movement and navigation, perhaps somebody expected taking part in laptop games are going to be higher than somebody who is not. Beginners could also be expected to explore less, to hit the wall and acquire stuck within the corners. However, considering human-computer interactions everywhere, which will happen therefore such variations are measureless pronounced than before is, with several non-gamers who are comfy with him use mouse and keyboard and trailing movements on the monitor (Chesney, Chuah, Hoffmann, Hui, & Larner, 2014). A minimum of one paper has found that the player will be classified supported their avatar's actions as well as movements which this classification includes seasoned and inexperienced player (Matsumoto & Thawonmas, 2004).

2. Method

The method used in this study is a comparative method by analysing goods in e-commerce and goods in the virtual world, looking the shop for knowing the price and also the benefits for selling between virtual goods or real goods. The virtual world studied is IMVU, and the e-commerce application is Lazada. The author uses that application so that the reader understands easily how to use e-commerce application and how to open virtual world.

3. Results and Discussion

Lazada is popular e-commerce in Southeast Asia. Lazada sells various kinds of goods ranging from shoes, clothes, pants and others. Same with Lazada, IMVU also sells various kinds of goods ranging from shoes, clothes, pants and others. The differences between Lazada and IMVU is Lazada does not provide a world; that's mean there is no “world” inside the application. Whereas IMVU, they also provide a “world” to can be used by all people.

