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Daniel DeMaiolo

*Youngstown State University*

Donna Walsh

*Youngstown State University*

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# **A Tale of Two Worlds: A Second Life for Higher Education?**

**Daniel DeMaiolo**

*Youngstown State University*

**Donna Walsh**

*Youngstown State University*

## **ABSTRACT**

*This exploratory research investigates the virtual world industry, explanations for its growth and emerging trends for entrepreneurial ventures and marketing communications. It then explores the effectiveness of operating and promoting higher education in Second Life. Results illustrate consumers 17-24 years old still rely on traditional media for information related to higher education. Developing a business model and marketing mix in Second Life, that often features uncensored content, may not be an appropriate method of connecting with the target demographic. Benefits of utilizing virtual worlds are considered; further research is recommended; suggestions are offered to increase Second Life's viability in higher education.*

## **INTRODUCTION**

With the advent of rapidly changing technology in the 21<sup>st</sup> century, new recreational activities and subsequent business models have inevitably unfolded; moreover, entire industries have emerged and challenged the way people and businesses function and interact. Specifically, the proliferation of online video games and virtual worlds such as Second Life have fundamentally altered consumers' lifestyles and instilled change in the way corporations must think and conduct business in order to reach their target markets. Although not all demographic segments are considered throughout the study, this exploratory research illuminates the virtual world industry, the explanations for growth of the industry among its target segment, and the emerging trends for entrepreneurial ventures and integrated marketing communications inside the medium. The research explores the effectiveness of operating and promoting higher education in Second Life.

## **ENTERING THE VIRTUAL WORLD**

Before exploring particular changes in the current paradigms, a description of a virtual world is vital. Specifically "the term *virtual worlds* describes computer-generated, immersive environments in which participants engage in interaction for social, entertainment, educational, and commercial endeavors" (Mennecke et al. 2007, 135). Although this broad definition could be interpreted to include many home console games that don't require a connection to others online, this exploratory research focuses only on virtual worlds found in online gaming franchises such as *Madden Football* and virtual communities such as Second Life (from which many examples will be illustrated). Such virtual worlds often balance the realms of realism and fantasy. To illustrate an example of realism, "Second Life participants can convert Linden

dollars (Linden\$), the game's virtual currency, into legal, real-world currency by trading with other players who are interested in purchasing Linden\$ at the LINDEX (the Linden Lab dollar exchange);" however, "for every participant who wishes to convert Linden\$ there needs to be an individual with real-world currency who is seeking to buy Linden\$" and, in this sense, "the LINDEX functions much like a real-world currency exchange by bringing new wealth into the boundaries of the game (Mennecke et al. 2007, 136). Other examples of realism in Second Life include the ability to conduct business and to enjoy dancing, working, shopping, and watching movies. In contrast, however, Second Life, a virtual world that in one instance revels in realism, also creates fantasy by allowing users to transform into mystical animals, buy random body parts, and even fly! Whether realistic or fanciful, online virtual worlds embody an immersive land that captivates real world people and their endeavors.

### **Expanding Virtual Worlds**

To understand the impact of virtual worlds on America, extant data is examined. According to the U.S. Census Bureau, the online gaming industry has emerged as one subcategory within the Internet Publishing and Broadcasting (NACIS code 516110) general category (U.S. Census Bureau 2009). To illustrate the dynamic growth in this general category, the U.S. Census Bureau revealed that revenue for the Internet Publishing and Broadcasting subsection increased 132% between 2002 and 2007. In 2002 this category embodied 7.1 establishments per million residents, \$6.363 billion in total revenues (\$3.094 million in revenue per establishment) and \$22 revenue per capita with \$58,626 in annual payroll per employee for approximately 40,021 employees (19 employees per establishment). The category grew in 2007 to 11 establishments per million residents, \$14.776 billion in total revenues, (\$4.439 million in revenue per establishment) and \$49 revenue per capita with \$81,553 in annual payroll per employee and approximately 55,212 employees (16 per establishment) (U.S. Census Bureau 2009).

