To Play or Not to Play:
Can companies learn to be n00bs, LFG, and lvl-up?

Slava Kozlov
Philips Design
Emmasingel 24, Eindhoven 5600 MD
The Netherlands
Slava.Kozlov@philips.com

Nicole Reinhold
Philips Design
Emmasingel 24, Eindhoven 5600 MD
The Netherlands
Nicole.Reinhold@philips.com

ABSTRACT
This article aims to present *playfulness* as a distinct quality of virtual worlds, with a culture that is open and collaborative, creative and role-playing, 'light' and 'joyful'. Using the case of Second Life, we explore the multiple difficulties faced by companies when they enter virtual worlds. The causes are linked to the significant differences in business culture and emerging digital cultures. We use the framework of 'digital neuroses' to both understand the difficulties and to propose possible coping strategies for businesses in order to discover the full potential of these emerging cultures. We argue that companies can truly benefit from virtual environments if they are open to their cultural codes, eager to understand the behavior of their inhabitants, and are willing to modify their own activities accordingly.

Keywords
Second Life, virtual worlds, corporate cultures, playfulness, transformation, learning, creativity, research.

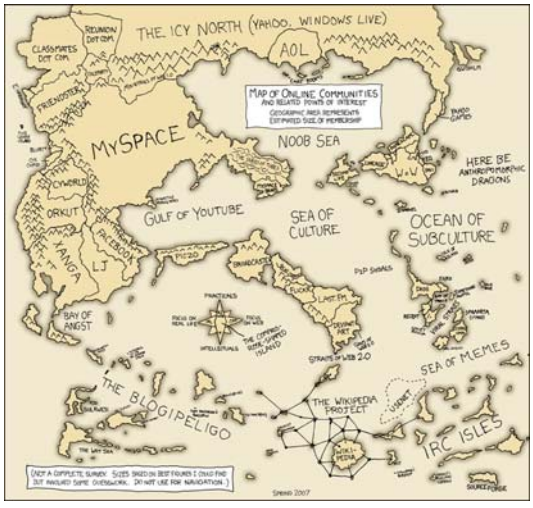
1. FROM TOOLS AND METHODS TO VIRTUAL WORLDS AND CYBERCULTURES

During the last few years we have, with some astonishment, observed a rapid and exponential growth of online games and online communities based on 3D virtual 'worlds'. The player-base of World of Warcraft alone, the largest multiplayer online game at the moment, is approximately 9 million people. This led to some researchers describing it as a new nation-state (Gaming Steve, 2006). Second Life, one of the largest 3D online worlds, claims to have more than 8 million inhabitants, of which nearly 2 million are considered 'active'. Estimates of the total population of the on-line games/worlds vary, from a modest 50 million to an extravagant 200 million. The average that is most quoted is approximately 80 million players worldwide, which is quite an impressive number itself, especially when we consider just how new this phenomenon is.

These online games or worlds did not, of course, emerge from the void. Their very existence is based on the available ICT infrastructure, including Internet hardware and software. In addition it is also grounded in multiple forms of online activities, such as web forums, blogging communities, content sharing sites and many other formats of web-based applications.

Similar to earlier stages in the development of computers, the Internet and the Web, these emerging artifacts are rarely seen simply as 'tools' or 'technologies' by their participants. In 1984 Sherry Turkle described how computers affect our awareness of ourselves and mediate our interaction with 'the others', shaping new layers of human culture. Belonging to another culture, or subculture, is a widespread feeling shared by many participants of these online worlds (Turkle, 1984).

"I would like to note a key difference between "traditional" media and phenomena such as blogs, e-mail, forums and so on. The difference is in the **role** of participants. While the vast majority of participants in the traditional media are consumers (readers or watchers), the vast majority of participants in these new phenomena are **creators**." - Maria D., in the comment to a posting in the McNutt's blog, McNutt (2007).



Pic 1. Map of Online Communities (Munroe, 2007)

The speed with which 'users', or rather dwellers of these worlds adopted the term cyberspace for self-description is indicative (the term was coined by William Gibson in 1984); see also Cyber Reader for an extensive historical

exploration of digital worlds (Spiller, 2002). From the first days of online communication, people resisted perceiving themselves (and being perceived by others) as mere users of certain technologies. Instead, they referred to these spaces as the places where meaningful activities happen.

These activities go beyond enhancing work practices and increased efficiency, to providing new ways of socializing and entertainment. They also, and increasingly, create new learning spaces, communication spaces as well as and political and economic spaces.

Both researchers and practitioners of these spaces started to talk about Internet culture(s), and the new dimensions of a social fabric they bring to life. They often refer to the new emerging qualities which allow us to describe these new cultures (or sub-cultures), with their own cultural codes, internal languages, and rules of conduct, including the rules for inclusion and exclusion, and various forms of (self)-governance. During the very rise of the World Wide Web, Pierre Levy was already writing about the dawn of new collective intelligence, pointing to the new emerging level of social organization enabled by these online worlds (Levy, 1997.)

For many researchers, these 3D online worlds therefore become 'natural extensions' of the emerging Internet cultures, and seemingly inherited many of their distinctive characteristics.

Edward Castranova (Castranova, 2006) explicitly writes about "synthetic worlds", describing them as emerging virtual societies with their own governments and economies, cultures and languages, based on, and transforming existing online communities.

Henry Jenkins (2006 1) points to the participatory nature of web-based communication and observes the emergence of new cultural practices in these online worlds, which have a whole set of their own distinctive qualities (exploring, trying out, making mistakes and 'experiencing' rather than merely 'achieving results').

A number of researchers also pointed to other unique qualities specifically emerging from the spatial (3D) nature of these online worlds. For example, Margaret Wertheim (Wertheim, 2002) explored the spatial nature of online worlds and discovered that they are moving from mere dataspace to logical, cognitive spaces, thus evolving as a collective mental arena.

In his analysis of the global digital media culture, McKenzie Wark also writes about the "nomadic nature of the new [digital] worlds, identifying three distinctive qualities: imaginary relations to the other, connecting one to an elsewhere, connecting anywhere to anywhere" (Wark, 2002, p 154.) "We no longer have roots, we have aerials" (Wark 1994, p. 64).

