



Electronic Enterprise Systems



PRESENTATION BY:

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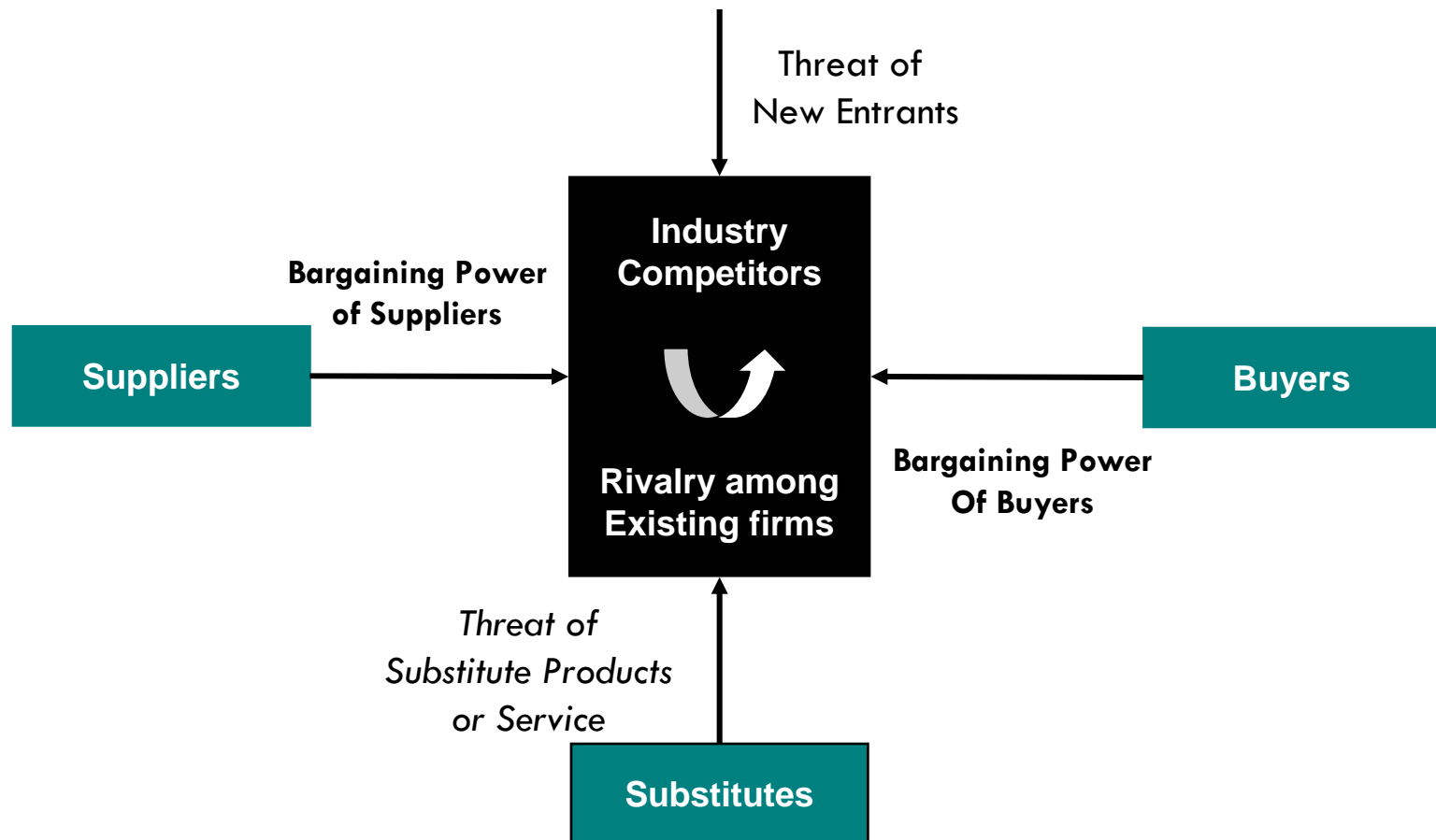
Introduction

“To connect everyone to an online world that improves the human condition.”

