

**Benjamin Bach**

Virtual online worlds - Enabling technologies to establish interwoven relationships to network constituents in an emerging virtual marketplace

**Master's Thesis**

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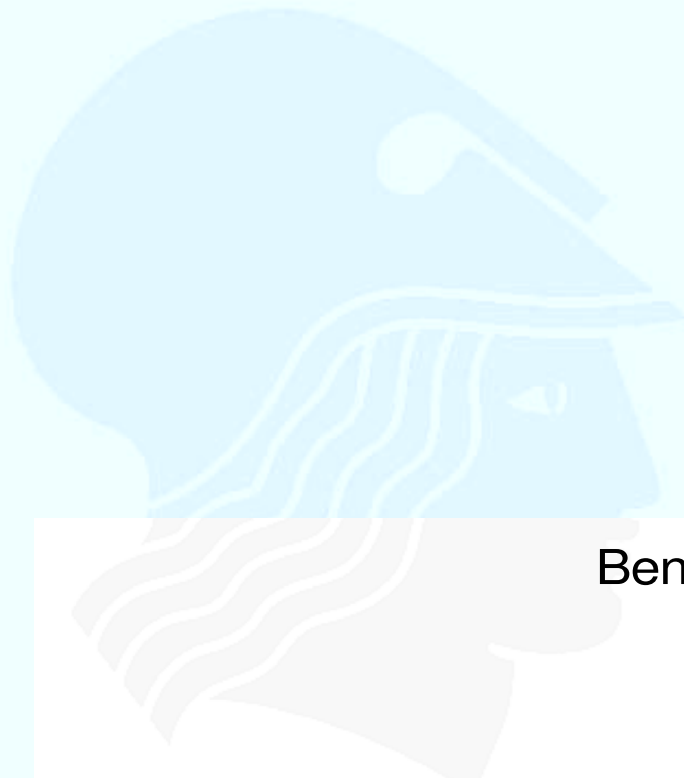
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MSc International Marketing Strategy

University of Lincoln

24<sup>th</sup> October 2007

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Virtual online worlds: Enabling technologies to establish interwoven relationships to network constituents in an emerging virtual marketspace – Are virtual worlds the evolving precursors of socially interactive customer environments providing a scope for marketers?

Benjamin Bach

20,389 words

“Non quia difficilia sunt non audemus, sed quia non audemus  
difficilia sunt“

(It is not because things are difficult that we do not dare,  
but because we do not dare, things are difficult)

Lucius Annæus Seneca  
(Epistolæ morales ad Lucilium, XVII / XVIII, CIV, 26)

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Benjamin Bach



## Abstract

### Purpose

This dissertation analyses whether Second Life, as an emerging interactive online environment, provides marketers with the scope to establish interwoven relationships to network constituents, and highlights the importance and benefits arising from enabling technologies to business marketing operations.

### Design / Methodology / Approach

The correlation to previous work was critically addressed with a focal point set on relationship, and e-marketing approaches and strategies, whilst highlighting the potential of an utilisation of virtual worlds / communities. The methodological approach was of an inductive philosophy by gathering information about Second Life from a corporate and an individual point of view. This took the form of a self-administered Internet-mediated questionnaire, a semi-structured telephone interview and a participant observation.

### Findings

Through a conceptual analysis of the virtual community of Second Life in terms of exploring reasons for participation and benefits received from an immersion into Second Life, the research study indicated that corporate involvement in this innovative environment can offer marketers with opportunities to establish relationships to existing and potential network constituents.

### Research Limitations/ Implications

This marketing research study identified limitations due to its topical nature, as the number of research publications is limited with regards to the momentum of Second Life's innovative virtual 3-D environment and hence, research in this arena is only just emerging and has not been empirically tested. The evolving virtual world environment along with the possible necessity for marketers to both establish a presence and demonstrate innovative marketing approaches to capture a tech-savvy audience, identify the implications for this dissertation.

### Practical Implications

This paper provides a holistic picture of the importance of enabling technologies, while setting the pivotal point on the emergence of virtual communities, and Second Life in particular, and highlights its implication for relationship marketing attempts in an interactive and many-to-many communication arena.

### Originality / Value

This dissertation thoroughly examines the emerging phenomenon of Second Life that is reaping an increased amount of media attention, both online and offline, and provides an indicator for individual and corporate motivation for participating in a new environment while underlining its value for marketers in the relationship marketing milieu.

## Abbreviations

B2B:	Business to business
B2C:	Business to consumer
C2B:	Consumer to business
C2C:	Consumer to consumer
Cf:	Confer
CRM:	Customer relationship management
GbR:	Gesellschaft bürgerlichen Rechts (private company under the Civil Code)
GmbH:	Gesellschaft mit beschränkter Haftung (private limited company)
Ibid:	Ibidem (the same place)
MNE:	Multinational enterprise
NPS:	Net-promoter score
SME:	Small and medium-sized enterprise
SL:	Second Life
UGC:	User-generated content

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## 1. Introduction

Technology introduces a new and constantly developing infrastructure and consequently, marketing is exposed to an accelerated dynamic environmental vicissitude. The Internet, and its inherent technological advancements, is having a decisive impact on the strategic marketing alignments in today's discontinuous and vastly fragmented global business environment. Digital technology, including the Internet, can be seen as an enabler of access to a global marketplace which is becoming more crucial to marketing and businesses en bloc in order to stay competitive. In addition, strategic marketing applications are being transformed whilst influencing on consumer behaviour by augmenting individual empowerment, and vice versa.

The marketing discipline metamorphoses into a new approach and suggests a paradigm shift from a transaction to a relationship focus, in which the customer is becoming increasingly proactive, and where interwoven and interactive relationships are being developed and retained. The Internet has accelerated and contributed a significant part in this paradigm shift because it has evolved from being an impersonal and commerce-driven first generation network to a collaborative and community-based network of relationships. This allows users to establish networks and to contribute user-generated content as a valuable source of knowledge sharing instead of being exposed to prefabricated content. The importance of strategic relationship building approaches in marketing, and the emerging numbers of Internet applications for social networking can provide marketers with new dimensions and opportunities to capitalise on the next generation of the Internet, which is fuelled by interaction and individualisation impulses.