Another important quality of online worlds is the high degree of immersiveness. Narratives from a large majority of people 'inside' these worlds indicate that engagement in these spaces is a very meaningful and rewarding activity, which results in high dedication and commitment to their presence there. People often refer to a very distinctive experience of interaction with each other in these worlds, and to the empowering nature of these social spaces.

For many businesses, these qualities represent the future of the web and our interaction with digital media. IBM, in their recent visionary manifesto, foresees more than a billion users of 3D Web by 2012 (IBM, 2006). Gartner Group also estimates that 80% of the Internet users will be present in one of the virtual worlds by 2011 (Halpern, Koslowski, 2006). See also the analysis of the origins and evolution of social virtual worlds by Bruce Damer (Damer, 2006.)

The development of online worlds is, however, not seen as a positive trend by everyone.. The media still tend to portray these virtual worlds as various forms of escapism, as places of childish, infantile activities, distracting people from more appropriate, 'serious' business. The high degree of immersion common to these online worlds is often presented as 'addiction' in the media and in general we see all too often that mass media tends to present these online worlds as distinctively isolated from 'real life' and its 'real activities'. In this critical context, online 3D worlds are often portrayed as one of the recent fads and are compared to the bubble of dot.com at the beginning of 1990's.

In this paper, we have neither the room nor the intention to resolve these debates. We find it both interesting, and important to try to understand what happens when real life businesses start interacting with such online worlds. We believe that a critical analysis of these interactions can give interesting insights, which in turn can suggest new methods and practices for business to consider.

As an example of such a world we selected Second Life, currently one of the largest online worlds and perhaps one of the most actively explored by businesses today.

Pic 2. Philips Design site in Second Life

In Second Life, people or inhabitants of this world have to create their avatars, their quasi-3D representations with which they can then travel in this world, meet and communicate with other people, create their own digital artifacts, and exchange or buy/sell them to other residents. Second Life's slogan, "Your World. Your imagination", captures the key qualities of this online world very well.

Second Life is large enough to allow the creation of a large variety of subcultures and communities (even if we count only its 1.7 million 'active' inhabitants, i.e., people who logged in the online world at least once during the last two months). It is also interesting to note the particular demographics of Second Life, where the majority of participants are well-educated, IT–literate, creative and well-off professionals. In many senses, Second Life is also a typical example of a user-generated media, since its residents created the majority of the content in Second Life.

Second Life already has its own rich history (Llewellyn, 2007), partly influenced by the changing economic and regulatory regimes of its founders - US Linden Lab - and partly shaped by self-organizing nature of its large community.

It also is open enough to allow and to encourage multiple activities of its residents and inherits many of the characteristics of online cultures we discussed above. It is important to note that Second Life cannot (technically speaking) be described as a game: despite this, many people are still saying 'play Second Life' or compare it to MMORPGs, even though Second Life does not display the usual attributes of (online) games: a plot, a set of tasks to accomplish, rewards, scores, levels etc.

We argue however, that it does have one dimension or quality common to many of the virtual worlds (including games), which we call playfulness. We believe that this quality is present not only in games, but is in fact one of the crucial qualities of many online cultural spaces. We will analyze key aspects of playfulness in the next section..

2. PLAYFULNESS OF VIRTUAL WORLDS

Many of the current multiplayer/multi-user online worlds are rooted in a gaming culture, are either based on games or make use of many gaming features in the way they are constructed and operated (consider, for example, The Sim Online originated from a range of Sim video games). However, playfulness of virtual worlds is more than a mere reflection of the fact that many of them are games, they also consist of a number of qualities not related to 'games', as we will show later.

Playfulness as we discuss it in this paper is not equal to the 3D-ness of these online worlds. In his well-researched work on 'fan studies', Jenkins points to the omnipresence of fun (one of the largest component in achieving playfulness) in multiple online formats. For example, he identifies various degrees of fun presence in blogs, in online forums and even in simple e-mail exchanges, and argues that it is a very important aspect of their cultural spaces (Jenkins, 2006, 1).

Even if we focus only on games, such as MMORPGs, many researchers see more manifestations of the playfulness we are talking about than mere 'game play' or 'game plot' per se. For example, Taylor presents the world of online gaming as a thriving social scene where players create friendships that transcend the digital domain (Taylor, 2006). She also indicates that one of the most important and a distinctive element of the gaming culture is its participatory nature. She shows how playing creates a huge network of people, many of whom take an almost job-like approach to a game and establish serious, emotionally loaded relationships with gaming peers.

"There is no game, no game culture without the labor of the players. Whether [game] designers want to acknowledge it fully or not, MMORPGs are already participatory spaces (if only partially realized) by their very nature as social and cultural spaces" (Ibid., p. 16).

Another dimension of the playfulness of online worlds is that it stimulates the use of imagination and fantasy, the capacity to produce and enjoy new narratives using multi-voiced, polyphonic story telling. Active participation in such storytelling activities also includes switching roles between an 'author' and a 'listener', creating an interesting dynamic of co-creative production of texts and narratives.

As a way of reflecting such 'playful' qualities of these virtual worlds, they are frequently praised as "cool places to be, cutting-edge, dynamic, and … united by their 'creativity' and their preference for nonhierarchical and informal relations". (Gill, 2007, p. 26).

We also see multiple forms of role-modeling and role-playing in these online worlds. Again, this quality is very vivid not only because many games are explicitly built on the concepts of 'role-playing' (for example, in the World of Warcraft players have to become elves or dwarves as a part of the 'game play'). When people start to choose nick names or construct physical shape of their avatars in the non-gaming online worlds, they immediately and actively engage in some form of theatrical role-playing.

They often try different roles, either by creating multiple avatars or by establishing their presence in multiple online worlds. All these activities also facilitate and encourage people to explore the carnival nature of these

worlds and the multiplicity of themselves. We refer here to the works by Mikhail Bakhtin, a Russian philosopher who argued that playful spaces, such as Medieval Carnivals provided a unique way for the members of that society to learn, as well as to unlearn, certain practices, and experiment with new social roles (Bakhtin, 1982, 1984).

