# USING SECOND LIFE AS A COMPANY CREATION PLATFORM IN A MARKETING MAJOR CLASS OF A BUSINESS BACHELOR PROGRAM IN SWITZERLAND

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Abstract: This paper describes the use of Second Life to teach marketing in the final year of a Bachelor program at the Geneva School of Business Administration of the University of Applied Sciences Western Switzerland. It starts by summarizing the theories and key facts supporting the choices made by the educators. It then presents the program in details, including course objectives, teaching plan, assessment criteria, logistics and budgets. It summarizes students' feedback and lists key learnings and improvements made, enabling educators interested in implementing a similar program, to avoid pitfalls and beginners' mistakes. The paper ends by sketching current Second Life teaching projects, on which the authors are currently working, more specifically an immersive cross functional business case study concept, opening the window to future cross expertise and cross cultural collaboration possibilities between universities and teaching institutions.

**Keywords**: virtual worlds; second Life; marketing; teaching; implementation; key learnings; immersive; business education;

# Introduction

While conducting research on the use of Second Life as a platform for Market Research and Customer Loyalty, I discovered its potential and mostly its unique characteristic of being a virtual representation of our world, with many of its business potential and constraints.

Having been appointed by the board of our university, as responsible for assessing the use of Second Life for teaching, I started reading research and publications related to:

- The added value of using games in teaching
- The experience of other faculty and academics with using Second Life as a teaching platform

My aim was to conceive an engaging, hands-on class, that would enable students to not only acquire indepth marketing theories and concepts, but also to put them into practice and see how the market reacts to what the theories have helped them produce

# A few facts and research results to keep in mind

Taking a look at the background of our students, it appears clearly that they are, and will become more and more, the video game playing generation. A research conducted in the US in 2005 showed that 83% of kids, eight to eighteen have at least one video game player in their home, 31% have 3 or more video game players and 49% have video game systems in their own bedroom (Foeher and Rideout, 2005). Another research conducted in 2008, shows that 97% of all teens, play video games regularly (Lenhart, 2008).

Furthermore, year after year, the number of virtual worlds increases, leading to a universe showing a high concentration of all sorts of worlds targeting children as young as 6 years of age, to youngsters, aged 25.

Above 25 and 30 + years, the concentration of virtual worlds is lower (fig. 1) but can be expected to increase as the younger generations, very familiar with virtual worlds, grow up.

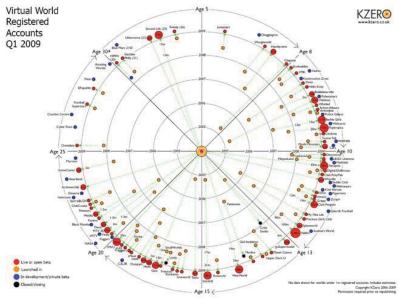


Fig 1: Virtual world registered accounts, Q1 – 2009 (KZero)

From a marketing professor's perspective, this also predicts that the consumers of the future will be so used to navigating in virtual worlds and to their high graphic quality, that these environments need to be seriously considered as communication platforms for the future and hence, that they need to be mastered by tomorrow's marketers.

From a more global faculty's perspective, research conducted by McFarlane in the UK in 2002 shows that teachers and parents recognize that game play can help develop valuable skills, important to marketers, such as:

- Strategic thinking
- Planning
- Communication
- Negotiating skills
- · Group decision making
- Data handling

(McFarlane et al, 2002)

Regarding the increasing importance of introducing playful teaching methods and environments:

- Crawford (1982) clearly states that games are "the most ancient and time-honored vehicle for education. They are the original educational technology, the natural one, having received the seal of approval of natural selection. We don't see mother lions lecturing cubs at the chalkboard; we don't see senior lions writing their memoirs for posterity. In light of this, the question, "Can games have educational value?" becomes absurd. It is not games but schools that are the newfangled notion, the untested fad, the violator of tradition. Gameplaying is a vital educational function for any creature capable of learning."
- Prensky (2001) adds that younger generations now expect different approaches to learning:
  - Twitch speed vs conventional speed
  - Parallel processing vs linear processing
  - Graphics first vs step by step
  - o Connected vs standalone
  - o Active vs passive

