Second Life Residents Build Stores Around Amazon.com

Residents of the virtual world hope to make real money by selling real products using services and capabilities provided by e-retailing giant Amazon.com.

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Residents of virtual world Second Life are looking for real-world money by setting up stores powered by Amazon.com. Since July, at least three retail projects have been launched in Second Life to sell books, music, kitchenware, electronics, and other items in the online retailer's catalog.

Linden Lab of San Francisco, creator and operator of Second Life, doesn't track the Amazon goods sold, since Linden doesn't make money from the sales. Nevertheless, the extension of Amazon.com's reach into a place with more than 1.3 million residents has potential for big sales over time, given Second Life's growth rate. Since September, the population of the online world has jumped from 735,000 subscribers to more than 1.3 million.

Whether Amazon.com becomes a fixture within Second Life will be left up to its members, who build the revenue-sharing virtual stores and write the scripts needed to integrate with Amazon.com's Web services for third-party retailers. Second Life residents do a total of about $6 million worth of business a month, up from about $2 million a few months ago.

"Our strategy is to provide tools that let residents create and enhance their own experience in Second Life, and to let them decide what can be done and how to do it," says Glenn Fisher, director of marketing programs at Linden.

Life2Life is one of the retail projects built around Amazon.com's product services. Second Life residents Tabatha Hegel and Hugo Dalgleish, their names in the online world, are using the search and shopping tools they've created in at least four locations.

At one location, a visitor can click on floating books and music icons to get product details, place the items in a shopping cart, and then checkout. When making actual purchases, however, buyers are sent outside Second Life to an Amazon.com Web page. Second Life doesn't have the tools needed for residents to conduct transactions with third parties from inside the environment, Fisher says.

Another Life2Life location, called Boksik, offers more than a thousand items and lets customers shop in different languages. The site even has a checkout stand where avatars, movable icons created to represent people in the virtual world, can go to make purchases. "It's built so the experience is a little bit like buying from a [brick-and-mortar] store," Fisher says.

Life2Life, along with the other retail projects, was built using Linden Scripting Language to make requests and receive responses from Amazon.com's application programming interfaces based on Web services technology. Amazon.com has launched a major initiative to let companies rent storage and processing power on its massive computer system. Founder and CEO Jeff Bezos discussed Amazon.com's strategy this week at the Web 2.0 conference in San Francisco.

Linden Lab, which counts Bezos as one of its investors, recently joined Amazon.com's initiative by subscribing to its Simple Storage Service (S3) to store and handle downloads for the Second Life client, which is updated every two weeks and averages about 30 Mbytes. During a recent spike in downloads, the company transferred 900 Gigabytes in 23 hours, or about 30,000 to 38,000 downloads.

The switch to S3, which occurred about a month ago, meant Linden didn't have to buy extra download servers that would remain idle during off-peak days. Fisher declined to discuss financial details, but says S3 was chosen because of its pay-for-what-you-use pricing. "It provided the flexibility to pay for storage and downloads when we needed it," Fisher says. "We found it cost effective."

Another Second Life retail project leveraging Amazon.com services was launched by JNana, which has built software that provides a more customized shopping experience. The company bought a large tract of land on Second Life, called an "island," and is looking to build a virtual mall in which other residents can set up stoles and share revenues.

Among JNana's own stores is one that offers electronics. Clicking on a BlackBerry e-mail device, for example, launches a dialog box in which shoppers are asked questions to determine the model that best fits their needs. Ultimately, the idea is to find the best product to increase the likelihood of a shopper becoming a buyer.

Another Second Life developer, Hal9K Andalso, has built an object called Second411 that residents can take and place in their virtual space to sell their own products, as well as goods listed in Amazon.com. Clicking on the object launches a search box for finding products and placing them in a shopping cart.

Amazon.com has been supportive of the work on Second Life, featuring the projects in the company's
Amazon Web Services blog. In an article published by Second Life Business Magazine, Jeff Barr, Web services evangelist for the retailer, said he could see Second Life residents one day selling virtual items on Amazon.com, since it wouldn’t be much different from selling downloadable music or e-books.

“We’d be OK with virtual items listed, but we’d have to take payment in U.S. dollars for now,” Barr says.
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