By playing games, children acquire and master new skills and grow. As many practitioners of the 'serious games' movement argue today, technology-enabled playfulness can be a unique resource enabling us to discover and learn new practices, thus enabling increased adaptability to the new emerging realities (Pesce, 2000).

Indeed, many participants or dwellers of these online worlds explicitly mention a very characteristic 'joyfulness' and 'lightness' of their experience in these worlds as well as the open and playful nature of communication and interactions with other people. "We can fashion our bodies to match our souls, or play with bodies that don't match at all", writes Sophrosyne Stenvaag, in her blog 'Finding Sophrosyne'. "We can use the possibilities of the world to design beautiful structures that could never exist in the atomic world. We can love, and play, and explore in ways we never imagined" (Stenvag, 2007).

Another category closely related to 'playfulness' is freedom – freedom to explore, to try new roles and formats of behavior in the relatively safe environment often attributed to online worlds. It does not mean that these worlds are absolutely 'free' and 'safe'; in fact, in many senses they are less ordered and regulated, 'wilder' and more 'anarchistic' compared to familiar physical worlds. However, exactly that quality, of less control and regulation, helps many people to construct those "temporary spaces as platforms of possibility" which enable new learning, and unlearning (Manu, 2007, p. 205).

For many people their online activities are experimental and experiential by nature, meaning that they can enjoy both the process of being there as well as the outcome. Surely, for many people the results of the activities is just as important (be it the score in the game, or a newly achieved level, or a new virtual item obtained in-world), however, due to their 'less tangible' nature, these achievements also allow people to focus more on the process and all of the physical and social interactions around it (Kelly, 2004).

This situation of experimental flow in turn opens the gate to self-reflexivity of the participants. This reflexivity, or meta-position towards themselves, is partly achieved via instant and multiple feedback loops, which are provided by other participants and by the 'worlds' themselves. It can be also experienced because of a certain 'distance' or mental detachment from the 'real world', no matter how partial and temporal. These mechanisms provide not only a certain mental space but also enable, in many ways, people's experiments with their own identities and often allow them to (re)discover and (re)definition their own selves (Hermans, Kempen, 1993; Hofstadter, 2007).

Playfulness and the exploratory nature of these online worlds are also reflected in the language used by the participants. Both the use of informal, vernacular layers of language and the invention of their own 'sub-languages', or even new languages, are symptomatic of these worlds (Coupland, 2005). Informality is often seen as the 'new black' and is associated with connectivity and enforced sociability (Gil, 2007).

In the very title of the paper, we refer to a few very typical expressions widely used in many of these virtual worlds: "n00b" meaning a player with a little experience in the game, "LFG" - literally meaning "Looking For Group" - is a message saying that a person wants to align with other players to achieve certain task in the game (often impossible if playing alone); and "lvl-ing" refers to the process of gaining 'levels' after completion of certain tasks, a concept used in many online games. For a person with a game lore, these are all meaningful expressions, used on a daily basis, yet people who do not play might be easily puzzled by these abbreviations.

Pic 3. Warcraftish is our language! Examples of in-game slang.

All these dimensions of playfulness – such as role-playing, active work with imaginary, orientation to experience and process and only results, experimentation and exploration, lightness and fun – are widespread in the online world of Second Life. They are reflected in numerous reports and documents and can also be found in multiple narratives and self-descriptions of the inhabitants.

For example, the most recent report by EPN, a Dutch research organization which conducts surveys in Second Life, provides interesting data on the most popular motives for people to join Second Life: Have fun (100%), Do things I can't do in real life (76%), Find friends (74%), Learn (60%), and simply Pass time (55%) (de Nood, Attema, 2006).

We also find similar data in another research report, on 'user acceptance' of Second Life. Among the most popular activities in Second Life are exploration (such Visiting Virtual Place (92%) and Learning (86%), as well as Playing (68%), Meeting People (66%) and Changing Identity (37%) (Fetscherin, Lattemann, 2007.)

It is very important to note, however, that despite a massive presence of these playful and joyful activities in Second Life, many inhabitants of the world adamantly refuse to consider it 'just another game'.

"Treating SL like a game is griefing[1]. It refuses to acknowledge that we are *real*. A friend of mine was sexually assaulted in world and deeply traumatized. We've all been harassed. Why? For the same reason people commit hate crimes in the atomic world - a refusal to acknowledge the other as human. .....I think treating SL like the atomic world is a kind of griefing too" (Stenvaag, 2007).

To summarize these qualities of playfulness we used a contemporary, and also a playful way of presenting it, a cloud of tags to be associated with this concept:

Chart 1. Playfulness: A cloud of tags

3. CORPORATE CULTURES: MANAGE AND CONTROL

Although online games and virtual 3D worlds have been in existence for several years, they have only marginally attracted corporations to participate. In this section, we would like to take a closer look at corporations and their culture to understand why they are so hesitant to join virtual worlds.

W. L. Charles et al describe corporate culture as "The specific collection of values and norms that are shared by people and groups in an organization and that control the way they interact with each other and with stakeholders outside the organization" (Charles, 2001, p. 23).

"Control" seems to be one of the key defining qualities of corporate cultures and often their meaning-making activity. There are two different layers that need to be controlled within corporate culture:

- The way people work together within the organization
- How the organization is perceived by the outside, i.e. by its consumers, suppliers and customers

Both layers are deeply affected when companies and their corporate cultures engage in online games or virtual worlds.

The internal way of working within the organization is determined by certain business processes and is reflected in organigrams, job descriptions and targets on a personal and organizational level. Many corporations have dedicated resources and processes to monitor the performance within that framework, such as key performance indicators (KPIs) and similar metrics. KPIs are used to measure companies' performance against targets set and to calculate the returns of investment (ROI). Companies tend to seek uniform and homogeneous ways of working, preferably those that can be easily measured and monitored.