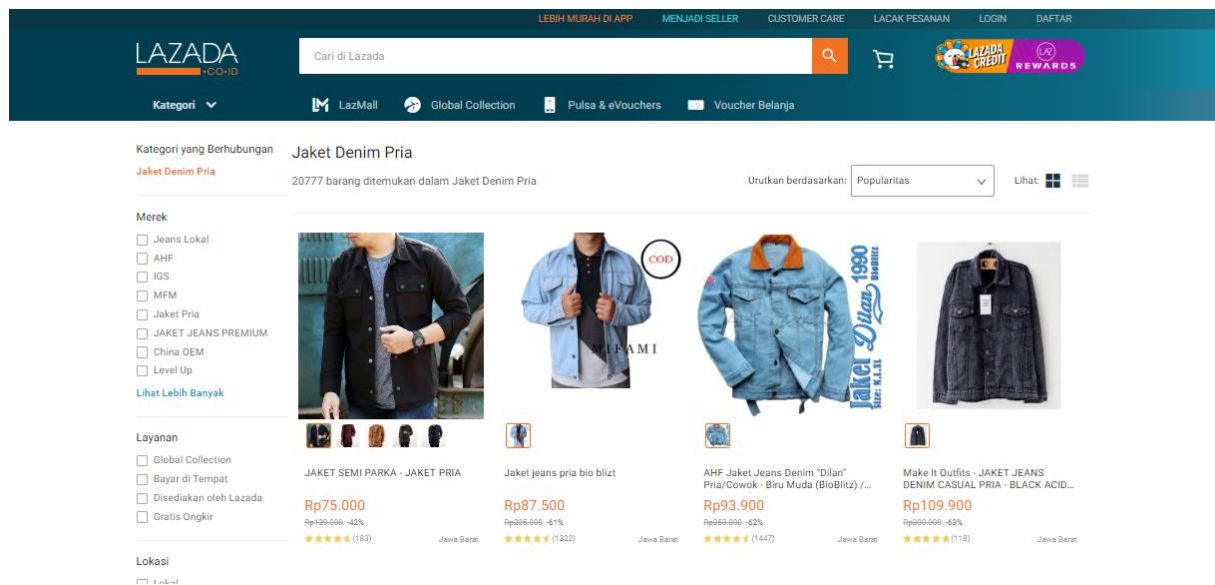


Figure 1 Store in Lazada

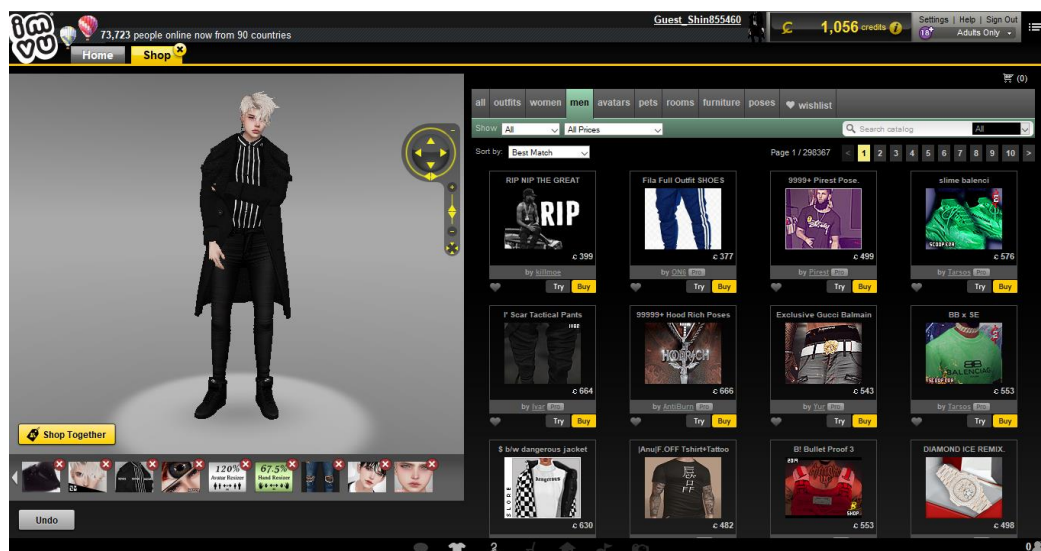


Figure 2 Virtual Store in IMVU

According to Figure 1 and Figure 2, there's no differences between store in Lazada and IMVU. The difference between the two is only the form, one is a real item and the other is a virtual good. In addition to the differences, there are other differences shown in the table below:

Real Goods	Virtual Goods
Real Form	Imagination Form
Can be carried	Cannot be carried
Prices are relatively more expensive	Prices are relatively cheap
Purchased using real money	Purchased using virtual money
Limited Resource	Unlimited Resource
Limited Goods	Unlimited Goods
Must be produced continuously	Only one-time production

Figure 3 Table of differences between real goods and virtual goods

All people can carry real goods; because it's real. Another case with virtual goods, it cannot move; because it's not real. People create those virtual goods because they can use besides their avatar. Therefore, the price is different. Virtual products are cheaper than actual products. Another difference is real assets can be purchased using real money, and virtual can be obtained using virtual money. Virtual money can be bought using real money. Real goods have a limited resource because the material is minimal. Whereas, virtual goods resource is unlimited. Because it is data, the only limited thing is the amount of storage capacity of the server space.

Interestingly, every year the income from the sale of virtual goods is increasing. That's why so many people make virtual goods in the virtual world. According to one study, from 2007 until 2012 graphics revenue from the sale of virtual goods has never decreased (Mitham & Kzero, 2010). That's why one reason why more and more virtual goods are produced.