- Play vs work
- o Payoff vs patience
- Fantasy vs reality
- Technology as friend vs technology as foe
- Kirriemuir et al (2004) conclude that "there are two key themes, common to educational games:
  - o The desire to harness the motivational power of games in order to "making learning fun"
  - A belief that "learning through doing" in games such as simulations, offers a powerful learning tool"

In an attempt to categorize games, Hertz (1997), leaving unfortunately out the important distinction between individual or multiplayer games, suggests the following 8 major categories:

- Acting games (shooting, platform or reaction based)
- Adventure games (solving logic puzzles)
- Fighting games
- Puzzle games (Tetris)
- Role playing games
- Sports games
- Strategy games
- Simulations, defined as a game where players have to succeed within some simplified recreation of a place or situation

In as far as Second life can be called a game, it clearly falls in the simulations category, with the important added value that it is multiplayer. This means that Second Life can be considered as a simplified recreation of the world, where hundreds of thousands of avatars are here to play the role of customers behaving according to the rationale of the humans they represent.

In this context, I read about the teaching experience conducted by Elisabeth Townsend Gard in her Property law class in Seattle in 2007. She asked her students to use Second Life as an observation platform "to research both the phenomenon of Second Life as well as research and investigate virtual property issues as part of the requirements for the property course" (Townsend, 2007). This was for me the starting point for the development of my marketing course program.

#### The Course

The classical marketing process includes an implementation part, which enables marketers to measure the quality of their work by seeing the reaction of the market to the implemented concepts. This is rarely possible for students as they seldom get a chance to implement their work.

Indeed, one of the challenges of teaching marketing to full time students is that they can easily get an assignment to prepare marketing strategies, marketing plans, campaign ads and the like, but they rarely see the outcome of their work and the customers' reactions when these concepts are launched on the market (fig. 2).



Fig 2: the marketing professor's dilemma

Second Life appears as a unique opportunity to cover the implementation section in the teaching.

The aim of this program is to provide the students with the chance to be confronted with the market feedback, thus enabling them to learn from their experience and to fine-tune or correct their initial recommendations.

The course has the following objectives:

- Provide students with a 360 degrees view of marketing
- Ensure a hands-on approach: from theory to implementation, with market feedback
- Make students aware of modern marketing and communications tools (virtual worlds, web 2.0, social networks)
- Promote importance of group work
- Enable students to learn while having fun

The class is split into teams of 3 or 4 students who will work together throughout the process of conceiving, creating and running their own company in Second Life. Along the program, experts in various fields of real Life marketing come and present to the students the theories, tools and techniques of Real Life marketing, then coach them on implementing the acquired know-how to progress on their Second Life company.

The first step of the course is to enable students to discover and become familiar with Second Life, as well as to understand the reasons why this specific virtual world was chosen as an implementation platform. Their first field assignment is to create their group's avatar, to master the basic moving and caming skills, to understand how poseballs work, etc, as well as to personalize their avatar. In order to make things easier for them, they are field coached and given an extensive "Newbie" folder providing them with useful landmarks as well as notecards explaining a certain number of useful "how to's" (fig 3)

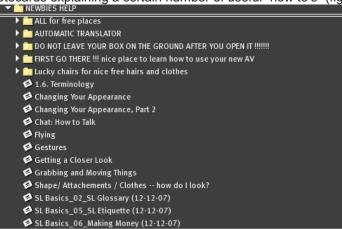


Fig 3: Newbies help folder content

- Students are also encouraged to create their own personal avatar
- 2 distinct Second Life groups are created for ease of communication: one including the teaching body and the groups' main avatars and one including myself, the teaching assistant and all the individual avatars
- All participants are encouraged to invite one another to their friends' list

At the end of these 2 first classes, students are invited to present their avatar to the class and to report on their SL journey, as well as on the things they liked and disliked in the virtual world.