-Philip Linden, Linden Lab

- ❖ Internet-based 3-D virtual world
- ❖ Launched in June 23rd 2003
- ❖ Why chosen?

Porter's Five Forces



HISTORY & DEVELOPMENT OF SECOND LIFE

What is Second Life (SL)?

- ▶ Approach similar to networking sites such as YouTube, MySpace or Facebook
 - ▶ Users contribute hugely to the business
- ▶ FREE to browse but need to buy land to fully understand

What is Second Life (SL)?

- ▶ To buy land and build things e.g. shops
- ▶ Sell things
- ▶ Create a profile
- ▶ Auction land –eBay technology

How was the idea developed?

- ▶ Formulated by Philip Rosedale
- ▶ Previously named 'Linden World' in 1991
- ▶ Inspired by cyberpunk literary movement + Neal Stephenson's novel 'Snow Crash'
- ▶ Launched on June 23rd 2003 (16 servers + 1,000 users) now estimated 11.5 million

More Information

- ▶ Basic membership plan
- ▶ Extra basic account - \$9.95, lets you buy land
- ▶ Many companies use SL such as IBM, Dell, Adidas
- ▶ Uses Linden Dollars (L\$)
- ▶ Competitors: There, Active Worlds, Red Light Center

What is it used for?

- ▶ Companies use as alternative offices
 - Colleagues can congregate to view materials
 - Appear better in oppose to web
- ▶ Used by Bovington's firm for Walt Disney film 'Hitchhikers' Guide to the Galaxy'
 - Saved about \$175,000

What is it used for?



Andy Powell from Eduserv showing PowerPoint slides Second Life (Reuters, 2007)

What is it used for?

- ▶ "IBM has opened a virtual business centre at Second Life that will be staffed by IBM sales representatives from around the world"
 - ComputerWorld
- ▶ "Clients who want to buy hardware, software or services, or get help solving a business problem, can meet with a sales rep in the new IBM Business Centre"

- IBM,2007



The Business Life Cycle & SL

► Relatively new business

- Hence, not competing with existing businesses
- Concept of 'conducting business within a virtual world' - innovative
- Have not yet reached the 'reinvention stage', remain at the 'sustain' stage as the business is still popular, and adopts many customers daily

SECOND LIFE BUSINESS MODEL & VALUE CHAIN

Virtual Community

- ▶ Social networking platform
 - Service customisation, wider target audience
- ▶ Value is derived from its members
 - B2C and B2B
- ▶ Revenue Source; Membership fees, Land leasing
 - Hosting facilities, server space

E-Mall

- ▶ Generalised umbrella of shops and services available
 - Increased traffic flow and brand reinforcement are offered to the listed e-shops and services
- ▶ Electronic payment systems
- ▶ Value is derived from its brand image
- ▶ Revenue Source; Advertising fees

E-Auction



- ▶ Simple and automatic bidding facility sponsored by ebay
 - Referral, association and marketing
- ▶ Value is derived from its sponsorship
- ▶ Revenue Source; Land Purchase

E-Marketplace

- ▶ Connects suppliers to buyers
 - trading platform from one access point
- ▶ Virtual unit of trade Linden dollars
- ▶ Revenue Source; Purchase and exchange of Linden dollars

Overall Strengths

▶ **Trusted Network**

- provides members security in knowing the people around them

▶ **Customer Profiling**

- over 12 million members, SL can 'lock in' on specific groups & tailor products & info to their needs

▶ **Bidding mechanism**

- allows Linden Lab to make better use of their server space

Overall Weaknesses

► **Trusted Network**

It has no control over the quality, safety and or accuracy of content included

- screening processes

► **E-mall**

If an E-shop or service recommended by SL, accompanies a bad experience, this experience will be associated with SL.

