

"YOUNIVERSAL BRANDING"

PART 1

This month's Trend Briefing on YOUNIVERSAL BRANDING is not for everyone. If you happen to be a business professional who is also deeply into online worlds, you should know most of this. As for the rest of our subscribers: please read on, and figure out how your brand can find its place in and contribute to MMORPGS, on-line worlds, being spaces, and metaverses.

Our next Trend Briefing, on INNOVATION OVERLOAD, will be online on 4 August 2006 : please don't forget to [tell your friends and colleagues](#) — much appreciated!

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Introduction

We spoke about [MASTERS OF THE YOUNIVERSE](#) in December 2004. Back then, this is how we described this phenomenon:

"At the core of all consumer trends is the new consumer, who creates his or her own playground, own comfort zone, own universe. It's the 'empowered' and 'better informed' and 'switched on' consumer combined into something profound, something we've dubbed MASTER OF THE YOUNIVERSE. At the core is control: psychologists don't agree on much, except for the belief that human beings want to be in charge of their own destiny. Or at least have the illusion of being in charge."

And because they can now get this control in entirely new ways, aided by an online, low cost, creativity-hugging revolution that's still in its infancy, young and old (but particularly young) consumers now weave webs of unrivaled connectivity and relish instant knowledge gratification. They exercise total control over creative collections, including their own creative assets, assume different identities in cyberspace at a whim, wallow in DIY / Customization / Personalization / Co-Creation to make companies deliver whatever and whenever, on their own terms".

The briefing covered various elements that empower [MASTERS OF THE YOUNIVERSE](#), from low cost airlines taking them anywhere they want to be, to review sites giving them the inside scoop on what (not) to buy, to virtual worlds in which they can truly be whoever or whatever they want to be. About the latter, we wrote:



"Accommodating 6,396,000,000 individuals of which at least 1,000,000,000 (from Stockholm to Singapore) have the means to be aspiring MASTERS OF THE YOUNIVERSE, is no easy task in the real, physical, resource challenged world. Creating one's own (virtual) YOUNIVERSE and multiple identities in cyberspace is, however, no problem at all. Millions of consumers now 'live' in online communities, play multiplayer games, chat with anyone and everyone."

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Escaping to an alternate reality

Now consider the following quotes:

"Gaming's great benefit for gamers is escapism, within an alternate reality. Gamers all over the world are looking for the same thing: escapism—the opportunity to participate in an alternate reality. Within this alternate reality, fundamental human desires are satisfied—the drive to explore, with the promise of reward." (Source: Mediaedge:cia.)

"For gamers, the thrill of the game is the virtual experience, the chance to escape reality and, to a degree, control their destiny. Gaming, whether online, mobile or console-based, lets players be a part of the storyline and live in an alternate reality. [...] It allows the player an experience that generates real emotions. In a video game, you decide where you are going... You can't do that with a TV show." (Source: Promo Magazine.)



"Minutes after registration, you can shed, or if you wish, simulate your real life (RL) identity by personalizing an avatar, custom-designing your own hang-out, haven or "crib," importing your buddy list and IM new pals. For many visitors, the worlds fulfill the yearning for a much-needed outlet beyond home, work and school—not unlike what Starbucks's founder Howard Schultz touts as the coveted third space in RL." (Source: iMediaConnection.)

"In online games, it is more possible, now, for every person to have at least a few moments of feeling truly accomplished, befriended and loved." (Source: Edward Castronova.)

New opportunities for brands

So this is where YOUNIVERSAL BRANDING picks up from MASTERS OF THE YOUNIVERSE. Now that so many consumers are discovering the fun of spending time, lounging, residing and even living in their youniverses, innovative brands who want to be where their customers are, had better start working on a coherent YOUNIVERSAL BRANDING strategy.

To quote [IGA](#), an in-game advertising agency: "This planet is oversaturated with traditional advertising, so we went and found you entire new worlds."



Now, don't get us wrong, YOUNIVERSAL BRANDING is not about plastering online worlds with advertising.

That wouldn't work anyway, as fickle masters of the youniverse would spit you out in a split second. So the opportunity and challenge for brands is to figure out how to add something relevant to virtual worlds: providing players and inhabitants with experiences they actually enjoy, and could

even co-create with you. Like we pointed out for the [TRYVERTISING](#) trend: these days, as a brand, being somewhere at the right place, at the right time, *may* constitute a certain value to consumers, and if that happens, just be grateful ;-)

How to deliver this value? Consider the following quotes about some of the 'benefits' of YOUNIVERSAL BRANDING:

The optimum role for a brand within a game is to enhance the gamer's sense of escapism, by strengthening the alternate reality experience. This is something that is specific to each game. In a racing game, it could be as simple as an official real-world sponsor's logo on the side of a car; but a similar logo on a car in a role-playing game might be completely out-of-place. So for best results, this is something that needs to be considered on a game-by-game basis, to identify a role that is specific to a particular place in a particular game.