The following 6 classes are devoted to researching the SL market with the aim of

- · Choosing their area of business
- Developing their business concept
- Testing it on the market

- Assessing market potential
- Finalizing their business idea

Techniques taught at this stage mostly cover desk research as well as qualitative and quantitative survey techniques.

While running the field phase of their market research, students are taught the tools and methods of assessing market potential, defining a marketing strategy, branding, marketing plans and the basics of above the line (ATL) and below the line (BTL) communication.

At this point, we have reached the end of the first semester, for which students are graded based on the presentation of the results of their market research and their business plan. Typical grading criteria include:

- Quality of the presentation
- Fairness of workload distribution
- Commitment
- Project results
- Key learnings

Upon return from the semester break, students receive the amount of money negotiated during their business plan presentation and can start creating their company.

Tools and theories brought to them along this second phase of the project include:

- Cybermarketing
- Buzz marketing
- Direct and 1 to 1 marketing
- Customer loyalty
- Semiotics
- Advertising and communication
- Events marketing
- Service marketing
- Luxury goods marketing
- Sales management
- Sustainable growth marketing

At the end of the semester, students present the result of their work, focusing mostly on the process they went through, their marketing actions, the achievements of their company: activity, financials, traffic, as well as their key learnings. The final grade will be based less on the success or failure of their company, than on the work they did and the learnings they took out of the project.

#### Students' feedback

In addition to their group presentations, students were invited to submit a short essay describing their personal experience, their likes and dislikes as well as the opportunities for improvement of the course. This individual paper not only provided the teaching body with valuable feedback to improve the students' experience, but also enabled them to get a sense of the students' individual contribution to the group work and to add an individual component to the group's grade.

Many students were originally skeptical towards Second Life, however, involvement in the project enabled most of them to rapidly change their minds. In general, the course was very positively perceived by students. They found the teaching method innovative and stated that creating a company on a real market that includes customers and competition brings a real added value because the experience gathered throughout the course is easily transferable in the real world. They also reported that moving from theory to practice by creating a virtual company enables to follow its development and gives a very hands-on experience. Working in this 3D virtual world gave them the feeling of learning while playing.

Students particularly liked the fact that major parts of the curriculum were taught by recognized industry experts, who then coached them to implement the acquired know-how in their field work in Second Life.

They generally felt that the course was well structured, providing them, just in time, with the tools and methods they needed to progress in the creation and development of their company. Furthermore, they felt that they were provided with a very wide view of marketing, not only touching upon a broad range of techniques, but giving them the opportunity to implement them and test the reaction of the market to different ways of implementing them.

Working in the same group for two semesters in a row turned out to be sometimes challenging for part of the students

- Group work required finding agreements between people who had sometimes conflicting points of views.
- Group members often had different work methods, different levels of commitment to the project or different degrees of comfort with Second Life. This inevitably created conflicts as some people felt that they were doing more work than others,
- The mix of a part time and a full time population made it sometimes difficult for group members to meet outside of class hours.

This made it, at times, difficult for some group members to work together. However, the common objective ultimately convinced them that they could only succeed by resolving and distributing the workload among group members based on areas of strengths of each individual.

During the year, the various groups even started to look for possible synergies and complementary business areas between projects and started to make business deals together.

The need to create and run the company made students aware of the importance of logistics and project management in order to complete their goals in the fastest and most efficient way.

Last but not least, students understood the importance of social networks to communicate and promote messages, their first experience in this area starting very early in the project when, after being banned from various SL groups for spamming, they realized that the most efficient way to get people to respond to their market research questionnaire was to approach them through Second Life related groups of interests on Facebook or other such networks.

