Vator Box: Dads and virtual worlds (Dadlabs, Weblo)

by **Bambi Francisco** submitted May 26, 2008

What about <u>Weblo</u>, a site where a metaphysical economy is emerging? Will it end up being like Wallop, a company that enabled commerce from the onset, but eventually redirected itself by building a social network? In this Vator Box, we – yours truly, <u>Ezra</u> <u>Roizen</u>, and <u>Scott Banister</u> – give our take on vertical programming and virtual worlds. As a former VP of Ideas for IdeaLab and the person who thought of the out-of-the-box business model we now know as pay-for-placement in search results, Scott had some interesting advice for both companies.

Let's start with <u>DadLabs</u>, a producer of weekly shows on fatherhood. Its candid fiveminute segments focus on tidbits on how to raise children. Presumably, these shows are designed to attract a male audience. We all agreed that the challenge for DadLabs - if it was looking to build a venture-returned business - is getting a significant number of males to be interested in educational pieces about parenting. The sites and channels that attract men typically focus on finance, sports, lifestyle and girls. Just take a look at Heavy.com, Spike.tv, and <u>Zivity</u> – a new photo-sharing site targeted at mostly males. Zivity was founded by Scott and his wife Cyan.

Nonetheless, some good ideas came out in our Vator Box discussion. For instance, Scott suggested that maybe DadLabs could create content for Johnson & Johnson to showcase on the J&J site, or any other platform that it uses to market its products and brand. I suggested creating content for particular sites, such as ExpertVillage, a highly-trafficked venue that hosts how-to videos. In DadLabs' case, it could produce how-to videos on how to best organize a room to make it fun for children, or how to create an environment that enables Dads to work from home and occupy the kids with productive activites.

Ezra, who is a father of three boys, suggested video topics on the best places to take children that would be enriching. Indeed, if you're a parent, a show on how to entertain children is definitely worth watching. He also makes other suggestions, such as product placements and a model by which DadLabs could share in products sold.

We draw some conclusions that I can't give away. You'll have to watch.

Metaphysical economies

We then turned our sites to Weblo, a company that appears to be making a killing selling virtual goods, based on real-life assets – like cities, monuments and even people. On Weblo, people can buy and sell land, or take government positions and be paid for each person who becomes a citizen. Members can even trade movie stars. And, members can make real money trading these assets. The smart move that Weblo made was to establish

a "synthetic limitation" to create value in the assets traded, Ezra pointed out. For instance, there can only be one Eiffel Tower sold, or one California to be the governor of. On virtual worlds, assets are almost worthless if they can be created with no real value assigned to them. Weblo's assets, therefore, do have value.

But importantly, they're only as valuable as the community. And, there are many other virtual communities out there already.

Weblo is one of the many companies enabling metaphysical economies across the Internet, from Second Life, Gaia, There and Cyworld. Powering such virtual worlds can be big business. Back in 2006, Cyworld, the Korean social network that lets members use acorns to buy virtual goods, saw \$300,000 of goods traded on its platform per day, I was told by <u>Henry Chon</u>, who was the CEO of Cyworld's U.S. division.

But, again - community is key. The reason that people buy on Cyworld is because they're committed to that community, Scott pointed out.

Scott suggested that Weblo build a game as the basis for the community and use the trading of goods as an asset on top of that community. The three of us agreed that the trading on Weblo will depend on the community established there first. Weblo has to make its platform a reality to its members and establish a reason for members to buy into that reality.

As always, I can't give away our entire discussion. You'll have to watch for more insights Ezra and Scott share. We also welcome comments or rebuttals to our analysis of DadLabs and Weblo. Remember, we're not experts. We're just hoping to start a dialogue.

And, if you'd like to be discussed on Vator Box, or if you'd like to nominate a company to be discussed, just leave a comment.