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Consuming Code:

Use-Value, Exchange-Value, and the Role of Virtual Goods in Second Life

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Abstract

In recent years, there has been significant growth in consumption of commodities in virtual social worlds, such as Second Life, and in the economies that arise from this practice. While these economic systems have been acknowledged and studied, there remains relatively little understanding of the reasons why individuals choose to purchase such goods, despite the fact that reasons for consumption are strong enough to drive a virtual goods industry with annual profits in the millions of dollars. Virtual goods, the author argues, meet no immediate needs for avatars or individuals and, as such, are purchased based exclusively on their exchange- and symbolic-values. Due to the graphical nature of Second Life and the consequent visibility of commodities within the environment, these reasons for purchasing virtual goods are explored in terms of their roles for users, and especially in terms of their potential for expressing wealth, power, status, individuality, and belonging. As such, this paper considers the roles of consumption in a way that relies on and further illuminates theories of consumption and value with respect to virtual environments and commodities.

Keywords: consumption; Second Life; use-value; exchange-value; symbolic-value.

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Consuming Code: *Use-Value, Exchange-Value, and the Role of Virtual Goods in Second Life*

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Every day, thousands of people spend millions of dollars on goods that exist only within a virtual environment and the computer servers on which they are housed. This world is the online social world known as Second Life, and these people are many of its millions of residents. With regards to Second Life, there is no question that virtual goods are being purchased, but there are questions as to why they are being consumed. Within this virtual commodity system goods are not needed or used in a conventional way. Although they could be coded otherwise, avatars within Second Life are not programmed to have any requirements for their survival—they do not get cold, hungry, or thirsty, and therefore have no immediate need for goods that will slake these conditions. As such, the immaterial goods within this world have no capacity to fulfill physical needs for either the user or their virtual representation. However, despite these limitations millions of dollars are still being spent on the purchase of virtual goods (Dibbell, 2006).

Modern theories of consumption suggest that use-value, or the ability of a good to fulfill a need, has been overridden by exchange-value (Jhally, 1987) as well as sign- and symbolic-value (Baudrillard, 2000). Since they lack any use-value in terms of physical needs, but still appear to be compelling commodities, an examination of virtual goods highlights and further develops ongoing claims that conventional use-value is no longer a characteristic that must be present for goods to be consumed. By considering the meanings of virtual goods for their users, it is possible to elaborate on current understandings of consumption in virtual worlds beyond the purely economic elements of such environments. An analysis of virtual goods within Second Life reveals that despite the fact that they fulfill no material needs for participants or avatars, the role of virtual commodities as symbols of status, individuality, and belonging are significant enough to subsume use-value promote consumption as seen in a substantial number of sales transactions and significant economic activity.

Consumption in Second Life

In recent years, there has been increasing development of graphically rendered online social environments. These social worlds provide an environment where individuals can create an avatar as a visual representation of themselves and, using this virtual body, interact with the world and other individuals in a variety of different ways. Created by Linden Lab, Second Life is one virtual world that focuses on social interaction while also offering a variety of different forms of entertainment, including socializing, playing, and shopping. As with many other such worlds, Second Life is graphical, and provides users with a visible world and a body through which to experience and interact within it. The environment was made public in October of 2003, and as of August 17, 2008 housed 14,760,237 “residents” (Linden Lab, 2003-2008b). Currently, Second Life offers a highly developed online community and market as a result of the five years that it has had to develop and build not only a solid base of residents, but also of commerce.

Despite their focus on social interaction, virtual social worlds tend to involve consumption as an element of the world's environment. Where once online spaces, and especially those involved in socializing, were largely free of such practices, consumption is rapidly moving into online worlds through the presence of virtual goods (Poster, 2004). On the "What is Second Life?" webpage, three main features of the environment are presented to potential users: community, creativity, and commerce (Linden Lab, 2003-2008b). While it is listed on its own, both community and creativity also feed into and further commerce. In terms of virtual goods, creativity is required in their development, while community is required their consumption. As a result, the two remaining features in Second Life can also be associated with virtual consumerism.

As in the offline world, virtual worlds are populated with a wide variety of goods that are available to outfit the avatar in their virtual life. Virtual goods are especially prevalent in graphical worlds, since in these environments goods can be visually rendered onscreen and therefore become visible to both the immediate user and any other users who happen to be present within the environment (Bartle, 2003). As a result, there is no dearth of goods to be bought and sold within the world, and commodities for sale include clothes, electronics, property, houses, furniture, vehicles, and almost anything else that a developer can imagine and for which they can create the computer code.



Fig. 1: The variety of goods available at the Palamos Island Shopping Mall includes shoes, art, fish, clothing for men and women, jewelry, avatar animations, games, and music.