[...] So while some brand-placements can add realism to a game - and some genres lend themselves more naturally to this - there is a delicate balance between enhancing realism, and obstructing escapism. In-game communication should always facilitate escapism. The difference is perhaps between what looks like advertising and what feels like advertising. The key is understanding the player and the game itself. The purpose and plot of a game, and the particular culture around it, must all be taken into account – in many countries, what happens around a game (such as the PC

bang [internet-café-like games venues] culture in Asia) is as important as the game itself. As with all forms of communication, relevance (to consumer, location, and occasion) is essential. Wizards with cola cans or aliens brandishing chocolate bars are almost certainly wrong. [...] The Golden Rule: don't mess with the gameplay! (source: Mediaedge:cia).

In today's hyper cluttered space, marketers are lucky to get a second or minute of a consumer's attention. We were able to 'engage' our audiences for hours not minutes or seconds.



Engage, to get and hold somebody's attention, is a key word here. We were able to provide a meaningful, entertaining, and brand-relevant experience that keeps our audiences entertained and learning for hours" (source: Erik Hauser, Swivel Media).

The industry acknowledges concerns amongst gamers regarding the potential intrusiveness of in-game ads, stating that the concern has been taken into consideration.

"If it's set in the 20th century or beyond, you expect to see advertising," said Nicholas Longano, CMO of Massive. "Advertising enhances the sense of realism. There's no way we could do this if it alienated gamers" (source: BusinessWeek).

A study last October by Nielsen Interactive Entertainment found that in-game advertising resulted in a 60 percent increase in awareness for a new product and that animated 3-D ads achieved twice the recall of static billboards. Half of 900 respondents to a pre-exposure survey conducted jointly by Nielsen and Double Fusion agreed that in-game advertising makes a game more realistic. Just 21 percent disagreed. Additionally, 54 percent agreed that the in-game advertising caught their attention while 17 percent disagreed. Another Nielsen study conducted with Activision, a game publisher, included 1,350 male gamers aged 13 to 44 split into groups that played games with ads and without ads. The study found that ads that are relevant to the game were tolerated on the screen longer and resulted in improved brand awareness and positive feelings about the product (source: MediaLife).



Best thing to happen to marketers since sliced bread

Given the above, what's somewhat surprising is that so few brands are really jumping in with both feet, even though the conditions are very favourable. Online worlds exist, consumers are living in them, they don't mind brands joining in (to a certain degree, of course) and a host of firms and agencies are ready to assist newcomers. Oh, and It's actually fun too, as it's not just consumers who enjoy creative freedom the moment physical borders disappear: that privilege is available to marketers as well. You can build and open a store in days. You can introduce virtual goods and services that would take years to develop and produce in the real world. You can introduce entirely new sub-brands on a whim. It's potentially everything you've been dying to do (or at least try out) as a marketer for ages, but never could. If that doesn't get you excited...



Numbers

But first: numbers! Since we know most hard-nosed execs don't want to believe what's happening right in front of them unless they're shown the 'numerical evidence' (if only they would sign up for an online game instead!), here are some quick and completely random snippets from our RSS feeds on what's doing in the YOUNIVERSE (stats, percentages, and hundred million dollar figures included).

Yankee Group expects the in-game advertising market to reach USD 732 mln by 2010 (in 2005, advertisers spent approximately USD 56 mln placing ads in video games, up from USD 34 mln in 2004).



More than 100 million people worldwide log on every month to play interactive computer games (source: NYT, December 2005).

In the USA, over 70 percent of males in the 18 to 34 demographic play video games, according to NPD Group. Young men play 12.5 hours of video games a week, while they watch television 9.8 hours, and three-quarters of households with a male member age 8 through 34 own a video game system, according to Nielsen Entertainment (source: MediaLife January 2006).

An average European gamer will play for 10.9 hours a week, 87% have played in the last week, and 72% play at least three times a week. To put this into perspective: gaming is, for gamers, the third-most-popular use of media entertainment in the last week, after watching TV (96%) and listening to music (94%) (source: Mediaedge:cia, December 2005).

Sixty percent of trendsetters and 33% of mainstream 14-34 year-olds have a social networking page (source: TrendCentral, May 2006).

Synthetic worlds are popular: currently, these new worlds have around 10 to 20 million inhabitants (source: Edward Catronova) and the total number of players is expected to reach 40 million by 2020 (source: Swansea University).



More on the popularity of YOUNIVERSE-style sites (source: [Betsy Book](#), May 2006):

[Habbo Hotel](#): 50 million members

[Neopets](#): 70 million+ virtual pet owners

[Coke Studios](#): 8+ million registered users

[Virtual Magic Kingdom](#): 1+ million registered users

[Goonzu](#): (Korea): 3 million members

[Guild Wars](#): 2 million members

[Project Entropia](#): 400,000 members

[Ragnarok Online](#): 17 million members

[Second Life](#): 290,000 members

[World of Warcraft](#): 5.5 million members



And let's not forget about semi-YOUNIVERSES, such as:

[MySpace](#): 68 million members

[MSN Spaces](#): 30+ million members

[Cyworld](#): 17 million members in Korea (= 33% of population). In China, Cyworld acquired 1.3 million subscribers in only eight months.