To illustrate the growth of virtual worlds further, "as of June 2007, Second Life had almost 8 million subscribers, up from several hundred thousand just a year earlier" (Second Life 2007, 135). Today, Second Life "boasts 14.5 million users" (Thilmany 2008, 64). As indicated by the economic data provided by the U.S. Census Bureau and confirmed by the success of the online virtual world, Second Life, this subcategory continues to grow with advancing technology.

### **TARGETING GENERATION Y**

This research considers consumers 17-24 years old, their television viewing habits, and their exposure to various forms of advertising. Through an analysis of the target segment's demographics and psychographics, the research will indicate the feasibility of advertising in vehicles such as Second Life.

### **Generation Y Profile**

Specifically, "Generation Y includes the 72 million Americans born between 1977 and 1994...[that] exerts influence on music, sports, computers,[and] videogames" (Kerin, Hartley,

Berkowitz, and Rudelius 2005, 76). In addition, the article entitled “A Psychographic Analysis of Generation Y College Students” suggests that Gen-Yers are “more racially and ethnically diverse and seek their entertainment and information from a proliferation of media vehicles” and usually “encounter advertisements in different places than their parents and are believed to respond to them differently” (Wolburg and Pokrywczynski 2001, 37). Specifically, this generation of consumers “has grown up in a more media-saturated, brand-conscious world than their parents” which leads many to “believe that the years of intense marketing efforts aimed at Gen-Yers have taught them to assume the worst about companies trying to coax them into buying something” (Wolburg and Pokrywczynski 2001, 37). Gen-Y consumers respond “better to humor, irony, and the ‘unvarnished’ truth” while “advertisements meant to look youthful and fun may come off as merely opportunistic...as PepsiCo’s ‘Generation Next’ campaign was viewed” (Wolburg and Pokrywczynski 2001, 37).

### **Media Habits**

Printed material such as newspapers and magazines were once prevalent advertising vehicles; however, the 17-24 year old consumer’s preference in media has rapidly evolved over the last century into digital mediums such as television, video games, and the internet. To illustrate this change, a study found that “young adults represent only 7 percent of total newspaper readership and turn instead to radio, TV..., and magazines” (Wolburg and Pokrywczynski 2001, 38). In fact, even television, a once contemporary medium, has declined in popularity. Research indicates that the 17-24 year old demographic has “shifted some of their television-viewing time to the internet” and video games as “estimates show that teenagers watch between 17.5 and 17.8 hours of TV per week” with some “young adults spend[ing] an average of 11 hours a week on the PC compared to 13 hours a week watching TV” (Wolburg and Pokrywczynski 2001, 38). To reiterate the perpetually changing preferences in media, Nintendo, in responding to a changing environment, in 1989 and 1990 focused on “children and a substantial part of the culture as a whole...[that were] more influenced by interactive electronic media—in their simplest form, video games—than by television” (Sheff 1993, 8). Several years later, “a study by Nielsen Media Research, showed that within a particular age group more kids were playing Nintendo than were watching the major children’s TV network, Nickelodeon, at certain times on certain days of the week” (Sheff 1993, 8). Although originally designed for younger audiences, segmentation with these types of vehicles continues to expand into more mature Generation Y audiences that grew up with such interactive mediums.

### **Gender Comparisons**

From a gender standpoint, however, media preferences haven’t changed as rapidly. To illustrate, one study found “lower use of video games than computer and Internet games by women” (Kerin, Hartley, Berkowitz, and Rudelius 2005, 80). Despite this, a study of eight hundred people by Market Data Corporation in the early 1990’s revealed that “more girls between the ages of six and fourteen were becoming primary players, and their level of satisfaction was intensifying” with new mediums such as gaming and interactive media (Sheff 1993, 399). To illustrate this point, Dario Raciti, Gaming Leader, OMD Digital, states, “consoles have never had much penetration with females or older audiences[;...the] audiences that don’t really play

Madden;” however, as a “new breed of games has added easier-to-handle peripheral controls,” such as the Nintendo Wii, “more women and older players join the party” (Shields 2008, 1). As technology continues to advance, Generation Y’s media preferences change as well. While it can be stated that consumers between the ages of 17-24 do indeed have changing media habits, it would be an overstatement to believe they no longer embrace traditional media. In fact, they continue to utilize traditional media such as newspapers and television for reliable information and newer media, such as virtual worlds, for entertainment purposes.