- promote independent relation

The Value Chain

- ▶ Self contained, 'digital' service requires no outsourced components or delivery services

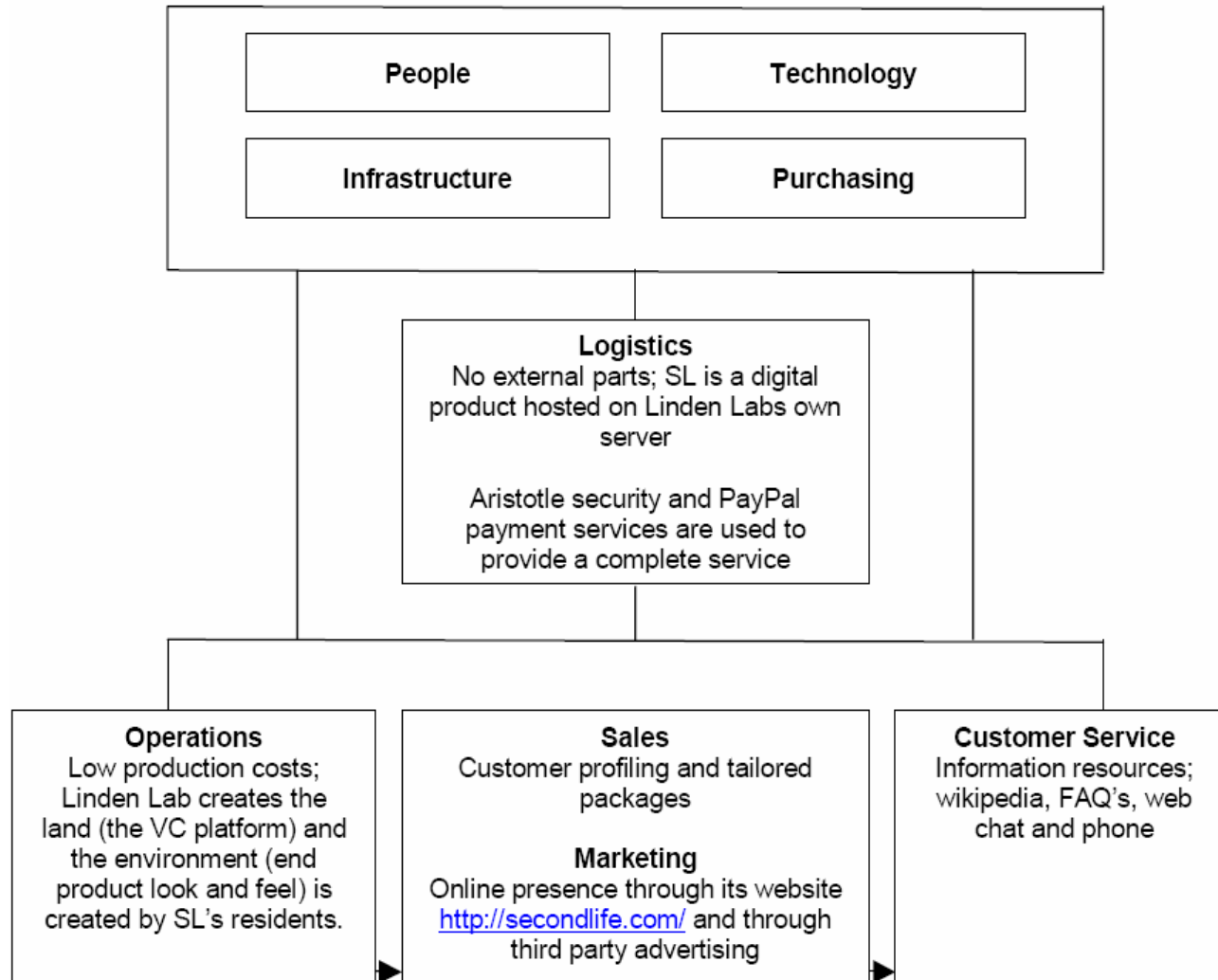
Value Added Activities:

- ▶ Paypal Payment options
- ▶ Innovation
 - Third party investment
 - Free advertising from user blogs, fansites etc...
 - Mobile version by Converse, a wireless multimedia networking

The Value Chain

- ▶ Customer relationship management (CRM) system i.e. FAQs, web chat facilities
- ▶ Linden Labs “Be Transparent and Open” culture
- ▶ Verification technology development by Aristotle, a verification technology and data services provider.