Many students finished the program convinced that virtual worlds in general will play an important role in the future.

On the negative side, a few students remained skeptical until they realized they were in a vicious circle because, as they had not invested the needed time to be comfortable in Second Life, they were becoming increasingly skeptical. At some point their fellow group members coached them more closely and they ended up catching up on their classmates.

Another negative point was that being in a business school, most students did not have any specific technical or design skill and therefore, most company ended up being in service businesses.

The last negative point worth mentioning was the quality of the IT equipment of the university (graphic cards, processors, RAM sizes and even connection speed). It was sub-optimal, taking away some of the fun of Second Life. As a result, many students ended up bringing their personal laptops and connecting them to the WiFi network of the university, thus managing to have an improved experience.

# **Learnings and Improvements**

#### **Technical**

The first challenge we encountered, when the program was introduced in the fall of 2008 had to do with technical constraints:

Our computer department could not enable access to Second Life through the University network and firewall. After several weeks of trying to find a solution, they ended up connecting a few PC's of the classroom directly to the DSL. This meant that we could no longer access the university server, but most importantly, that the DSL connection being shared by several PC's, it reduced the connection speed. In addition, this whole issue seriously delayed the start of the project.

→ Learning 1: Start examining technical issues very early on with your IT department

→ Improvement 1: The second year, our IT department implemented a solution through the University WiFi connection

The hardware was basic and reduced the fun of the SL experience

→ Learning 2: Check the quality of your IT hardware
→ Improvement 2: We are currently in the process of investing in a slightly improved IT equipment for this class

 Linden Lab permits the creation of 3 avatars at a time from each IP address. Some groups therefore had to create their Second Life account through their mobile phones

→ Learning 3: Make sure you can work from various IP addresses

→ Improvement 3: The account creation being done through the web, part of the students could move to other PC equipped classrooms and create their avatars through the university network

• Linden Lab regularly upgrades the Second Life client software and at some point in time, access to the Second Life server is refused until the client software available on the PC has been upgraded. If this happens in the middle of a class, there is an important time loss.

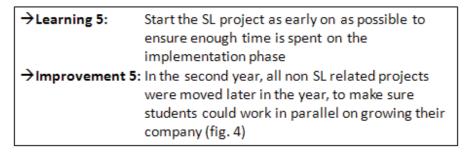
→ Learning 4: Make sure you regularly upgrade the SL client software on the PCs

→ Improvement 4: Our IT department performs regular upgrades

#### **Teaching plan**

Because of the technical issues we had when we initially introduced the program, the second Life project could only start a few weeks after the beginning of the semester. Students ended up having only 8 weeks for the implementation phase. This was clearly not enough to create and grow their companies. As a result, at the end of the program, from the 4 companies created in the first year:

- 1 was launched and making money
- 1 was barely launched
- 1 was about to be launched
- 1 was not ready



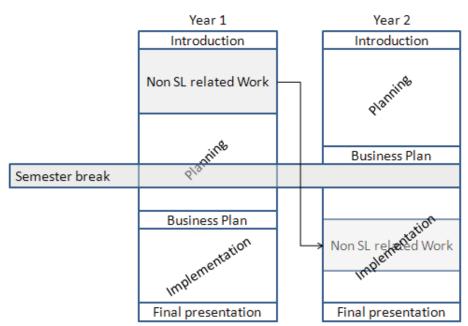


Fig. 4: Increase of the timeframe available for implementation in year 2

#### **Financials**

To create their companies, students typically requested amounts ranging between 12 and 13 US\$ per month per student, the highest part of this budget being spent on land.

There are 3 ways in which the students can get land:

1. Your institution has a physical presence on Second life and can lend or rent a piece of this land to the students



- •Tier is paid to the institution
- Businesses are grouped
- ·Fast implementation time
- •No premium accounts needed

•Businesses are grouped

- Fixed costs
- Usage restrictions
- What happens if the business is successful and students want to continue running it?