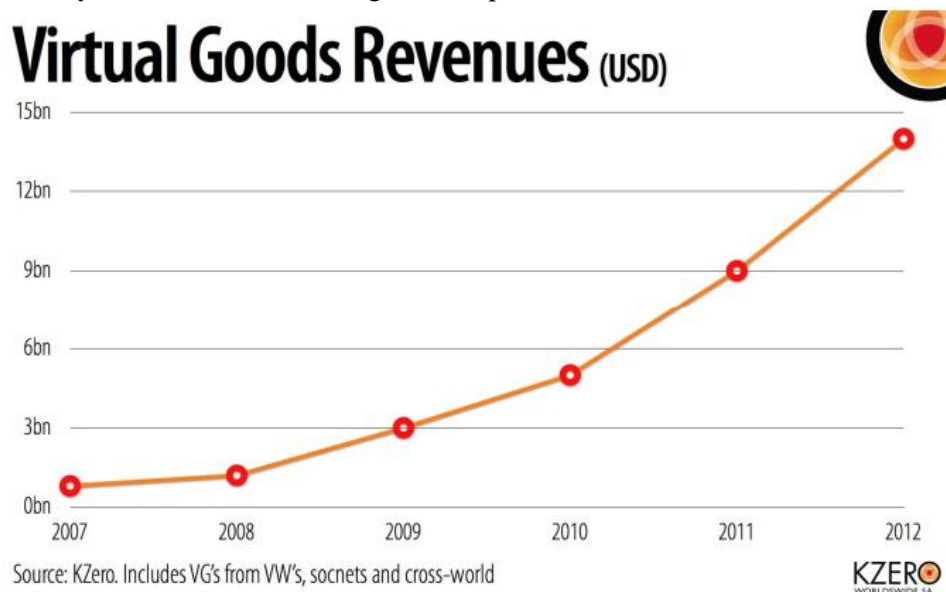


Figure 4 Virtual Goods Revenues (USD)

One of the factors that support the sale of virtual goods is the time people spend in the virtual world. The average person spends time in the virtual world around 55 minutes per day, beating YouTube and Facebook.

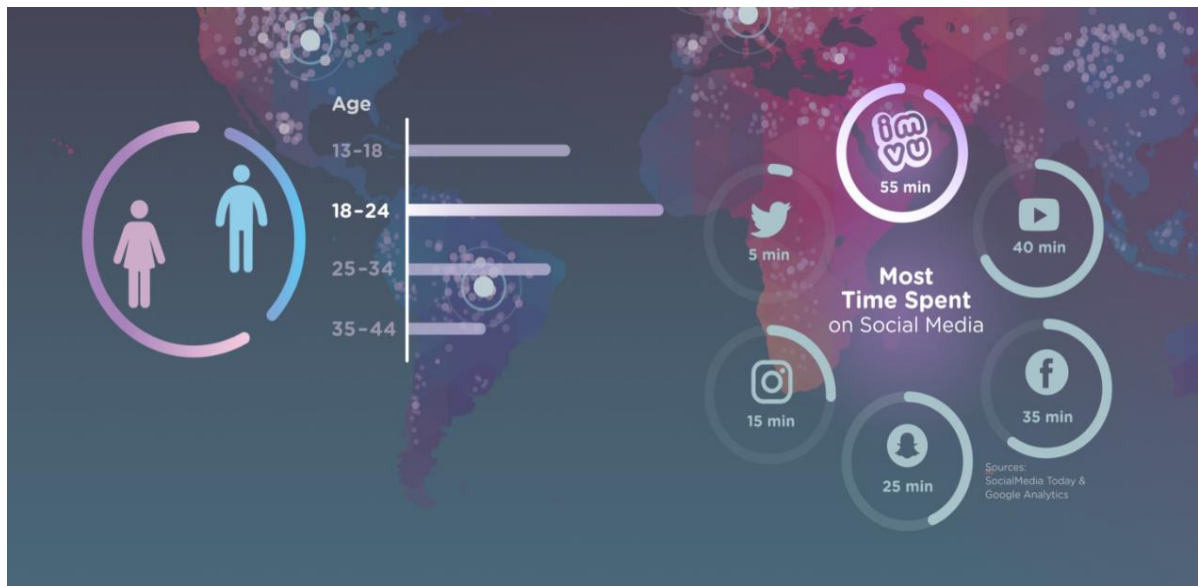


Figure 5 Comparison Most Time Spend on Social Media

The author conducts price comparisons between virtual goods and real goods. The author compares with a sample of 5 keywords and ten most searched items between two platforms. By taking this, it is expected to be able to describe the price comparison between the two elements.

