

Virtual World, Real Money

A \$2.5 million-funded virtual world launches, but will it stick?

September 29, 2006

More than just a virtual world, a new Montreal-based online community venture is *the* virtual world. Launched Tuesday, co-founder Rocky Mirza's "Weblo" is a virtual epicenter for commerce, centered on a digital recreation of the everyday world.

In short, Weblo users can spend real-life money to buy just about anything: your hometown, your state, a recreation of an actual domain name (i.e., Weblo's [Google.com](#), or [MySpace.com](#)), a celebrity likeness. The sky's practically the limit, just as long as it isn't trademarked—according to Mr. Mirza; if Google wants its Weblo domain name back, it gets first dibs.

Don't expect your virtual investment to come cheaply, unless you're buying Unknownsville, USA. "All the prices in Weblo [...] are dynamically generated," Mr. Mirza said. "They're based on country population, city population, the Internet usage rate within the country, and other factors, like how many members are joining Weblo from that state and so forth."

But suppose you're the new proud owner of Ohio. What that gets you, exactly, defines Weblo's business model: just as the company pulls in advertising and subscription revenue from its users, you, the proud owner of the Buckeye State, will pull in a slice of profit from the activities of any users within the region. So when Joe Smith starts profiting from his advertising by owning Columbus, part of the money goes to you too.

And when you get sick of running Ohio, you can sell the state to another bidder, and the real-life dollars and cents go straight into your pocket.

Great Potential

Former MySpace chairman Richard Rosenblatt said he sees great potential in this self-described convergence of social networking, [eBay](#), and commerce. "I think this is much more of a casual gaming demographic who wants to get involved in something that's fun," Mr. Rosenblatt said. "You're seeing the web and web entertainment replace television in many ways."

According to Mr. Mirza, Weblo's been enjoying a wealth of traffic since its launch, with participants running about in a virtual land rush. But will the general marketplace bite? The premise isn't entirely out of left field, as virtual worlds like Second Life and Project Entropia have shown that users are willing to cough up real dollars for virtual content—like in the case of the latter, where an in-game space station sold for \$100,000.

Even though Weblo isn't a game or a graphical virtual world per se, the site's pulling in over \$90 per minute, says Mr. Mirza.

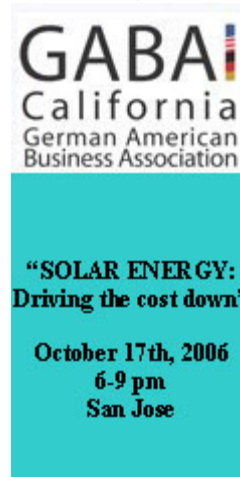
"Weblo's like Monopoly on steroids without the board and real money," he added.

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-Rocky Mirza, Weblo

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