

State of Virtual Worlds Standards in Q3-2010 (SOS)

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As a fast introduction to the topic of “standards for virtual worlds,” imagine you are a shirt designer, and then consider these four questions:

1. Can I really make money by selling virtual shirts to my friends?
2. When can I make money by selling virtual shirts to my friends?
3. What needs to occur before I can make money from selling shirts?
4. What specific standards do we need to allow me to make money from selling shirts?

The first question is about the **nature of virtual worlds**. It is a general question asked by many as they first hear about virtual worlds. The idea of making real money from selling virtual items is daunting—almost scary. Yet, this idea of virtual goods is usually a low hurdle. Examples like virtual music (you buy a virtual song in iTunes), virtual movies (you rent a movie from Netflix), and paying a subscription for games (like World of Warcraft), really make the idea of virtual shirts very concrete as goods that are digital in nature and are not tangible. In fact, we are surrounded by virtual goods in the form of services or digital products. What’s more, many of the real products that we make, or get, include virtual components (consider mobile phone where the cost of the physical telephone is relatively low compared to the cost of the services we get). And this is only the beginning; the potential for virtual worlds in health, entertainment, learning, and many other fields is immense.

The second question is about **timing**. Once you appreciate the potential of virtual worlds and the potential benefits in a variety of fields, it is natural to ponder when this potential will become reality. This is an important question for people who want to use virtual worlds for real results (that is beyond test, experimentation, pilot, proof of concept, etc.) The adoption of full virtual worlds such as Second Life is a good example. I estimate that by mid-2009 we have about one million users visiting Second Life at least once a month. Many of them (I estimate 200,000) will probably spend about a few hours a week. However, compared with web based experiences like Twitter, Facebook, or LinkedIn these are small numbers (FaceBook reached 300 million users just recently). Currently, churn is major challenge: many people try virtual worlds, very few stay. People are excited to start, but simply do not stay or continue to gain value from virtual worlds. We are clearly just starting.

The third question is about the **missing components**. If the potential of virtual worlds is big, yet current use is limited, what components we need to move forward? What barriers prevent users from using virtual worlds effectively, and what barriers prevent organizations from using virtual worlds? The answer is probably a combination of factors—mostly technological, some social. To expand, we need server power, client power, bandwidth, and easier interfaces. We need users that can overcome the interfaces and move to engage in virtual worlds, as well as organizations, and creators that know how to create virtual worlds engagements for these users.

The fourth question focuses on **one key answer: Standards**. The claim of the fourth question is that standards are a (if not “the”) key for the long term prosperity of virtual worlds. Successful media of the past like the telephone, the television, mobile phones, and of course the internet, are all based on standards. Virtual worlds, as a new medium, will also need to be based on common standards.

In this short talk, I will review the state of standards based on the work conducted in the metaverse1.org project.