Management of how organizations are perceived by the outside world, by its clients, consumers and suppliers, is a goal of the companies' multiple "branding" activity. A brand can be seen as a symbolic embodiment of all the information connected to the product and is aimed at creating associations and expectations around a company's products, services and around the company itself. The most common elements of a brand are a name, logo, slogan, and/or design scheme that must be associated with its offers, with the company and its culture.

Branding seeks to develop or align the expectations behind the "brand experience", creating the impression that a brand associated with a product or service has certain qualities or characteristics that makes it special or unique. "Brands are powerful entities because they blend functional performance-based values which are rationally evaluated, with emotional values which are affectively evaluated." (Chernatony, 2001, p. 4)

Brands and especially the values associated with the brand (brand equity) have become more and more important in today's economy and are even reflected in the value of companies' shares.

[1] *Griefing* is a term often used in virtual worlds and referring to the activities of player in the game (or world) aimed at causing grief to other players through harassment.

Direct 'control' of the brand perception has recently been replaced by careful 'management' of the company's perception by its multiple stakeholders, best captured by the very name of this business practice, i.e., 'brand management', and by the numerous activities undertaken (brand awareness, brand perception and brand recognition).

Management of perception is the key quality with regards to how companies expose themselves to the outside, external world, while control and efficiency are key qualities working within the organizations and corporate cultures.

Corporate Culture
o Managing o control o efficiency o optimizing o target setting o homogeneity o measuring o performance o fixed roles o set contacts o continuity

Chart 2: Key qualities of corporate cultures

What happens when corporate culture meets virtual world culture? We used Schein's definition of organizational culture to demonstrate on which levels possible frictions can arise (Schein, 1985).

Schein defines three different layers of organizational culture:

1. Physical: Facilities and infrastructure
2. Ideological: Company slogans and mission statements
3. Cultural: Unspoken, often not explicitly defined rules and codes

Working with Schein's model we can easily see the challenges that companies meet when they enter online virtual worlds: the very "physical" environment changes dramatically, yet company's ideology and culture often stay the same.

Therefore, both corporations and their employees need to look for new ways to orchestrate and consistently manage brand experience in completely different settings and environments. In addition, they often have a list of unspoken rules and ways of working which do not always apply outside the organization, let alone in the virtual world.

4. BUSINESS COMES TO SECOND LIFE

Second Life is one of the few virtual worlds that have been able to attract various companies, organizations and brands. One of the reasons is that, in its very setup, Second Life has many features that companies are familiar with in the real world. This includes developing products and services, buying and selling them using in-world currency, owning land and other content created by its inhabitants or transferred from outside of this online world. Second Life also attracts a significant mass of people with diverse interests and ideas, which can be seen as lucrative target audiences for many businesses.

IBM is one of the biggest corporations that has shown a serious interest in entering Second Life. IBM announced that it will use Second Life world as a "location for meetings, training and recruitment". The company is also confident that virtual social worlds will shape the interface of the next generation of 3D web (IBM, 2006).

"E-business was a strategy for us, why not v-business?" said Roo Reynolds, IBM evangelist of Second Life in October 2006 at the My So-Called Second Life conference in London. (Reynolds, 2006) "We could integrate a company's services in a virtual world. Integration with services, integration with data is exactly what we helped people to do back in the days of e-business."

Reebok, Adidas, American Apparel and many other companies initially came to Second Life to promote their brands by selling branded virtual goods. As an additional benefit they also wanted to tap into the talent pool of creative designers already working in Second Life (Jana, 2006).

When opening its site in Second Life in October 2006, PA Consulting proclaimed itself as the 'first major consultancy to open business in virtual world". "A virtual world such as Second Life has many valuable and real applications for us and our clients. For PA it is a new way of getting closer to existing and potential clients, demonstrating and discussing business issues in real time", said Claus Nehmzow, who leads PA's applications of virtual worlds (PA Consulting, 2006).

We have researched numerous announcements and press releases made by companies in 2006 and 2007 to date and have compiled a list of activities that companies would like to do in Second Life. The activities ranked by the frequency they were mentioned:

Main activities of companies in Second Life
Communication and PR
Marketing initiatives
Sales
Innovation
Product development
Internal and external meetings
Training
Expose product portfolio
Client acquisition
Consumer research

Chart 3: Main activities of companies in Second Life

This list allows us to conclude that when entering Second Life, companies mostly seek to extend their current business processes and apply existing ways of working. This does not mean that these goals are not valid and beneficial for companies; they are. However, our conclusion is that the companies often did not recognize a very different set of qualities and practices presented in the virtual world of Second Life.

5. SECOND LIFE AS A CULTURAL MEETING POINT

What happens when corporate cultures meet native online cultures? Or more specifically, when business meets Second Life?

In short, companies naturally tend to recognize and engage with the qualities that correspond to their own and project current activities in 'real worlds' to this online world.

For example, companies are eagerly looking for sales opportunities or new channels to promote and market their existing offers (being products or services) and their brands. They perceive, and often rightly so, virtual worlds as efficient 'spaces' to hold business meetings or training classes. Many companies also see virtual worlds, including Second Life, as a place to study their current or future target audiences.

These are all legitimate and potentially very beneficial activities (and not only for the businesses themselves, but also for other stakeholders in the process, including most often the residents of these online worlds.)

Our theory, however, is that companies often overlook another important dimension of online worlds, in particular, what we have previously described as 'playful' and 'creative'.

In the previous section, we described the qualities of both virtual worlds and corporate worlds. The chart below juxtaposes qualities of corporate and virtual worlds, strikingly illustrating the multiple differences between these cultures:

Corporate worlds	Virtual worlds
efficiency	playfulness
optimizing	experimenting
managing	joyfulness
homogeneity	lightness
measuring	learning
control	exploring
fixed roles	trying different roles
set contacts	new contacts
continuity	irregularity

Chart 4: Different values of corporate and virtual worlds

The following chart compares two very different sets of activities, those of companies in the 'real world' and those of online world participants in their virtual realms:

Business activities	Activities in virtual worlds
Communication and PR	Having fun
Marketing initiatives	Making friends
Sales	Learning
Innovation	Passing time
Product development	Making money in Second Life
Internal and external meetings	Adding something to my life
Training	Dating and having sex
Experience product portfolio	Getting thrills
Client acquisition	Meeting my friends online
Consumer research	Playing roles
Recruitment	Escaping real life

Chart 5: Different activities in business and virtual worlds (EPN (2006), Fetscherin, Lattemann (2007)

A lot of companies seemed to struggle with the obvious and large cultural gap between these worlds. Although companies often praise their customer orientation in their daily activities, we see quite a significant gap between what residents and corporations would like to do and achieve in Second life.