[Lunarstorm](#): 1.2+ million members in Sweden (= 10% of population)

[Hyves](#): 1.6 million members in NL (=10% of population); 400,000+ members in Latin America (mainly Peru!)

[MSN Messenger](#): 100+ million users

[Yahoo! Messenger](#): 63+ million users

[QQ Messenger](#): 150+ million users in China

[AOL Messenger](#): 43 million users in the USA

Enough!

We could go on and on about this (1 billion people online, how's that for a number?), but enough theory and stats and numbers for now. Let's look at the brands and marketers already having fun and making money. What follows below is a batch of inspiring YOUNIVERSAL BRANDING examples we've spotted over the last 12 months, covering games, online being spaces, and metaverses.*

We'll also list reading sources and a number of firms and agencies that are helping B2C brands make the most of YOUNIVERSAL BRANDING. We're not endorsing these intermediaries, just making it easier for you to get a feel for who's out there, and what they're doing. Time to get hands-on!

** A universe within a universe, a metaverse can be defined as a virtual representation of a real world environment, populated by real people and programs.*

1. YOUNIVERSAL BRANDING and games



In-game advertising has been on the increase for a number of years. Straightforward YOUNIVERSAL BRANDING in the form of (static) billboards alongside virtual race tracks, or soccer fields, is now commonplace. Now, with the arrival of networks like [Massive Inc.](#), billboards are becoming dynamic, mirroring electronic billboards that can be updated any time. Brands that have already used them include Nike, Honda, Cingular Wireless, Axe, Dunkin' Donuts, Reebok, Pizza Hut. Massive's advertisers include Coca-Cola, Comcast, Honda, NBC, Nokia, Panasonic, T-Mobile, Verizon DSL, Warner Bros., XM Radio, Sci-Fi Channel, Panasonic and the U.S. Navy. And the next wave may well be dynamic mobile in-game advertising: [IGA Worldwide](#) and [Exit Games](#) recently announced a partnership to enable the world's first mobile (as in phones, handhelds, PDAs) in-game advertising solution.

But dynamic billboards are just that: billboards. The real YOUNIVERSAL BRANDING action is in 'virtual product placement': truly integrating your brand into the story line, and getting gamers to use your products and services. Hey, if you do it well, you may even delight gamers instead of pissing them of. Examples:



In [London Taxi Rush Hour](#), players have to collect customers and take them to famous London destinations within the time limit to get paid. Different routes, obstacles and busy traffic are to be overcome before picking up one of many paying customers waiting for a lift. The YOUNIVERSAL BRANDING aspect? Gamers can run their taxi through Procter & Gamble's Flash-branded car-wash, making it cleaner and thus easier to attract fares. According to GameDailyBiz, the campaign (managed by in-game agency [Double Fusion](#)), got P&G a 60 percent increase in product aware-

ness. And as coffee-fixes fuel the virtual world too, some customers request to be taken to a Starbucks coffee store. That leaves thousands of other 'London-based' brands to sign up! Not to mention the dozens of city-variations that this game could spawn around the world.



Count on sneaker brands to forever be at the forefront of the 'New Marketing' movement, offline and online: over 200 Nike athletes wear their actual [Nike](#) shoes in the [NBA's 2K6](#) video game. The more different types of shoes users collect (and store in the player's Nike Shoe Locker), the more enhanced player performance they can earn.



Some recent examples of how the world of games and the automotive industry are milking YOUNIVERSAL BRANDING for all it's

worth (Nissan, Peugeot, and Subaru have been especially active in this field for years): the [PGR 3 Cadillac V-Series Collection](#) is now available on [Xbox Live Marketplace](#), allowing gamers to add all three Cadillac V-Series vehicles to their virtual garage, for free, then test a 400 horsepower CTS-V; 443 horsepower XLR-V; or 469 horsepower STS-V. Brands developing their own games is another trend in a trend: Volkswagen just released its own PC-based [Volkswagen GTI Racing](#) game, joining Ford, who released [Ford Street Racing](#) for the Xbox and PSP this February. Safe to say that YOUNIVERSAL BRANDING will give a whole new meaning to car-ownership, if not gas price issues. Which then brings us to oil companies introducing virtual fuel (no pollution!). But we're digressing...



Developer Ubisoft got equally creative with its 3rd person [Splinter Cell](#) action games: in part III, 'Splinter Cell: Pandora Tomorrow (2004)', a secret agent had to retrieve a message from a [Sony Ericsson](#) cellphone that is featured repeatedly, while 'Chaos Theory (2005)' featured Sprite vending machines and Axe billboards.



[CSI](#) was made for the gaming world: the television show is highly scripted, and who doesn't want to be a forensic expert, even if just for a day? So it won't come as a surprise that brands can work

their way into CSI's PC games: [Visa](#) collaborated with the game's developer, [Ubisoft](#), to feature credit-card fraud protection as a central part of the plotline. Altogether, Visa figures it has roughly 10 minutes of time during "CSI 3: Dimensions of Murder". Other advertisers include Nokia and General Motors.