The Value Chain Summary



E-Processes

- ▶ Electronic Funds Transfer (EFT), PayPal
- ▶ Electronic Data Interchange (EDI), Aristotle Verification
- ▶ Registration Account Creation
- ▶ Customer Relationship Management (CRM)
- ▶ Delivery
- ▶ External Resources

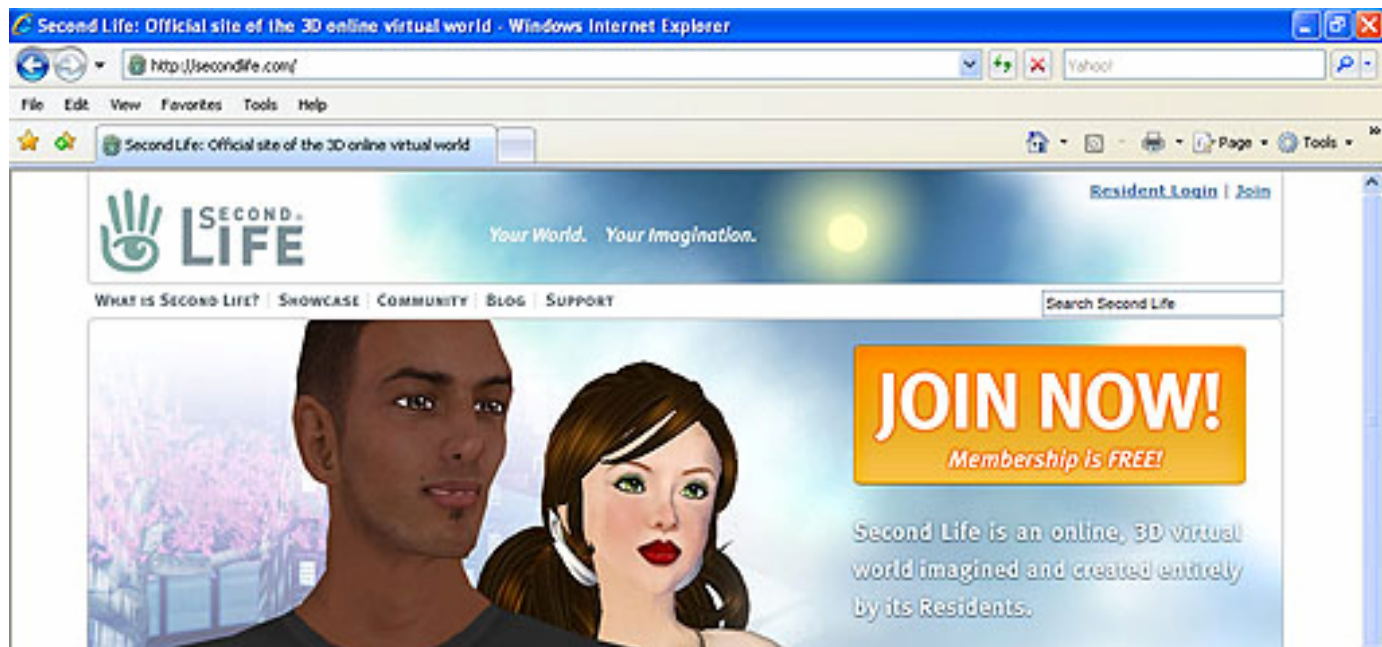
DESIGN & TECHNICAL ANALYSIS OF SL WEBSITE

Technical Analysis

► Website structure:

- Adobe Photoshop - Adobe Flash
- HTML, CSS, XML, JavaScript

► Functions on most browsers



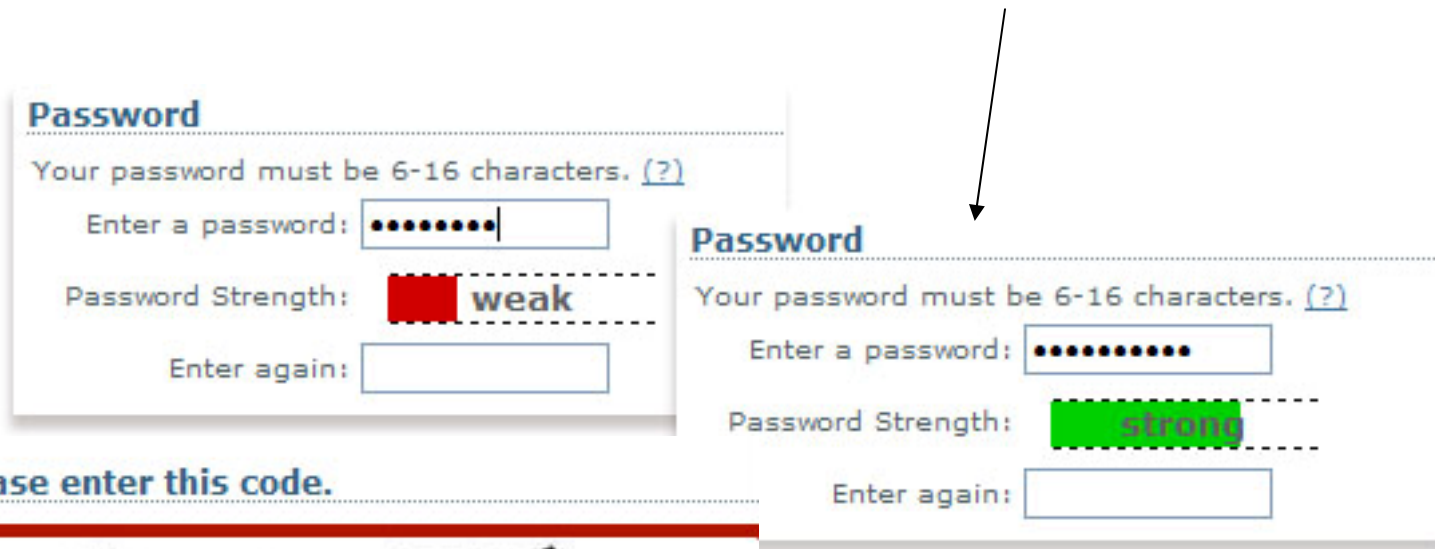
<http://www.secondlife.com/>

Technical Analysis

- ▶ Uses Hypertext Transfer Protocol (HTTP)
- ▶ **Registration & Login System:**
 - Checks Avatar name against database
 - Details stored in MySql database

Technical Analysis

- Uses ReCAPTURE as added security measure
- Password strength bar – encourages customers to enter a 'complex' password



The image shows two side-by-side password creation forms. The left form is titled 'Password' and includes the instruction 'Your password must be 6-16 characters. (?)'. It features a password input field with 8 dots, a 'Password Strength' indicator showing a red bar and the word 'weak', and an 'Enter again:' field. The right form is also titled 'Password' with the same instruction. It has a password input field with 8 dots, a 'Password Strength' indicator showing a green bar and the word 'strong', and an 'Enter again:' field. An arrow points from the 'weak' indicator to the 'strong' indicator.

Password
Your password must be 6-16 characters. (?)
Enter a password:
Password Strength: weak
Enter again:

Password
Your password must be 6-16 characters. (?)
Enter a password:
Password Strength: strong
Enter again:

Please enter this code.