We believe that companies have to reflect and perhaps reconsider the way they want to act in online worlds, and engage with the inhabitants. If they want to enable meaningful experiences for their consumers, customers and suppliers, this meaningfulness should be seen not only in terms of business processes and value chains, but also reflect the 'qualities of experience' often sought by residents of virtual worlds. This means that companies have to translate their presence in Second Life into a set of meaningful and sense-making activities for the residents – even if it means that they have to change their corporate culture and way of working in some ways.

The following chart illustrates our understanding of the mismatch between processes and practices of corporations and the desired activities of Second Life residents.

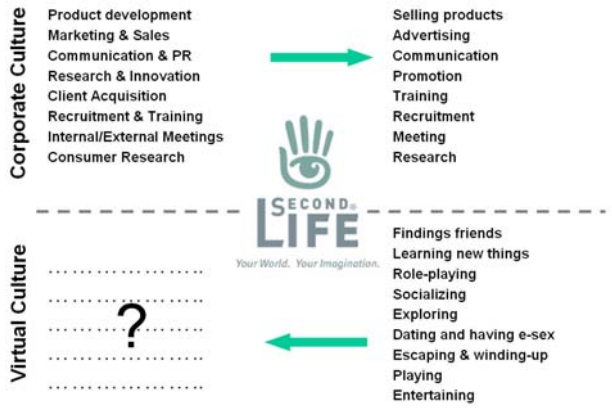


Chart 6. Business meets Second Life – or does it?

This chart in fact shows a very odd situation when there is clear gap between the key activities of Second Life residents, and the way business tend to see them, and react (or rather do not react accordingly).

It seems that companies are often unable to recognize or empathize with the crucial qualities of the online worlds (namely the multiple aspects of playfulness.) As a result, companies often are not able, or not willing to modify their activities in a way that would better correspond to the values of these online worlds. Consequently, activities of many companies are seen as corporate conquests and criticized by the *virtual natives* of these worlds (Prenesky, 2000).

More importantly, this cultural disconnect manifests itself in often beautiful but often empty corporate buildings in Second Life. Often created by hired external agencies, these large corporate islands fail to attract significant attention of the residents, who also see the majority of marketing and business activities as entirely irrelevant to the valued experiences of this virtual world.

Our interest lies in looking beyond the organizational level to see how people within the organizations react when they are confronted with the virtual reality of Second Life. Would they adapt quickly into this new world, what would their reactions, their hopes and their fears be?

6. ACTING OUT DIGITAL NEUROSES

In an attempt to understand this gap, the void between different cultures, 'serious' corporate culture and the 'playful' culture of digital worlds, we decided to use a 'game' methodology, a performance of some kind to gain insights.

Since one of the authors of the paper has a background in clinical psychology, we decided to put our 'clients' on a 'couch' and listen very carefully to their 'free associations'.

When listening to these people's narratives, their dreams and fears related to virtual worlds, we identified four different types of "digital neuroses" that are common to our 'patients' and that prevent them from fully exploring the potentials of virtual worlds and online games, thus hindering their business growth.

What is a Digital Neurosis? In 'real life', a neurosis refers to any mental imbalance that causes a person great stress, which may hinder many daily life activities but does not completely ruin them (Horney, 1991).

The very concept of 'neurosis' is often attributed to psychoanalysis but in fact was coined much earlier than Freud's works and also has a much wider application in different schools of psychology and psychotherapy.

It is important to note that in this article we use the notion of neuroses only as a useful metaphor and not as clinical term with medical or psychiatric connotations.

The causes and manifestations of neuroses can vary, but the usual scenario of neurotic developments includes: a) significant changes in life that require people to change and adapt their behavior, and b) people's permanent or temporary inability to do just that.

The distress or neurosis is caused by the mismatch between the need for new behaviors and people's inability - or unwillingness - to adapt and change. This lack of desire to change themselves also often results in the development of different 'defense mechanisms' that people use to cope with these stressful situations (and which prevent them from making any changes).

A well-known system used to classify defense mechanisms was developed by US psychiatrist George Vaillant (Vaillant, 1998), who described them as a continuum consisting of four major levels (for our purposes here we have simplified these levels):

Level I - denial and projections

Level II – idealization and fantasies

Level III - intellectualizations and rationalizations

Level IV – more mature defenses (i.e., humor and sublimation)

We can apply this model of digital neurosis to analyze the cultural mismatch described earlier: of a gap between many aspects of business culture and the characteristic playfulness of virtual worlds. Similar to people, when colliding with new cultural environments, companies and organizations are often unable, or are not willing to adapt and change and instead develop a range of 'digital defenses', i.e., practices and attitudes preventing them from adaptive learning and growth.

We identified four levels of defensive reaction demonstrated by the business: Denial, Fantasy, Rationalization, and Sublimation.

Chart 7. Spectrum of digital defenses towards playfulness

We can say that the further along the line of digital defenses, the more accepting companies are towards the new emerging environment of virtual worlds, and the greater their willingness to change and transform themselves.

7. STORIES FROM A 'DIGITAL COUCH'

During 2006 and the start of 2007, we collected a wide range of personal stories and narratives about virtual worlds in general and Second Life in particular. These stories include quotes and narratives from numerous colleagues - designers, researchers, managers - but also our partners, suppliers and clients of Philips Design.

We probed how people perceive and deal with multiple collisions between the distinctively different cultures of virtual worlds and the 'serious' corporate culture they belong to based on their own of involvement in business.

It is important to note, that the model of 'digital neurosis', and defenses was not imposed on this data set from the beginning. Instead, the clustering of our data happened using a 'bottom-up', inductive from the raw data to first aggregations and insights. Only much later in the process of analysis did we notice that these could be clustered according to the degree of digital defense manifested, which resulted in the development of our 'playful', theoretical framework.