2. Your institution has no physical presence on Second Life or cannot provide land to the students. Students can buy land from Linden Labs



- Variable costs
- No usage restrictions / covenants
- •Students can continue to run the businesses after the course if they choose to

- •Premium accounts needed
- Find the land
- Businesses are spread
- Can be more costly if the implementation time is longer
- 3. Your institution has no physical presence on Second life or cannot provide land to the students. Students can rent land from private landlords



- Variable costs
- •No premium accounts needed •Students can continue to run
- the businesses after the course if they choose to

•Find the land

- •Businesses are spread
- •Dependent on the landlord
- •Usage restriction /covenants
- •Can be more costly if the implementation time is longer

→Learning 6:

Your institution does not need to have a physical presence in Second life. The choice depends on the size of the class and the length of time devoted to the implementation phase

→ Improvement 6: Our institution is currently looking into having a physical present in Second Life

#### Students profile

Our students had a homogeneous profile, all graduating in business administration with a major in Marketing. As such, they generally had no specific technical or design skills to create products in Second Life (clothing, textures, scripted objects or buildings). Therefore, all the groups created a service company and astonishingly, none of them saw their marketing expertise as a service they could sell to other SL entrepreneurs that were less knowledgeable in marketing.

→ Learning 7: The project could clearly benefit from having students with more heterogeneous

backgrounds

→ Improvement 7: We are currently looking into teaming up with

other schools of our university (arts and design, information systems, engineering,...) to enrich

the teams with broader skill sets.

# **Future developments**

Comparing Games with stories, Crawford (1982) explains that "The difference between the two is that a story presents the facts in an immutable sequence, while a game presents a branching tree of sequences and allows the player to create his own story by making choices at each branch point. The audience of a story must infer causal relationships from a single sequence of facts; the player of a game is encouraged to explore alternatives, contrapositives, and inversions. The game player is free to explore the causal relationship from many different angles." (fig 5)

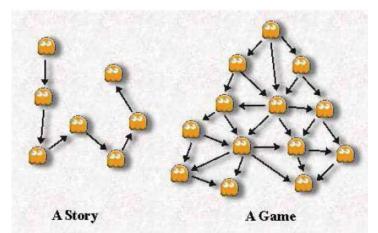


Fig. 5: Comparison of the process of a story with the process of a game

At the Virtual Worlds Best Practice in Education 2009 conference (VWBPE 2009), Professor Patrick O'Shea from the Graduate School of Education of Harvard University presented his Handheld Augmented Reality Project (HARP) showing how their project uses GPS-enabled handheld devices to teach. The basic principle of this project was very interesting, however, it appeared to me that the specific context of our institution (technical constraints, course buildings spread across town, no real campus per se) made such an implementation very complex.

Nevertheless, applied to business case studies, an interesting component of the HARP project seemed to be the way it can enable students to discover the case information in Crawford's definition of a non linear way, which is much closer to the way things happen in reality.

Furthermore, Professor O'Shea's presentation explained how participants in the game were given various roles and, depending on the role they were assigned, they received a different set of information. He clearly explained how this made players aware of the importance of collaborating with others to access the full set of information needed to "resolve" the case.

Our current work in progress aims at immersing students in case studies by transposing them in second Life:

- The case information (notecards, textures, prototypes...) will be spread across the grid or premises
- The class will be split into teams of students. Avatars will be assigned different roles (journalist, marketing manager, corporate communication, market research specialist, finance manager...) and will get different sets of information
- The goal is that students identify the logical places where information could be available and retrieve it from there
- Group members will share the information they collected and are meant to present their recommendations within a given timeframe
- The various teams will be competing against one another

A prototype of this concept is currently being finalized and will be tested on real students within the coming weeks

A fine-tuning phase will enable us to improve the prototype based on observation and students' feedback. Then, depending on the results of the first test, either a second prototype will be prepared and tested, or the game will be finalized and a teaching note will be prepared.