2. YOUNIVERSAL BRANDING and online being spaces

If gaming is the new entertainment, then hanging out online is the new living. From social networking sites to the online versions of [being spaces](#), the Habbo Hotels, Virtual Magic Kingdoms, NeoPets, IMs and MySpaces of this world are now an integral part of tens of millions of your customers' daily lives. Quickly scan the YOUNIVERSAL BRANDING examples below to make sure you are really making the most of these youniverses.



[Habbo Hotel](#) is a virtual meeting place for teenagers and young adults. The Habbo Hotel concept has been introduced in 18 countries on 5 continents, and attracts over 7 million unique visitors every month. Together, they've created 50 million Habbo characters.

Teens join by creating a fully customized online persona called a Habbo. They then explore the hotel where they can hang around and make friends with other Habbos, play games, party and dance, create and decorate their own room with furniture ('furni'), purchased with 'Habbo credits'. These credits are bought with real world currency, using credit cards, mobile phones, or prepaid stored value cards.

Brands can obviously check in to (and sponsor) rooms, too: existing rooms are renamed after the advertiser, the room name and description are changed in the hotel navigator, the advertiser's billboard is placed in the room, and room personnel (pre-programmed bots) are programmed to reply to particular sentences that involve the current promotion taking place in the room.



Where better to promote a new hair product for teenagers than somewhere teenagers actually hang out? [L'Oreal](#)'s Party Proof Gel set up shop in Habbo Hotel Germany last fall, opening two sponsored rooms, holding a Party Proof in-game competition, and placing an advertorial on Habbo's homepage. The rooms (the Party Proof Club and the Party Proof Lounge) got L'Oreal 174,920 impressions (lounge) and 99,996 impressions (club), and pleasant clickthrough rates: 2,0% CTR in the lounge and 2,7% CTR in the club. More than 1,100 Habbos took part in the quest, while the advertorial on the home page netted 19.675 impressions.



No doubt inspired by Party Proof's success in Germany, another L'Oreal brand, [Garnier](#), then promoted its Fructis Style hair gels and waxes in Habbo Hotel Netherlands early this year. Habbo characters could restyle their hairdos, then compete for prizes in the Habbo-Garnier Screentest Studio (which came with Garnier billboards and a stylist-bot). With more than 100,000 visits to the studio, 9% clickthroughs for the studio's billboards, and a 15% clickthrough to the Garnier site, the campaign definitely delivered. (Source: Emerge.)



Last year, in Canada, Habbo Hotel integrated [Sprite](#) products into its public spaces, and introduced brand spokesperson 'Miles Thirst'. The soft drink brand renovated the largest club within HabboHotel.ca and turned it into Club Thirst: a two-storey interactive environment for Habbos to socialize in. It also secured virtual pouring rights within the hotel, making the soft drink the exclusive "real world" brand in its virtual setting. Twice a week, Miles Thirst opened up his penthouse to the rest of the Habbos, and just for visiting, each Habbo received two Habbo Credits—each with a real world value of about 20 cents—that they could use to buy stuff for their own rooms.

In addition, a TV spot was produced to run on [MuchMusic](#) to create awareness of the Sprite/HabboHotel. More than 10 million integrated impressions were delivered, and Club Thirst became the most sought after destination within Habbo Hotel (source: Marketing Magazine). Research showed a 75% increase in Habbos' consumption of Sprite versus consumers never exposed to the campaign. Even more clearly, Habbo habitués developed a huge taste for Miles Thirst himself. At the end of the campaign, Thirst received more than 9,000 "handwritten" comments from kids everywhere. Many of the e-mails included highly personalized daydreams and experiences.



And the list goes on and on: from Procter & Gamble UK inviting 13,000 Habbo-girls to run its [Always](#) Salons in the hotel, to last summer's much touted cartoon band [Gorillaz](#)' virtual tour in Habbo Hotel worldwide. For creative marketers, the question is not really if they should reserve a room in Habbo, but rather how fast they can check in.



The same dynamics can be experienced in Viacom-owned [Neopets](#), a virtual pet site accommodating 70 million virtual pet owners (Neopians), engaging in over 160 games, trades, auctions, greetings, messaging, and so on. At the core of this online being space slash game are players creating and taking care of one of over 50 species collectively called Neopets, caring for and feeding them in the worlds of Neopia using Neopoints, the game's currency. Neopoints are earned through playing games or won through a diverse array of contests and activities on the site. Highly commercial (and given the focus on kids, some say *too* commercial), the site's many zones and games are fully sponsored by companies like Nestlé Ice Cream Frozen Flights, Pepperidge Farms Goldfish Sandwich Snackers, and McDonald's Meal Hunt, Lego, McDonalds, General Mills, Atari, Frito-Lay, and Disney.