Below you will see a short description of each of these levels, illustrated by quotes. Following the same metaphorical order, we also point to possible 'treatments' at each level of the 'digital neurosis'.

7.1 Denial

At this level, the work of the 'digital defense' mechanism consist of total negation of any conflict; virtual worlds simply 'don't exist', or if they do, they are not of any importance to the business.

"*I don't understand this whole fuzz about Second Life! It's just a game, we should not be involved in it, since we are not in the gaming business.*" (Account Manager, 42)

"*Second Life? Ha-ha, I don't have time for even my first life, no, thank you; I don't want to see it.*" (Designer, 27)

"*I believe we would do something very wrong if we entered these virtual worlds, I do. I read a story recently that they found a pedophile ring there and I have to say, I see something very perverse and abnormal in people who want to hide their real names and instead present themselves as virtual puppets.*" (Department Manager, 47)

"Virtual games make people addicted to them and they slowly lose a sense of reality… this is something our brand should not be associated with. " (Project Assistant, 45)

Such reactions, demonstrating complete negation and denial of the online worlds, are not very common but they do exist (we also notice that they are slightly more present among the senior managers and senior employees in general. The nature of our study, however, does not allow us to make any quantitative conclusions).

Denial is one of the most basic, primitive and powerful defense mechanisms. It is also the most dangerous one, since it does not allow any new form of behavior to emerge and since people refuse to see any need to develop such new behavior and grow.

One of the possible therapeutic solutions, or a treatment for such cases, is to expose people to the 'reality of virtuality', almost force them to confront it but of course within a supportive environment.

For example, we can imagine training sessions where people would have a chance to gain first hand experience of these worlds before they formulate their judgments.

Unfortunately, such people would refuse to even try this because their perception is already shaped; they are biased and will only see what they want to see. Our experience suggests that powerful, often metaphorical stories can help in triggering the change in perception.

For example, a short story about the successful treatment of patients with post-comatose syndrome in Second Life worked very well to convince one of the fierce skeptics of this virtual world. He suddenly realized that Second Life was not only a wild chatting space, but could also serve as a meaningful, healing environment for people with problems in their first life.

7.2 Virtual fantasies

Fantasies and idealized opinions about virtual worlds present a different defense strategy. Rather than denying the very existence of new situations, in this case emerging cultures of online worlds, people tend to perceive and portray them in an idealistic way. They tend to project unrealistic scenarios and often believe that their existing activities and approaches will work well in a new situation.

"*Oh yes, virtual words are a great opportunity for us! We can tell our customers about our brand vision and new products!"* (Communication Designer, 27)

"*Millions of people are there, we can engage with them and strengthen our brand position; these people are also most influential in other digital worlds, for example, all of them also keep blogs, and influence millions of other people*". (Design Manager, 44)

"*I feel that the main benefit for us lies in helping us to communicate with each other much easier; for example we can have our meetings in this virtual reality and this is much more efficient than flying to each other's places*". (Designer, 26)

There is always a certain element of 'truth' in these opinions and in a way they demonstrate the first step to understanding these new cultural and technological environments. However, these opinions are rarely well-informed and based on personal experience and tend to reflect wishful thinking rather than a real, usually more complex situation.

Very often, when realizing that not all of these fantasies and projections are true, people tend to fall into various forms of aggressive reactions.

"*No, we shouldn't take this Second Life too seriously, these virtual worlds are still too small; they say* [Second Life has] *seven millions users but I read lately that it's only one million or so*" (Designer, 27)

"*Many things in Second Life can't be customized due to the standards that Linden Lab sets, we need another virtual world that is more reliable and secure than Second Life."* (Account Manager, 42)

The key strategy to 'heal' such attitudes is to show that people's fantasies about these worlds are often, well, fantasies. This can be achieved by exposing people to different ways of thinking about these worlds and to different in-world practices, allowing them to seeing how differently other people react or experience Second Life.

Reading blogs or forums or, better still, doing their own activities in Second Life confronts people with the reality. It is important here to make people understand that having a certain projection or fantasy is not bad per se; moreover, it is inevitable step if learning. They key message is that people should not stop at this level and progress further in their learning process.

7.3 Rationalizing inactivity

At this level, people often have a much better understanding of the developments in virtual worlds (for example, some of them may even have Second Life avatars). Perhaps they even start sensing how different this cultural environment is from the business culture they are in. However, despite this understanding, they try to avoid changing their practices and themselves. Instead, a lot of effort is spent justifying why these changes should not be made.

"*I heard that some companies are already moving out of Second Life into the next generation of virtual worlds.*

We better wait and see what is happening next, before investing more into Second Life." (Sales Director, 53)

"*We need to conduct research and then figure out how to offer the easiest interface to the users*." (Designer, 27)

"*We should commission an agency to recruit a few thousands avatars in Second Life and then offer this to our client as a tool to test their ideas*." (Department Manager, 33)

At this stage, people (and companies) may have already undertaken some activities in Second Life but do not consider changing their core approach, or core identity. They provide multiple, rational explanations and arguments to support the *status quo*, to keep existing modes of operations intact.

For example, companies would still try to promote their main brands without even thinking of changes or modifications. They would try also to translate their existing practices to this world (e.g., sales, research, communication, recruitment) and not think how relevant or appropriate these activities were for these online worlds.

One of the key motives of such a defense is that people (and companies) do not want to lose their self-confidence and successful patterns gained in one cultural environment when they enter a new one. In a way, they do not want to become newbies, inexperienced novices (or at least to be seen as such). They are ready to adapt certain practices but essentially just want to keep the existing ways of working.

What is really needed here is perhaps an emotional engagement to the realities of Second Life. People have to encounter real human emotions and feelings expressed by Second Life inhabitants, which will often be different from their own.

It is also important to develop a system of reward and recognition of the new skills people are learning and in a way to help people cherish their n00bness, seeing it as an opportunity for growth and development.