## **USES AND GRATIFICATIONS THEORY**

Although research concerning the volatility of media preferences of consumers 17-24 provides some groundwork for the feasibility of Second Life as a marketing and business venture, the enigma remains: why has this target market fundamentally changed their viewing habits? To solve this puzzle, the authors of “A Psychographic Analysis of Generation Y College Students” note the uses and gratifications theory which suggests “consumers (audience members) are considered active participants who use the media to satisfy needs and receive a number of ‘gratifications;’” in other words, “if the media content, which includes advertising, is assessed as being relevant, there is a greater likelihood that the information value of that content will increase in the eyes of the beholder” subsequently resulting in higher usage (Wolburg and Pokrywczynski 2001, 34, 47). This concept is further reinforced in the real marketplace when “TV was perceived among the best sources for depictions [of the generation] and was also rated highest in delivering informative advertisements” while “magazines were rated lower in both depictions and information value” (Wolburg and Pokrywczynski 2001, 47). To clarify this point, despite rapidly changing trends, the targeted consumers continue to “rely on traditional media,” particularly local media, because it “provides consumers with a personal, authentic feel that is not often seen in other media types” (Looker, Rockland, Taylor 2007, 10). The important concept to note is that consumers, regardless of age, choose specific media based on the information content and benefits that they receive. Because younger audiences in the target market of 17-24 years old often seek entertainment as a gratification, this suggests a possible explanation for changing media habits towards interactive vehicles such as Second Life; however, when needing reliable, credible information, research shows that they continue to use traditional media such as radio and television. Although the end consumer may choose different types of media to satisfy different needs, they may not always. While it is true that some specific channels and mediums primarily serve in a central capacity (*Sonic the Hedgehog* mainly provides entertainment gratifications), all types of media at some point can serve in multiple capacities such as television providing both credible information content during the news and simultaneously offering entertainment content during an episode of a family sitcom. By determining the consumer’s purpose for utilizing specific media, marketers can craft more effective messages with pertinent information content which heightens awareness and interest.

## **A SECOND LIFE FOR COMMERCIAL SUCCESS**

By combining virtual worlds and their respective target audiences, a marketplace forms, resulting in inevitable entrepreneurial business ventures. In Second Life, business opportunities are



unlimited as a “participant can build a virtual object like a motorcycle, sell it to another participant using the currency of the game, Linden dollars, and spend these earnings on a new virtual outfit for his or her in-game persona (i.e., his or her avatar)” (Mennecke et al. 2007, 135). In addition, “because residents of Second Life retain intellectual property rights to their creations, they can buy, sell and trade them using ‘Linden Dollars,’ which are purchased with U.S. dollars; [moreover,] these creations can include anything from avatar fashions to flying machines; [and] if you want to build a virtual home, you are charged land-use fees” (Elflin 2008, 51). Inspired by these capitalistic prospects, “journalists from CNET, *Wired*, and Reuters opened bureaus in Second Life” and others now “create and trade virtual properties and services” in order to cash in on the virtual economy (Thilmany 2008, 64). In fact, “some businesses, housed in Second Life, for example, make thousands of real-life dollars” (Thilmany 2008, 64). From personal exploration, even institutions of higher education such as the University of Akron and Princeton have established their own campuses and learning services. Because virtual worlds such as Second Life offer capitalistic opportunities, more and more businesses are looking for ways to exploit this trend and expand their markets globally.

### **Marketing Research in Second Life**

With new and existing businesses clamoring for a piece of the virtual pie, marketing research efforts have inevitably been impacted. According to Brian Mennecke, a professor at Iowa State, “a firm can save time and money and garner richer and more accurate feedback” by “at least test[ing] their products in virtual worlds” (Thilmany 2008, 64). To illustrate research capacities in test markets and focus groups, “Toyota, for example, recently unveiled a virtual edition of its Scion xB for residents to test drive online,” Starwood Hotels & Resorts utilized players for “virtual focus groups to garner feedback and suggestions for improving the designs for the new hotel brand,” and Sears developed a “virtual store that could create realistic representations of a customer’s potential kitchen or bathroom” (Thilmany 2008, 64). Also, many firms and institutions of higher education conduct surveys to gather invaluable data. By gathering information, further research can be conducted and innovation can flourish.