Interesting developments of this project include cross university competitions with either teams from various universities competing against each other, or mixed teams, including members of various universities or countries which, in today's multinational economy will train students to get used to interacting with different cultures.

#### Conclusion

This paper describes the way Second Life has been used to teach hands-on marketing in the final year of a Bachelor program at the Geneva School of Business Administration of the University of Applied Sciences Western Switzerland.

Once the hurdles of getting familiar with using Second Life were passed, the major added value of the program was in providing students with the possibility to implement their learnings in a virtual simulation of our world, and more specifically in the case of Second Life, in a reasonably flexible virtual world, where, exactly like in the real life, all the content is created by the inhabitants and not by a higher authority managing the world.

Despite a few initial challenges, the program was very well received by the students in general. They not only understood the opportunities they were given, but were also confronted with the growing impact of virtual worlds on younger generations and the importance new communication platforms will play for the marketers of the future.

Future developments of using Second Life as an educational platform at our institution include leveraging on:

- The way it reproduces the real world by providing students with a non linear sequence of information discovery
- The playful opportunity it gives students to understand the importance of teamwork and information sharing for problem solving
- Cost efficiently enabling universities and teaching institutions to offer their students a collaboration
  platform across different areas of expertise and across different cultures, illustrating the added
  value that background differences can bring to business in today's multinational economy.

Anyone interested in collaborating on these projects is encouraged to contact the authors of this paper.

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# VIRTUAL INSTRUCTIONAL METHODOLOGY – AN UPCOMING TRADITION

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**ABSTRACT:** Virtual Education Instructional Methodology is the new buzz word around. The same has been already tested and tried in the Military as well as a few schools in the United States of America. The seeds of educational renaissance have been planted and require nourishment. The need of the hour is to identify specific research-based learning and instructional technology ideas which could reorganize schools, redirect technology, and provide new forms of instruction as well as a vision for the future. There is a necessity to transform education. Use of 3D and animation to educate, will prove to be a one-stop solution for all future educational challenges.

Keywords: Virtual Learning, -D environment, instructional technology, applications

#### Introduction

While Virtual instructional technology promises solutions to several serious educational problems, it is quite commonplace that faculty and academicians would resist it. The most common fear for this could be the reduction and gradual replacement of human element in classrooms with instructional technology.

# **Research Methodology**

The data required for this analysis has been taken from various journals and articles, the references being provided at the end of the paper. Various premium websites have also been surfed to elicit meaningful information relevant to the topic under consideration.

### **Data Analysis and Interpretation**

Virtual Learning Environments are being increasingly used by universities, and even businesses, to provide instruction for their students and staff. Educational interactions occur in such virtual environments, turning information spaces into places, such information/social spaces are explicitly represented, the representation varies from text to 3D immersive worlds, where students are not only active, but also actors, and they co-construct the virtual space. Virtual learning environments are not restricted to distance education, they also enrich classroom activities, by integrating heterogeneous technologies and multiple pedagogical approaches, and most virtual environments overlap with physical environments. By taking advantage of a VLE, the instructor can create a sense of place for students giving them computer based tools that simulate real world experiences.

Information and communication technologies can be important in the process of adapting to the new demands, as they have the potential to make learning resources more accessible, to allow a greater degree of individualization and to make the learning process a more active one. Two important technological advances in this context have been the widespread adoption of the Internet and increases in desktop computer graphics and processing capability. Three dimensional (3D) environments have the potential to harness these technological developments and facilitate new levels of learner- learner and learner-computer interaction.

3D environments have the potential to situate the learner within a meaningful context to a much greater extent than traditional interactive multimedia environments. The sophistication in the rendering of objects, the independent behavior of objects within the world, and the degree of interaction available, allow for situated tasks that are both meaningful and intrinsically motivating for learners.