For brands that don't want to play nice with other (competing) brands, let alone share traffic or adhere to third party rules and regs, there's always the option of developing one's own online being space. Learn from:



[Coke Studios](#) (which opened its doors in 2002): a Coca-Cola owned and branded environment targeted to teens and young adults. Members can create their own customized music mixes in a virtual music studio, play them for other members, and receive ratings for each mix. Favorable ratings allow members to earn points called 'decibels' which can be used to purchase virtual fur-

nishings for their personalized studios. Members can also earn decibels by participating in a variety of promotional quizzes, games, and contests for Coca-Cola and its partners. Avatars (an icon or representation of a user in a shared virtual reality) in Coke Studios are called 'V-egos' and can be clothed in a variety of outfits. A V-ego can hang out in one of many public rooms that are based on cities like London, New York, and Moscow or socialize in customized private studios. Coke Studios also offers an in-world messenger feature which allows communication with other V-egos no matter where you are in the Coke Studios world.



In business for a year now, and a runaway success, [Disney's Virtual Magic Kingdom](#) is a virtual re-creation of Disney's theme parks, containing zones and rooms like 'Snow White's Hide and Seek Forest' and 'It's a Small World Imports.' Visitors can create a personalized room which can be decorated with items earned by playing games, completing quests, and trading with other players. If this sounds like Habbo Hotel, it's because the VMK was developed by Sulake, makers of... Habbo Hotel!



Keep an eye out for a somewhat more, um... mature version of the Habbo Hotels and Neopets of this world: this summer will see the launch of [Naughty America](#), an x-rated, full-frontal [being space](#), where visitors can not only be whoever they want to be, but also have their avatars sexually explore like never before. Obviously not suitable for all brands, but uptake could be huge.



And we haven't even mentioned online being spaces like Dubit.co.uk, or The Sims Online (do take a look at how Sims players are now creating their own branded goods: from thesimstransmogrieffier.com to tokyo.cool.ne.jp/thesims/objects.htm to aroundthesims.com). More to follow in part II of YOUNIVERSAL BRANDING, this fall.

Next? A further blurring between dedicated 'online being spaces' like the ones above, social networking sites (like MySpace, Bebo, Mixi, Facebook, Cyworld) and chat sites. The two magic words here for marketers are 'time spent'. Consumers lounging, hanging out, creating content, setting up shop, playing games, checking into rooms, uploading profiles, or communicating with others: this is about being where your customers are, and it ain't TV or papers! Leaving detailed descriptions of sites like MySpace or Cyworld to Wikipedia, let's look instead at YOUNIVERSAL BRANDING campaigns that are taking place in this blurred space:



On MySpace, brands are 'befriending' millions of consumers who have set up a profile, by adding their own brand and brand spokesperson profiles: check out Madonna, Family Guy, Honda, Element SUV, Yaris, Dodge Caliber, Scion, Cingular, Dell, Motorola, Nike Soccer, Nike Women, Adidas Soccer, Wendy's animated square character, Starbucks, and of course Volkswagen's Miss Helga (thank you, Organic). It's a great way to get the conversation started, at last.



Let's not forget chat/instant messaging: seventy percent of internet users in the US used IM last year, and two-thirds of youngsters aged 13 to 21 now sent more IMs than e-mails, according to a recent survey by AOL. As millions of chatters have created chat avatars, the options for YOUNIVERSAL BRANDING are more than enticing: avatars can be dressed, fed, and equipped with anything their virtual hearts desire.



Consider Yahoo Avatars, which welcomes 7 millions visitors to its avatar-creation site each month. According to Yahoo, the most popular Yahoo Avatar items tend to be those that allow people to express their interests and/or include some form of animation, such as a Jeep that drives past in the background, a Sponge Bob animated character, a Verizon animated cell phone, or speech bubbles for Howard Stern fans that display his favorite sayings. Fashion brands eager to dress avatars are taking the lead: current pan-European campaigns include campaigns by FCUK and Adidas, while Yahoo Germany is working with FIFA WM 2006 Shops (owned by German department store Karstadt).





Other examples of YOUNIVERSAL BRANDING meeting chat avatars include [Imstar](#), an instant messaging program designed specifically for teens and college-age kids, launched in November 2005, and [IMVU](#), a similar graphical instant messaging client (3D chat) currently in beta stage with more than 1 million users. Imstar has already inked a deal with [BabyPhat](#) and [Aeropostale](#). Who's next?



IP telephony phenomenon Skype is jumping on the bandwagon, too: they've introduced their own family of avatars, the [Klonies](#), which offer a high degree of personalization. No sponsors yet as far as we could tell, so that's low hanging fruit for YOUNIVERSAL BRANDING enthusiasts (what handsets will the Klonies clutch?), minus some of the telco incumbents ;-)



Last but not least, check out [Eccky](#), a multi-player concept that allows two people to create a virtual baby, add it to their MSN buddy list, and guide it through its childhood and teens. The look and characteristics of the child are based on the unique 'DNA' of its parents, which is derived from a quiz the couple takes before conception. The parents then have 6 days (each real world day is equal to 3 Eccky years) to raise their Eccky into a happy, well-functioning 18 year old. Which is where instant messaging comes in: as with real children, communication is the key. Parents chat with their Eccky via MSN Messenger like they would with anyone else. Because Eccky is – in essence – a very fancy chatbot, it can engage in a conversation, responding with over 45,000 different answers about 3,500 recognized topics. The YOUNIVERSAL BRANDING angle? Ecckies can wear a [Doritos](#) shirt, or a H&M outfit, go off on a holiday with [GoGo Tours](#), and soon will be able to get insurance from Dutch insurance firm Ohra. Some screenshots [here](#).