### **Integrating Marketing Communications Campaigns in Second Life**

Marketing communications have also been impacted by online games and virtual worlds. For example, Mary Jane Irwin’s article, “Massive Tries to Show In-Game Ads Make a Dent,” describes how Massive Inc., a subsidiary of Microsoft Corp., places in-game advertisements in online video games in order to enhance a client’s brand value. To illustrate the rapidly increasing trend, “Guitar Hero III featured Pontiac, Red Bull, Axe and other... brands such as McDonald’s, Subway, Toyota, Ford, Chevrolet and Paramount’s Iron Man...[a]nd last November, the game joined Massive’s dynamic in-game advertising network, providing brands the ability to insert live ads in the game (provided it’s played with a Web connection)” (Shields 2008, 2). Even President “Obama’s campaign sent \$44,465.78 to Massive Incorporated to run in-game advertisements, from October 6 to November 3, in 18 separate titles” (Miller 2008). Irregardless of the in-game advertising vehicle, a unique characteristic about this type of advertising is that “the ads are served according to geography; and are placed demographically with the confidence” that the players reached will fit the desired segmentation (Campbell 2007).

To illustrate an example, “a player goes online to race against human competitors in a Formula One title [and] as he turns a corner, he sees an ad imbedded in the game, perhaps as a virtual billboard, for a new car; [meanwhile][h]is German opponent turns the same bend, and sees the same billboard, except it’s advertising a new government anti-drugs campaign” (Campbell 2007). As summarized by Ed Bartlett, IGA Vice President of Publishing in Europe, ““In-game advertising is very different compared with online advertising. Although we’re both using the Internet as the technology, we use the medium very differently...its image based campaigns. It’s more like T.V., print or outdoor” (Campbell 2007). Because of sophisticated segmentation and stealthy integration, *BusinessWeek* reports “this is a sector currently worth about \$100 million but with a forecast to grow to \$500 million by the end of the decade (Campbell 2007).

To illustrate the effectiveness of integrating marketing communications into virtual worlds, after “market research firm Interpret polled 1,000 gamers about four titles that contain ads,” they found “increased awareness of brands across all four titles [including] 75% of those polled remembered a candy bar ad that ran in” one of the titles with “seventy percent of the respondents [believing] in-game ads contributed to the realism of [the tested] games” (Irwin 2008). From personal observational research, the author encountered communication efforts by a number of companies including Best Buy, Levi-Strauss, JCPenny, and the Weather Channel that are still distinctly recalled adding realism to the Second Life environment. To illustrate reach, “when Massive sells advertisers audience guarantees, it estimates each placement reaches around 1.4 users;” however, as noted by Jay Sampson, VP of Global Sales at Massive, that estimate is ““very conservative [because] smart marketers know that behind that game is more than one consumer””(Shields 2008, 2). Additional research highlights “more than a third (36%) of gamers actually bought, talked about or sought information about a product after seeing an ad in a videogame, per Nielsen Games, [suggesting] a case can be made that [in-game ads] are very effective” (Beirne 2008, 6). As noted by IGA’s Ed Bartlett, ““we’ve got all these eyeballs that were watching T.V. that are now playing games and they’re in a completely engaging environment. They’re not off making a cup of tea or doing other things”” (Campbell 2007).

### **Problems with IMC in Virtual Worlds**

While recognizing the success of integrating marketing communications in virtual worlds, it is still “difficult to gauge [the] effectiveness of ads” because of “inconsistent measurements” (Irwin 2008). To reiterate the problem, Justin Townsend, CEO of IGA Worldwide, acknowledges “the lack of established standards for the average reach of video game ads, much like the magazine industry’s readers-per-copy measure, makes it tougher to sell” (Shields 2008, 2). To reassure clients, Massive plans to “undergo an annual audit by Interactive Media Services Group, which tracks display and search ads, to ensure the effectiveness of its in-game ad metrics” (Irwin 2008). Although controversy exists, whether conducting online focus groups or surveys, testing a new design in a virtual test market, or integrating a promotional message, virtual worlds continue forging successful integrated marketing communications.