7.4 Sublimating conflict

This is the final and in many senses the most mature and 'healthy' level of defense. At this stage, people have undergone some internal transformation toward virtual worlds; they are much more confident and 'at-home' in them. Still, however, they may experience some internal conflicts between the values and practices accepted in these virtual worlds and their own.

But these conflicts are already 'suppressed' in many senses, and may manifest themselves in a form of jokes, or omissions, or other socially accepted forms of disagreement.

"*Today I was at the PA Consulting site* [in Second Life], *and I was welcomed by a host named DoctorJekyll - really funny how these guys market themselves in SL*." (Researcher, 41)

"*We need to plan am online meeting, and also present our video… But I think we need to limit it with the members of our virtual community… and of course no furries and wings should be allowed, haha*[2]." (Design Manager, 48)

Both quotes show that people still perceive some elements of the virtual cultures as weird and odd, not quite fitting to the 'serious' corporate cultures. However, they often express their disagreement with these examples of playfulness and creativity in the form of jokes, rather than explicit criticism.

It is difficult to suggest any particular form of 'therapy' here because sublimation is already an efficient coping mechanism. In the end, people also should not completely dissolve in this new culture and give up their own vales and beliefs. Rather, they need to find a way of re-integrating this different value set and, ironically, a humoristic attitude is a good way of doing so.

7.5 Concluding remarks

We presented these four different levels of 'digital defense' in a particular order. However, we don't want to send a message that these are *fixed stages* of development, or a certain consequential process. In fact, many of these defensive attitudes can co-exist in one person and they definitely coexist on a company level, where employees can demonstrate an entire spectrum of attitudes.

Also, as previously mentioned, these levels were not imposed on our data, but rather a result of a bottom-up, inductive clustering of many conversations and narratives. These levels, however, provide a useful framework, helping to reflect the existing attitudes of the companies and their employees have regarding virtual worlds (and to Second Life in particular). In addition, they suggest an optimal strategy of engagement. The use

[2] In Second Life, some avatars can take the form of various anthropomorphic animals, for example, creatures with foxy heads and tails (often called *furry*); some other avatars also wear various wings. These and similar practices are often seen in the business as inappropriate.

of metaphors, of ‘neuroses’ and ‘defenses’ is of course optional; the same conclusions can be also described in a less ‘therapeutic’ way, for example, by referring to the frameworks of business change management or adaptive behavior of the systems.

Our findings demonstrate that an introduction of the virtual worlds to business practices will benefit from a detailed analysis of the existing values and attitudes of corporate culture and a careful and informed orchestration of the multiple encountering activities.

8. DISCOVERING POTENTIAL OF PLAYFULNESS

Pic 4. Conversation with members of a Philips Design community in Second Life.

At Philips Design we consider the potential of virtual worlds (such as Second Life) to be greater than the mere support and reinforcement of existing business processes.

Due to the unique qualities of these digital social environments, these virtual worlds present an interesting medium for business to engage in, with the aim of challenging existing norms and practices, experimenting and enabling new learning and changes of business culture. It is always possible to bring existing business practices to these virtual worlds but the approach could be too narrow, and a chance to interact with new emerging cultures and behaviors could be missed.

We see Second Life as a platform – both a place and a way – to better understand evolving culture, languages, and codes of behaviors. Our goals are to learn about people who inhabit these worlds, their new activities and values and become a part of this culture (which also implies the need to change our attitudes).

We also see it as an opportunity to ‘be together’ by interacting and *playing* with people, sharing ideas and opinions and experimenting with new ways of co-creating meaningful experiences.

At Philips Design, we believe that we have to challenge and re-think our approach to creating business and values for the futures, as pointed out by Josephine Green in her paper ’Democratizing the future’. “It seems that making sense and making sense in the future lies in understanding how people are evolving, engaging with them on a journey of discovery and exploration and co creating and envisaging the future together” (Green, 2007).

We agree with the authors of the recently published Metaverse Roadmap: “Business models for the use of the Metaverse tools may be non-obvious, and new competitive environments are always rife with experimentation. Skillful use of the emerging medium in its earliest stages requires ongoing employee education, low risk experimentation, and the desire to learn a new language of information design.” (Cascio et al, 2007, p. 20).

In many ways, we at Philips Design took this chance to challenge our own, established corporate culture. We dared to become n00bs and suspend for a moment our beliefs and judgments about this virtual world. We built our first humble plot in Second Life, set up a community and ran online discussions and presentations with the members. We conducted in-depth ethnographic and participatory research on various topics with inhabitants and learned what is appropriate and meaningful for them in Second Life. Most importantly, we learned how to live in this virtual world and interact with its inhabitants.

In doing so, we also searched for support of multiple parties, in-world and outside and shaped our presence in this world together with them, both physical and social (remember LFG?). We tried to adapt to the Second Life cultural environment by exploring and living in this world, rather than by going there with a pre-made list of business processes to be executed in this virtual platform.

Did we succeed in ‘lvl-up’ through this process? Here is what Second Life residents said about our activities:

“*I was a bit surprised at first by how small the parcel is. But I am aware of the goals Philips is trying to achieve in SL (active co-design, study SL-use) so in my opinion your "building" fits the purpose.*

“I like the simple, futuristic and pure design. “

“*The goals mentioned above* [co-creation and participation] *had sounded a bit like empty words but I'm impressed by how you implement them.*”

“*Philips, yes, I liked that, I was impressed by the obvious forethought and planning that had clearly gone into the exercise, and I got a buzz out of being invited to be included. “*

All the quotes are taken from a research report of the ethnographic study My Second Life (Kozlov, Reinhold et al, in preparation).

ACKNOWLEDGMENTS

We would like to thank all the people and the avatars who shared with their thoughts, fears, and fantasies about the virtual world of Second Life.

Special thanks to Lorna Goulden and Wendy Persoon who shared many hours with us in Second Life and in many ways created our small footprint in this virtual world.

REFERENCES

Bakhtin, Mikhail (1982) *The Dialogic Imagination: Four Essays*, University of Texas Press, TX.

Bakhtin, Mikhail (1984) *Rabelais and His World*, Indiana University Press, IN.