3. YOUNIVERSAL BRANDING and metaverses



You must have been hiding under a rock if you haven't heard of the many activities in [Second Life](#)*. And though it's the metaverse du jour, it's just a taste of things to come. For Second Life (and [there.com](#), [Project Entropia](#) and others) represent an early view of the ultimate in creative YOUNIVERSAL BRANDING thinking: users creating truly alternate worlds, in which brands are sometimes welcome, and sometimes not.

* Visit [Virtual Worlds Review](#) for a detailed description. Then sign up (easy and free) at [secondlife.com](#), and use [slurl.com](#) to find your way around!

Here's a batch of YOUNIVERSAL BRANDING/metaverse initiatives, starting with Second Life:

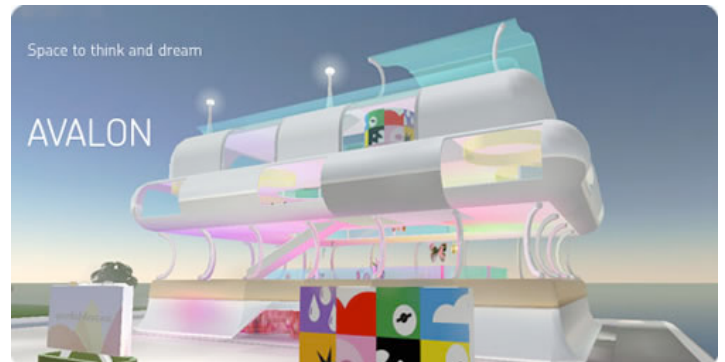


[American Apparel](#) (the sweat-shop free apparel phenomenon) opened a store two weeks ago, set on a private island ('Lerappa Island', that's 'apparel' spelled backwards) within Second Life. Designed by Aimee Weber, a Second Life resident and designer, in conjunction with American Apparel's own architect, the store will sell 20 familiar American Apparel items that avatars can wear. The company will charge a sum of about USD 1 per item.



[Stylehive](#), a new social bookmarking site for the product and shopping obsessed, recently created its headquarters in Second Life, and held a fashion show featuring 15 of the metaverse's top clothing designers. The HQ was decked out in virtual versions of home furnishings that StyleHive's community had voted as 'coolest'. Users

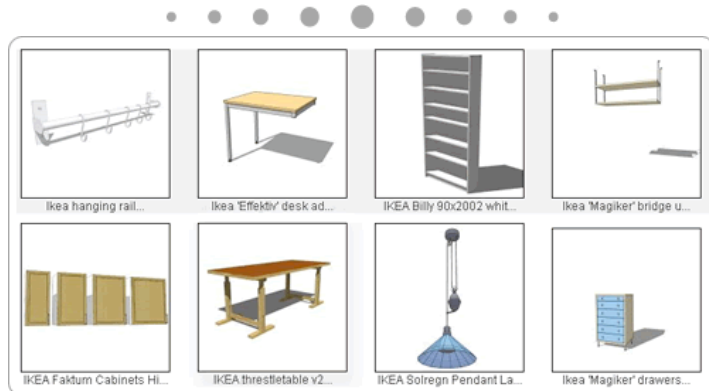
could buy the virtual version for their Second Life home or click on the object and launch a web page to purchase the real version for their real home. For a video of the fashion show, [click here](#).



Feeling a bit overwhelmed? The [Avalon Brand Space](#) is a good place to get started: this brand exhibition space on Avalon Island, developed by Rivers Run Red's [Space Think Dream](#), a Second Life development company, is hosting real-world product launches and events. Which is great for designers interested in testing prospective designs. So far, events have been hosted for Fender guitars, Mrs Jones fashion, and the singer Shelley Poole. In Space Think Dream's own words: 'Avalon is in-world studio & conference facilities / retail outlets and exhibition halls / premiere screening dome / interactive media billboards'.



And there's more: from BBC Radio 1's [Big One](#) music event in Second Life this May (every Sunday throughout the summer, the BBC island will now play host to Second Life musicians), an [MTV Avatar Fashion show](#), Well Fargo's much discussed [StageCoach](#) island ('a digital environment intended to help young people learn financial responsibility', which has been moved from Second Life to its own domain using [ActiveWorlds](#)), to user-generated events like a [U2 concert](#) and the American Cancer Society [Relay For Life](#) (shown above). Last but not least, Amazon.com is toying with the idea of semi-officially, semi-unofficially setting up shop, too. It won't hurt that Jeff Bezos is an investor in Second Life ;-)



What's next in the metaverse? Second Life will no doubt continue to expand, especially if they manage to partner with the Flickr, eBay, Playheads, MySpaces and Yahoos of this world. Meanwhile, Google is said to be eyeing a metaverse entry, combining [Google Earth](#) and [Google Sketchup](#) (a 3-D modeling program). The company is now encouraging developers to build 3-D layers on top of Google Earth. For examples, see the [3D warehouse](#). This prompted the designers at Form Fonts 3D to create 97 virtual pieces of [IKEA furniture](#), ready to download, which can then be used to furnish one's SketchUp dream house (thank you, [Om Malik](#)). If you ignore YOUNIVERSAL BRANDING, rest assured a member of [Generation C](#) will launch your brand for you, just keep your fingers crossed that they'll do it to your liking.