### **A SECOND LIFE FOR HIGHER EDUCATION?**

After reviewing literature that reveals some commercial functions in Second Life, the research

further considers a specific industry: higher education.

First, an overview of higher education is requisite to understand the industry. According to the U.S. Census Bureau, “industries in the Educational Services subsector provide instruction and training in a wide variety of subjects. The instruction and training is provided by specialized establishments, such as schools, colleges, universities, and training centers” (U.S. Census Bureau 2009). Although data for specific subcategories of secondary education, colleges and universities are not included in the census, the Census Bureau reports that “employment in this subsector increased 31% between 2002 and 2007” (U.S. Census Bureau 2009). To reiterate this growth, the educational services subsector increased from \$30.7 billion in receipts with 49,319 establishments in 2002 to \$47.2 billion in receipts and 60,689 establishments in 2007 (U.S. Census Bureau 2009). Clearly the industry is growing.

## **FEASIBILITY OF HIGHER EDUCATION IN SECOND LIFE**

After determining the size of the industry, the question emerges: can institutions of higher education provide educational services in virtual worlds such as Second Life? According to author Steven Warburton, the viability of offering such services in virtual worlds such as Second Life should be examined in three components: “the technical infrastructure, immersion, and socialization” (Warburton 2009, 418).

### **Technical Infrastructure**

First, Warburton suggests that the client-server model Second Life “facilitates an unprecedented openness in terms of user-content creation” inevitably allowing educators to design whatever they choose; however, he concludes that this structure “compromises critical components of the end-user experience, particularly the frame rate, [which is] the key to creating the illusion of smooth and uninterrupted interaction (Warburton 2009, 418). To counteract this problem and “offer attractive incentives to educators seeking to build rich learning and teaching activities inside virtual worlds,” new multimedia capacities “include the ability to stream video, sound and web content to specific in-world parcels or locations” (Warburton 2009, 418-419).

### **Immersion**

Second, Warburton discusses how immersion is vital to an educational environment. Specifically, he adds that “the abilities of both student and teacher to project themselves into the learning space are key elements to successful learning transactions [and previous] findings suggest that the immersive nature of the virtual world, crossing physical, social and cultural dimensions, can provide a compelling educational experience, particularly in relation to simulation and role-playing activities” (Warburton 2009, 419). In his research, Warburton found several sources that “reported a strong correlation to real-world findings of fluctuations in interpersonal distance and mutual gaze, suggesting that avatars behaved very much like their real-world counterparts” and that Second Life “conveys a feeling of being there and a strong sense of co-presence when other avatars are present” (Warburton 2009, 419). With a presence established, it remains possible that higher education can be sustained in virtual worlds.



## Socialization

Finally, Warburton describes socialization as a way of creating an educational environment. Warburton comments that “it is the relationship between people and objects, and the importance of shared interest through social objects that create the conditions under which...social spaces work [and] without these objects, there would be little conversation with which to sustain life in the virtual world” (Warburton 2009, 419-420). Warburton also adds “what the residents of SL and other virtual worlds do so well is provide a reason (we can call them social objects) around which people can connect together and want to continue those connections” (Warburton 2009, 420). From personal observation, the University of Akron and Princeton actually have virtual representations of their own campuses, the virtual objects, in which students can conduct academic research inside Second Life. In short, by socializing people and educational objects such as classrooms, virtual worlds can create an educational atmosphere that will simulate real-world education and could lead to long-term business viability for higher education as several state governments continue to push for distance learning.

## RESEARCH QUESTIONS

Up to this point, the research has discussed the basic theory behind virtual worlds, the targeted consumers’ viewing habits, explanations for shifts in media consumption paradigms, entrepreneurial ventures in virtual worlds, and emerging trends in crafting integrated marketing communications in virtual worlds. The research will now apply this knowledge to determine the feasibility of utilizing Second Life and other virtual worlds in operating an institution of higher education and crafting effective communications to promote learning in such a vehicle. Because the literature suggests that Gen-Yers’ media habits are changing rapidly to include the consumption of newer media found in modern technology, this research asks:

**RQ1** Can institutions of higher education provide quality educational services inside virtual worlds such as Second Life?