The keywords sought are clothes, pants, hats, glasses, and shoes. This keyword is found after because it is a significant requirement of people; in the virtual world and the real world. And these items are also the most sought-after items on both platforms. The differences prices shown below :

1 Credit = Rp13

No	Clothes			Pants		
	Real World	Virtual World		Real World	Virtual World	
		Credit	Real Money		Credit	Real Money
1	Rp25.900	444	Rp5.983	Rp60.000	663	Rp8.934
2	Rp78.210	443	Rp5.969	Rp70.000	454	Rp6.118
3	Rp33.500	453	Rp6.104	Rp61.000	586	Rp7.896
4	Rp75.999	630	Rp8.489	Rp56.999	444	Rp5.983
5	Rp27.900	553	Rp7.452	Rp95.500	443	Rp5.969
6	Rp17.900	510	Rp6.872	Rp99.900	553	Rp7.452
7	Rp22.500	609	Rp8.206	Rp93.500	664	Rp8.947
8	Rp28.990	454	Rp6.118	Rp98.000	396	Rp5.336
9	Rp34.900	425	Rp5.727	Rp55.000	444	Rp5.983
10	Rp32.900	609	Rp8.206	Rp75.000	608	Rp8.193
Average	Rp37.870	513	Rp6.913	Rp76.490	525,5	Rp7.081
Different	Rp30.957			Rp69.409		

Figure 6 Table of price differences between real goods and virtual goods part 1

No	Hats			Glasses		
	Real World	Virtual World		Real World	Virtual World	
		Credit	Real Money		Credit	Real Money
1	Rp72.200	553	Rp7.452	Rp13.000	655	Rp8.826
2	Rp9.000	799	Rp10.766	Rp12.800	631	Rp8.503
3	Rp31.900	955	Rp12.869	Rp8.500	567	Rp7.640
4	Rp54.000	699	Rp9.419	Rp23.000	605	Rp8.152
5	Rp49.900	697	Rp9.392	Rp32.000	582	Rp7.842
6	Rp90.000	611	Rp8.233	Rp7.500	609	Rp8.206
7	Rp24.000	391	Rp5.269	Rp24.700	626	Rp8.435
8	Rp24.900	966	Rp13.017	Rp19.000	475	Rp6.401
9	Rp10.000	605	Rp8.152	Rp19.800	615	Rp8.287
10	Rp13.000	800	Rp10.780	Rp28.500	553	Rp7.452
Average	Rp37.890	707,6	Rp9.535	Rp18.880	591,8	Rp7.974
Different	Rp28.355			Rp10.906		

Figure 7 Table of price differences between real goods and virtual goods part 2

No	Shoes		
	Real World	Virtual World	
		Credit	Real Money
1	Rp199.900	355	Rp4.784
2	Rp320.000	570	Rp7.681
3	Rp435.000	553	Rp7.452
4	Rp9.000	664	Rp8.947
5	Rp249.300	336	Rp4.528
6	Rp47.500	564	Rp7.600
7	Rp224.000	554	Rp7.465
8	Rp35.000	499	Rp6.724
9	Rp52.900	336	Rp4.528
10	Rp22.700	435	Rp5.862
Average	Rp159.530	486,6	Rp6.557
Different	Rp152.973		

Figure 8 Table of price differences between real goods and virtual goods part 3

There is a very different price difference between virtual goods and real goods. But if we remember the shape of the two items, the difference is a very natural thing. Virtual goods are very cheap but have unlimited stock, while real products have minimal capital.

Building a business in the virtual world is indeed promising. If we see from some of the differences above, we can get passive income if we make goods in the virtual world. Whereas if you make goods in the real world, all people must continue to work to earn continuous income.

In terms of quality, both are very different. Maybe in the virtual world only seen from the design alone, but if we make goods in the real world, we have to think of several factors that make people can more glimpse our efforts.

4. Conclusion

Building a business in the virtual world is no less promising as in the real world. Though all people get less income, if looking at some of these differences, it turns out all people can produce more than making goods in the real world. Sometimes some people underestimate income in the virtual world. However, in reality, we can get more revenue than the real world. Looking at the income graph, it can be concluded that building a business in the virtual world will continue to increase, mainly supported by the increasingly fast internet connection and the availability of increasingly diverse software and hardware.

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