Also keep an eye on new metaverse platforms like [Active Worlds](#), [Open Croquet Project](#) and [Multiverse](#), all aiming to help independent game developers create high-quality Massively Multi-player Online Games (MMOGs) and non-game virtual worlds for less money and in less time than ever before. As this is still early days, this is prime territory to claim many a 'first' in YOUNIVERSAL BRANDING. Time to set up a meeting with these guys?



For a more mythical take on the metaverse, check out EA's next big project: [Spore](#). Currently being developed by Will Wright, the creator of SimCity and The Sims, Spore will allow participants to bring to life their own civilisations, starting from a single cell organism, and eventually dominating the universe with highly intelligent species. Slated for launch early 2007... Contact EA now to claim a launching partner slot, though be prepared to have your brand morph and evolve in unexpected way. How's that for letting go of control and let the user decide?

Opportunities

As a business professional, you can have the ride of a lifetime with YOUNIVERSAL BRANDING. There are interactive billboards to be placed, virtual product placement strategies to be executed, scripts to be written, friends to be made, avatars to be dressed, fed and equipped, and virtual stores to be opened. It'll work for all B2C industries: it's no surprise that the examples above came from everything from automotive and financial services to entertainment, electronics, food & beverage, non-profit, and fashion & beauty. Just stick to the nature of the many YOUNIVERSES: make it fun, creative, relevant, connected, conversational, and ALL about the user.

Even better, despite increasing buzz, and the many examples above, this is still early days, which leaves plenty of first-mover advantages. Why not appoint a CYBO: Chief Youniversal Branding Officer? (And yes, that person would ideally be the CMO. Don't CMOs love to talk about immersive marketing, anyway? It doesn't get more immersive than this...)

In fact, anyone keen on being part of 'Marketing 2.0' should add YOUNIVERSAL BRANDING to their palette, joining other New Marketing techniques inspired by [tryvertising](#), [insperiences](#), [curated consumption](#), [pop-up retail](#), and the Big One, [customer-made](#).

And while you're at it, keep an eye on the following developments, too:

Next: online leading offline?

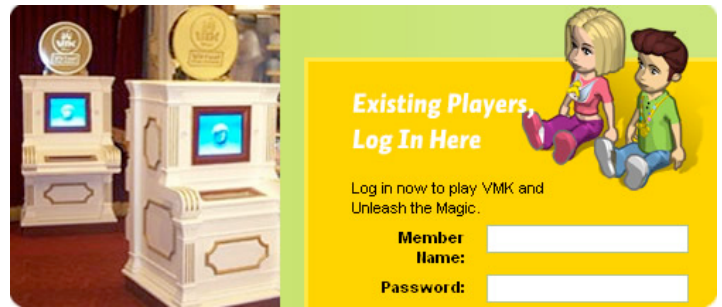
Understandably, the focus within YOUNIVERSAL BRANDING has been predominantly about integrating offline goods, services and experiences into virtual worlds. As online worlds mature, 'production' solely for online use may become the norm, before potentially moving on to invade the 'real world'. Which means YOUNIVERSAL SELLING opportunities more than anything else. Look at what aforementioned Nike, Habbo, Virtual Kingdom, and American Apparel have planned or have already rolled out, and what other brands like Puma, Nissan are doing in this field:

Players of the NBA 2K6 game may soon be able to use the exclusive [24/7 Nike iD](#) customization feature to personalize shoes they've added to the locker—this actually mirrors a customization feature that Nike offers customers through the Nike iD website. In addition, Nike and 2K Sports may cooperatively launch new shoes during the NBA season for exclusive use (!) in NBA 2K6.

American Apparel is planning to test-market its first line of jeans within the Second Life store this summer, two months before they hit physical stores for the back to school season. And in an effort to drive traffic to both virtual and physical stores, anyone who buys clothes in the Second Life store will receive a coupon for 15% discount on merchandise bought in real world stores (source: BusinessWeek).



Habbo will offer a service that will allow [Chinese users](#) to purchase items that will be both virtual and physical items. Through the service, users can purchase items such as flowers, clothes and movie tickets online in the virtual community, while the physical items are delivered to their homes the next day.



Visitors to Disneyland or the Magic Kingdom can create a character at a special Virtual Magic Kingdom kiosk. A character created in a park will start life with additional credits and items, and its profile (visible to other players) features a special [Born in the Park](#) badge. A park visitor can go on 'Quests' in the real world theme parks to win cards with codes on them that can be traded for in-game items. The purchase of certain items (such as gold mouse ears or a collectible pin) will also earn visitors a code that they can swap for an item in the game. Sweet.