**RQ2** How viable are virtual worlds such as Second Life in promoting institutions of higher education?

## CONCLUSIONS

To address RQ1, institutions of higher education can potentially provide quality educational services in the near future. Based on personal observation and the categories provided by Warburton, there is no reason why quality educational services inside virtual worlds cannot be sustained in the near future; however, several problems currently exist. One problem involves the technical infrastructure lagging and not functioning properly which will inevitably ruin the education experience. Education simply will not work if a virtual professor stops in midsentence because of a computer error or cannot fully utilize all of the learning assets. Another problem is that virtual worlds often lack censorship and the requisite control necessary for real-world education to work. Concentration for students can be very difficult to achieve if the necessary censorship and control of disruptive behavior aren’t handled properly. Finally, virtual worlds

hold a perceived value of gaining entertainment gratifications rather than valuable information content. For virtual worlds to sustain higher education, the perception regarding the virtual realm has to change in order to recruit and retain students.

While these issues may exist, there are several reasons why higher education in Second Life will work in the near future. First, real Universities are utilizing Second Life to store academic information (the author visited a virtual Princeton library) and conduct research with a strong emphasis on survey research. Second, many Universities have facilities actually constructed inside the virtual worlds. While they may stand as primary promotion tools, they can easily be converted to viable classroom space. Third, businesses throughout the globe have actually exploited the benefits of these emerging virtual worlds and gained a great deal of success. In particular, many virtual hotels have immersed users in the fantasy surroundings and provided them with space to socialize with one another to create a viable market in which they pay. Ultimately, this business model matches extremely well with the rising demand for distance learning.

In addressing RQ2, the evidence suggests that Second Life's current purpose serves primarily as a promotion tool; however, evidence provided also illustrates some opposition to the viable use of this channel and the medium as a whole. First, media consumption habits for this demographic, while rapidly changing, still rely on more consistent, traditional media in communicating important information that may be provided by the conservative education industry. For institutions aiming to forge effective communications, advertising a prestigious educational program may not be reinforced by an often shady virtual world that serves as an untested medium with misleading information. Second, virtual worlds such as Second Life, from the author's experience, are often uncensored, undomesticated, wild, and promote exorbitant amounts of promiscuity and other social taboos. Advertising for higher education may negatively create an association with these same activities and ultimately damage the institution's brand image. Third, previously mentioned research illustrates the ambiguity and unreliability of advertising in games and virtual worlds. Until more consistent measures are developed, institutions of higher education will have no way to measure the effectiveness of their advertising. Finally, the same structural flaws plaguing the development of an interactive classroom in Second Life continue to haunt the prospects of advertising in virtual worlds. For example, personal observation research illuminated advertisements suffering from lagging and poor displays. Sometimes the advertisements wouldn't correctly play audio or video at all. Although the interactive components of an advertisement may work for one person's avatar, another may not encounter the advertisement at all or observe as it sluggishly loads and constantly has to buffer. With these inherent flaws, educational organizations ultimately waste their money because the marketing materials fail at cohesively combining all of the elements into an effective message that either generates awareness or instills action.

Despite many potential pitfalls, advertising for higher education in virtual worlds such as Second Life still has many benefits. For example, the Census Bureau indicates that the Internet Publishing and Broadcasting and Educational Services industries continue to rapidly grow; implying bigger, untapped markets in which to advertise. Also, not all virtual worlds are as risqué as Second Life. In fact, many of them, including Second Life, have censoring abilities. In