Cascio, Jamais, Paffendorf, Jerry and Smart, John (2007) *Metaverse Roadmap: Pathway to the 3D Web*, http://metaverseroadmap.org

Castranova, Edward (2006), *Synthetic Worlds: The Business and Culture of Online Games*, University of Chicago Press, Chicago, US.

Chernatony, Leselie de (2001) *From Brand Vision to Brand Evaluation*. Reed Elsevier plc Group, Oxford, UK.

Coupland, Douglas (2005) *Jpod*, Bloomsbury Publishing

Damer, Bruce (2006), Virtual Worlds Timeline: The Origins and Evolution of Social Virtual Worlds (http://www.vwtimeline.org).

Gaming Steve (2006) When Does Online World Become a Nation, Gaming Steve's blog entry of Feb 10 2006 (http://www.gamingsteve.com/archives/2006/02/when_does_an_on_1.php)

Green, Jospephine (2007), *Democratizing the future*, Philips Design's White Paper.

Gibson, William (2004, 1984) *Neuromancer*, Ace Hardcover.

Gill, Rosalinda (2007) *Technoboheminas or the new Cybertariat?* Institute of Networked Cultures, Amsterdam, The Netherlands.

Fetscherin, M., Lattemann, C. (2007) *User acceptance of virtual worlds: An explorative study about Second Life*, Rollins Colleague/University of Potsdam.

Halpern, Marc, Koslowski, Thilo (2006) *Ubiquitous Commercial Use of 3-D Product Content Imminent*, Gartner Industry Research Report, The Gartner Group.

Hermans, Hubert, Kempen, Harry (1993), The Dialogical Self: Meaning As Movement, Academic Press.

Hofstadter, Douglas (2007) *I Am A Strange Loop*, Basic Books, New Your, NY.

Horney, Karen (1991), *Neurosis and Human Growth: The Struggle Toward Self-Realization*, W. W. Norton & Company.

IBM: Five innovations that could change your life over the next five years (2006), Company's website (http://www.ibm.com/ibm/ideasfromibm/us/five_in_five/010807/index.shtml)

Jana, Rena (2006) *American Apparel's Virtual Clothes*, Business Week, June 27, 2006, (http://www.americanapparel.net/presscenter/articles/20060627businessweek.html)

Jenkins, Henry (2006, 1) *Fans, Bloggers, and Gamers: Media Consumers in a Digital Age*, New York University Press

Jenkins, Henry (2006, 2) *Convergence Culture: Where Old and New Media Collide*, New York University Press, NY, US.

Kozlov, S, Reinhold, N. (In preparation) *Living a Second Life: Virtual Experiences, Real Selves*, Research report of the ethnographic study My Second Life.

Llewellyn, Gwyneth (2007), From Welfare State To Laissez-Faire Capitalism, Blog entry of June 17, 2007

(http://gwynethllewelyn.net/article163visual1layout1.html)

Kelly, Richard V. (2004) *Massively Multiplayer Online Role-Playing Games: The People, the Addiction and the Playing Experience*, McFarland & Company

Levy, Pierre (1997) *Collective Intelligence: Mankind's Emerging World in Cyberspace*, Perseus Books, Cambridge, MA

Manu, Alexander (2007), *The Imagination Challenge: Strategic foresight and innovation in the global economy*, New Riders, Berkely, CA.

McNutt Against the Music (2007), Comment by MariaD to the blog posting if June 28 *…in which McNutt ponders Second Life, virtual worlds and the future of the Internet* (http://mcnutt.wordpress.com/2007/06/28/in-which-mcnutt-ponders-second-life-virtual-worlds-and-the-future-of-the-internet/#comment-3036)

Munroe, Ranall (2007) *Map of Online Communities*. (http://xkcd.com/c256.html)

De Nood, David, Attema, Jelle (2006), *Second Life: The Second Life of Virtual Reality*, EPN Report, The Hague (http://www.epn.net/interrealiteit/EPN-REPORT-The_Second_Life_of_VR.pdf)

Pesce, Mark (2000) *The Playful World: How Technology Is Transforming Our Imagination*, Ballantine Books.

Reynolds, Roo (2006) *Social Tools for Business Use*, conference notes (http://rooreynolds.com/2007/02/21/euan-semple/)

Schein, E.H. (1985) *Organizational Culture and Leadership*, 3rd Ed., Jossey-Bass

Spiller, Neil (2002) *Cyber_Reader: Critical writings for the digital era*, Phaedon, New York, NY

Stenvaag, Sophrosyne (2007) "*It's Only a Game: Architectural Griefing and Identity*", Finding Sophrosyne blog, July 5, 2007 (http://sophrosyne-sl.livejournal.com/10955.html)

Taylor T. L. (2006), *Play Between Worlds: Exploring Online Game Culture*, The MIT Press, Cambridge, MA.

Tofts, D., Jonson, A., and Cavallaro, A., Eds, (2002) Prefiguring Cyberculture: An Intellectual History (2002), The MIT Press, Cambridge, MA.

PA Consulting Press-Release (2006), *PA joins leading retail and higher education brands in new communications medium* (http://www.paconsulting.com/news/press_release/2006/Second+Life+launch.htm)

Prenesky, Marc (2004) *The emerging Online Life for the Digital Native*: Online publication (http://www.marcprensky.com/writing/Prensky-The_Emerging_Online_Life_of_the_Digital_Native-03.pdf)

Vaillant, George (1998*), Adaptation to Life,* Harvard University Press, Harvard. MA.

Wark, McKenzie (2002) *Too real*, in Tofts, D., Jonson, A., and Cavallaro, A., Eds, (2002) Prefiguring Cyberculture: An Intellectual History (2002), The MIT Press, Cambridge, MA, pp. 154-164.

Wark, McKenzie (1994), *Virtual geography: Living with global media events*, Bloomington, Indiana University Press.

Wertheim, Margaret (2002) *Internet Dreaming: A Utopia for all seasons*, in Tofts, D., Jonson, A., and Cavallaro, A., Eds, (2002) Prefiguring Cyberculture: An Intellectual History (2002), The MIT Press, Cambridge, MA, pp 216-227.