Last year, to celebrate its collaboration with video game [Gran Turismo 4](#), [Nissan](#) rolled out a limited edition of its 350Z Coupé, the 350Z Gran Turismo 4 Edition. Only 700 vehicles were made available in Europe. Like its virtual twin, the limited edition had a 300 horsepower engine compared to the standard 280 hp.



[PUMA](#) partnered with game makers [Activision](#) for [True Crime: New York City](#), which builds on the success of best-selling video-game [True Crime: Streets of L.A.](#) PUMA designed a special edition True Crime shoe, drawing inspiration from the city of New York. In the game, the player's quest is to locate the missing special edition sneakers and return them to stores. In real life, players can buy the exact shoes from those same New York City stores (source: Game InfoWire).

Next: hobbynomics, minipreneurs, customer-made, conversation, try-outs



Expect an avalanche of online-only side businesses and brands to proliferate, designed and pimped by enterprising gamers and users. From MySpace [feeder businesses](#) like [Myspaceeditor.org](#), [silent-products.com](#), [MySpaceMan](#), and [Unblockmyspace.com](#), to Second Life's user-made brands like [Preen](#), [SLBoutique](#), [Second Style](#), [Nylon Cameras](#), Dominus Motors.

And what about starting a conversation with online world inhabitants? Have them try out, test, feedback or even co-create your offerings? Remember, they're already actively creating and participating in YOUNIVERSES. More on this in [Part 2](#) this fall.

Time to get started

New to YOUNIVERSAL BRANDING? First immerse yourself: dive into the ocean of information, and better yet, try out YOUNIVERSES for yourself. Then find yourself some expert help.

A: Immerse yourself

Sources and events



Games

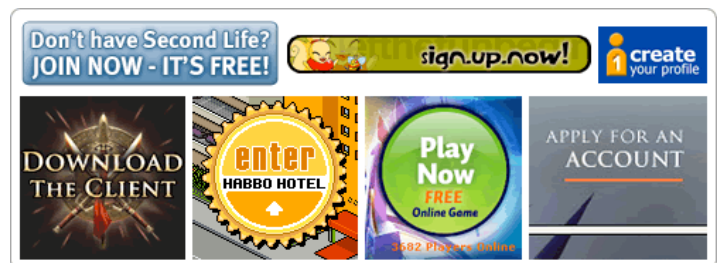
[Joystiq](#)
[Kotaku](#)
[Guardian Games Blog](#)
[Brands-in-Games](#)
[Inside Video Games](#)
 Gaming conventions & conferences

[E3 in LA](#)
[Gaming Convention](#) in Leipzig
[Tokyo Game Show](#)
[Second Life Convention](#)
www.gamesindustry.biz/events.php

Virtual worlds (sources)

[Virtual Worlds Review](#)
[3pointD](#)
[New World Notes](#)
[Second Opinion](#)
[Second Life Future Salon](#)
[Metaverse Roadmap](#)
[Second Style Fashionista](#)
[SLUniverse](#)

Tip: current must read - Avatar Based Marketing (Harvard Business School, June 2006). Available both as [article](#) and [podcast](#).



Try it out

Start inhabiting as many YOUNIVERSES as possible. Tonight. Clean that cab with Flash in Taxi Cab Rush Hour, set up that

branded MySpace profile, furnish a room in Habbo Hotel (your kids will be happy to help out), dress up that Yahoo Avatar, and become a Second Life citizen, if you haven't done so already (sign up is [fast and free](#)).

B: Get some help!

Once you're immersed, and full of ideas, ready to plant your brand flag in uncharted virtual lands, here's a random selection of firms and agencies that can help you. Check out their websites, email them and set up a meeting. If they have time for you, that is. As you may have guessed, business is booming!



In-game advertising agencies/networks

[IGA Worldwide](#)
[Massive Incorporated](#)
[Double Fusion](#)
[Engage Advertising](#)



Virtual world branding agencies

[Swivel Media](#)
[Rivers Run Red](#) (also see [spacethinkdream.com](#))
[Millions of Us](#)
[Doppelganger](#)
[Ad-option](#)



Architects, developers and builders (for Second Life)

[Anshe Chung Studios](#), "Choose Your Neighbourhood in the Metaverse"
[Aimee Weber](#), "Virtual Content Creation and Services"
[The Electric Sheep Company](#), "Second Life content creation and application development services"
[Luskwood Creatures](#), "Second Life's first and original anthropomorphic avatar design group"

YOUNIVERSAL BRANDING, part 2 (Fall 2006)

Please contribute!

Let's face it, YOUNIVERSAL BRANDING is a beast. As it's all happening right now, new insights and examples will pop up daily. This briefing is by no means complete; if anything, it's a conversation starter. We plan to send out part 2 this fall, including more on innovative MySpace branding, minipreneurs and user-generated brands and products in the various metaverses (we promise to cover not just Second Life, but there.com and Project Entropia as well), customer-made campaigns, and much more on YOUNIVERSAL BRANDING in online fantasy games. So...

If you want to contribute, from your insights to hands-on examples, please email Carla Campos, at carla@trendwatching.com. We'll accumulate contributions, select the best of the best, and send a YOUNIVERSAL BRANDING update to all subscribers this fall. Thanks in advance for your contribution!