The image shows a ReCAPTCHA interface. At the top, there are two distorted words: 'Soybean' and 'Real'. Below them is a text input field with the prompt 'Type the two words:'. To the right of the input field are three icons: a refresh button, a volume icon, and a help icon. The ReCAPTCHA logo is also present, with the text 'stop spam. read books.' below it.

Soybean Real
Type the two words:
reCAPTCHA™ stop spam. read books.

ReCAPTURE

Technical Analysis

► Land Auctions

- uses eBay sponsored technology - enables customers to search for specific patches of land & monitor the progress of current and live bids.
- Without payment -member's account becomes inactive

► Card verification: enter 3 digits on magnetic strip & confirm card holder address

Design

- ▶ **Clean appearance** - white coloured background
- ▶ **Ease of use** - adequate descriptions and photographs
 - broken down into manageable & comprehensible sections
- ▶ **Graphics**
 - aid customer's perception of SL - displays examples of the 'virtual world'

WHAT IS SECOND LIFE? [SHOW](#)



Design



► Navigation System

- “Consistent placement of interface elements can help users learn to recognise them, allowing maximum benefit from experience using the site” (Badre 2002 cited in Oppenheim and Ward, 2006)
- SL has simple categorised menu at top & detailed and sub divided menu towards the bottom

http://secondlife.com/

Web-To-Page Print Print Preview

SECOND LIFE Your World. Your Imagination.

WHAT IS SECOND LIFE? SHOWCASE COMMUNITY BLOG SUPPORT

Search Second Life

Sign Up Now
Membership is FREE

[System Requirements](#)

BUY L\$
SELL L\$

GET VIRTUAL LAND

Hot Spots

- Find your friends online
- Search for events
- Listen to new music
- Shop the latest fashions
- See Second Life videos

TEEN SECOND



Second Life is a 3D online digital world imagined and created by its residents

Online Now: 48,694 US\$ Spent Last 24h: 0

SECOND LIFE GRID

A resource offering tools and support for 3D content creation in these areas:

- Business
- Development
- Education & Nonprofit
- Open Source

Second Life: Special Offers

Need real life gear for your Second Life? Pick up your Official Guide to

Style

Customize your own look. Find cool clothes and accessories for your

Land Auctions

Bid on land for your own dream house, business, or island!

Land allows you to build, display and store your virtual creations. Land also enables you to host your own events! Bidding is safe and

<http://secondlife.com/>

Design Strengths & Weaknesses

► Strengths

- Colours and fonts
- Navigation system
- For new members the 'Join Now' text is prominent
- The site is very visual
- 'support' section is clearly visible at the top



Design Strengths & Weaknesses

► Weaknesses

- 'contact' details are not immediately visible, the customer has to scroll
- The images although very attractive, are rather large and dominate the site

STATISTICA: CUSTOMER SATISFACTION SURVEY

Statistica Survey

- ▶ Used to assess the quality perceived by SL's customers
- ▶ Areas of focus:
 - Website usability
 - Information content
 - Product / service pricing
 - Security
 - Transactions
 - Customer service
 - Customer support

Statistica Results

- ▶ 54 respondents
- ▶ Overall CORE satisfaction level **0.867**
- ▶ Indicates SL's service to date is strong and one that is likely to encourage users to return
- ▶ Areas of improvement:
 - website responsiveness, transaction security and the customer service

Competitive Analysis Checklist

| | High | Medium | Low |
|-------------------------|------------------------|---|---|
| Competitive Rivalry | | Unusual but advantageous | |
| Power of Customers | are the business value | | |
| Power of Suppliers | | | Components, storage and delivery done in house |
| Ease of entry to market | | Need to have experience / knowledge using the equipment | |
| Threat of Substitutes | | | Not many alternatives with the same functionalities |

Conclusion

- ▶ SL's success has heavily relied upon its innovation coupled with the ease and usability of its online store
- ▶ Innovation is also a key strength
- ▶ Improvements: improving the efficiency of the online store & revise the customer service
- ▶ Fulfilled mission statement??

QUESTIONS?