today's advertising clutter, Second Life serves as an underutilized vehicle in an unexplored medium that may help differentiate developing brands. In terms of reach, this new medium harnesses sophisticated segmenting capabilities that, until recently, have yet to be tapped. Specifically, two different messages for an identical vehicle can simultaneously reach two diverse people at opposite ends of the world. This proves to be efficient and cost-effective for both parties involved. From a media consumption standpoint, although consumers are still utilizing traditional media as previous research indicated, consumers are shifting their uses based on whatever gives them the most gratification and information content. As Mary Jane Irwin's research proved, including real-world brands or institutions of higher education not only helps raise awareness of the organization, but, in many cases, adds to the realism of the game: from the few hours of personal observation, the author still remembers the presence of the campuses of the University of Akron and Princeton University as well as some well recognized brands such as Snickers, Levi-Strauss, and Best Buy. This practice allows marketers to promote and simultaneously cause the target market to enjoy the promotion because of the added realism. Simply reflect on several respected brands including McDonalds and even President Obama's campaign that have utilized virtual worlds and substantially benefited in raising awareness and positively positioning their brand. These examples reiterate the uses and gratifications theory because the consumers are deriving some form of personal satisfaction, added realism from a fantasy environment, by engaging in vehicles such as Second Life. If the purpose is to generate awareness about an educational institution, the resulting consumer gratification from the brand recognition in these vehicles will help.

### **Limitations and Future Research**

Because the research was confined strictly to observational and secondary research, much more updated data must be accumulated to draw any definitive conclusions regarding the viability of Second Life in promoting and offering educational services. Further research can expand upon the evolving role of distance learning and how students perceive this educational concept. Universities are encountering increased demand by administrators, faculty, and students to offer distance learning; moreover, this and future research may suggest Second Life as the catalyst to change within the entire education business model. In addition, further research on student attitudes toward virtual worlds such as Second Life and their preferences for specific media gratifications will provide fruitful insight into the long-term viability of this new business model – not just for higher education but all commercial enterprises.

Although they may not be the perfect mediums at this point in time, virtual worlds and Second Life, like the once uncultivated mediums of television and the internet, offer many opportunities for institutions to market their educational services. As illustrated by the uses and gratifications theory, the most effective way to reach the target audience is to identify specific reasons for their involvement in virtual worlds and to then craft an effective message that adds value to their use; however, marketers must be wary of questionable locations that may destroy the message trying to be communicated. The ideal integrated message will meet the targeted consumers ages 17-24 in locations such as research facilities, theme parks, charitable groups, shopping malls, and other parcels that have a great deal of censorship and prestige. The key is to add realism without sacrificing authenticity. Beyond buying advertising space to promote a place of higher

education, institutions should consider virtual promotional premiums such as free T-shirts and other memorabilia because it appeals to new users and seasoned veterans looking for new artifacts. If history speaks to anything, consumers in this age range, often considered early adopters of new technology, will continue to balance new media with traditional forms and will eventually become more accustomed to virtual worlds as a mainstream media. Skeptics may dismiss virtual worlds as novelty, but one has only to consider the evolution of both television and the Internet to appreciate the potential of virtual worlds. While inherent pitfalls exist by advertising in vehicles such as Second Life, research indicates that such messages, when forged and placed appropriately, offer far greater gratifications to the target market. Such vehicles result in exponentially higher rates of reach and awareness and potentially higher enrollment rates. As technology evolves, the paradigms in higher education, specifically related to distance learning, may be radically altered and reborn with a Second Life.

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## ABOUT THE AUTHORS

Daniel DeMaiolo will receive his baccalaureate of science in business administration from Youngstown State University with a double major in Advertising/Public Relations and Marketing Management in May 2010. His research "An Economic Analysis on the Effects of Outsourcing Revisited" placed 2nd in the Stocks Department of Economics Essay contest. He is a University Scholar, chapter member of the American Marketing Association, and currently serves on the Youngstown State University Board of Trustees.

## TABLES AND FIGURES

**Table 1**

**Industry Ratios for 2002 & 2007 Internet Publishing and Broadcasting Data**

<u>Industry Ratios</u>	<u>2002</u>	<u>2007</u>
Establishments (per million)	7.1	11
Total revenues (billions)	6.363	14.776
Revenues per establishment (millions)	3.094	4.439
Revenue per capita	22	49
Number of employees	40,021	55,212
Annual payroll	58,626	81,553
Employees per establishment	19	16