Prices for these goods differ based on a number of factors, including rarity, custom work, time and effort required to create the item, and the whims of the developer, but ultimately all

virtual goods are graphically rendered code. In many cases, these goods are developed by users who have the technical skill to create not only the commodities themselves, but ways of customizing, animating, and making functional their goods, especially those that are intended to be interactive or animated in nature. These goods should not only be rendered visually, but they must also function within the world—clothes must cover the bodies of those who buy them, and vehicles must respond to steering and braking commands—which requires a certain level of knowledge and skill to make the functional and attractive enough for purchase (Bartle, 2003).

While not everyone has the skills to generate a full income, by selling their goods users accumulate in-world currency, known as the Linden dollar (LD), that they can use to purchase commodities. Conversely, they also have the option to “cash out” and exchange their Lindens for offline currencies, such as the US dollar. Conversely, these links between offline and online currency also allow for Linden dollars to be purchased with other currencies. Therefore, while currency can be earned in-world by creating and selling goods, or by purchasing a membership with an allowance, Linden dollars (LD) may also be easily obtained through a standard currency exchange between online and offline economies. The Linden dollar is valued at approximately \$240 LD to \$1 USD and rises and falls with the market for virtual goods (Walsh, 2006). No matter how users acquire their money, though, with cash in (virtual) hand they are able to begin to purchase virtual goods with which to outfit their virtual lives.

To date, a significant amount of work has been generated on the economic implications of consumption in virtual worlds. Edward Castronova has produced extensive examinations of the costs of virtual goods (2001, 2002, 2003), how money circulates through virtual and real markets (2001, 2002, 2005), and the role of the avatar within these systems and in virtual worlds in general (2003, 2005). For Castronova, “Virtual worlds may be the future of ecommerce, and perhaps of the internet itself” (2001: 3), suggesting that worlds like Second Life may be heralds of larger economic systems yet to come. Within this analysis, desire for virtual goods is shown through the fact that individuals actively seek and are willing to work for and even spend offline money on virtual goods. Similarly, F. Gregory Lastowka and Daniel Hunter claim that virtual goods are subject not only to conventional forms of supply and demand, but also to unconventional sales tactics, such as migration to online auction sites (2007). These tactics, which require extra time, effort, and money to purchase commodities also indicate increased desire for such goods. As such, there is little doubt that there is desire furthering the sale of virtual goods.

Although the desire to consume virtual goods is frequently acknowledged as a driving force of this economy, in many cases the factors underlying and driving this consumption are largely absent from analyses of virtual capital. There are multiple signs pointing to a rising desire for virtual goods, but in order to understand this desire in more than general terms, it is necessary to interrogate reasons for virtual consumerism in more specific terms.

Use-Value and Exchange-Value: The Debate

Despite customary readings of use-value and exchange-value through the lenses of materiality and abstraction (Marx, 2000), these terms have been contested and debated in ways that are further illuminated by the consumption of virtual goods. Recent debates surrounding consumption have primarily centered on the links between use-value and exchange-value, and especially on the ways in which exchange-value is implicated in use-value. Traditional readings of the work of Karl Marx consider use-value to be distinct from exchange-value. In this context, use-value is a material reality inherent in a physical object while, in contrast, exchange-value is a socially assigned system of value determining an object's worth in relation to other goods, and not by virtue of any inherent characteristics within the object itself (Marx, 2000: 10).

However, this divide between use-value and exchange-value has not gone unproblematized. For many theorists there are faults in Marx's argument, especially in his failure to acknowledge that the symbolic elements of exchange-value can affect use-value (Baudrillard, 2000; Jhally, 1987). Here, as suggested by Sut Jhally, the notion that exchange-value can supplant use-value is especially relevant. Virtual goods offer an exemplary case of this subsumption because they lack use-value and yet continue to be bought and sold at a rapid rate. In July of 2008, Second Life users made 19,937,851 user-to-user transactions (Linden Lab, 2008a) and collectively spent close to \$84 million USD in one quarter (*Ibid*, 2008b). Despite their inability to meet any material needs, trade in these goods is reaching millions of dollars per month. As a result, exchange-value has subsumed a use-value that never was, not only because virtual goods are incapable of meeting physical needs, but also because virtual bodies in Second Life *are* not programmed to have them.

In Marx's account of the valuation of goods, use-value is positioned as the ability of a good to fulfill a material but not necessarily a social need (2000). Although Marx does not explicitly make clear that use-value is purely practical and not linked to social needs, it is this perspective that is generally taken up by later theorists dealing with consumption (Baudrillard, 2000; Debord, 1994). This is not to say, however, that commodities do not have a use beyond their application to material needs. While use-value is commonly associated with physical needs, such as shelter and food, through their symbolic application commodities can meet less immediately material but equally important needs such as belonging and individuality.

Given that these needs exist even in the absence of use-value, exchange-value may also be determined in the context of sign- and symbolic-value, or the social values that are given to commodities (Baudrillard, 2000). For Baudrillard, "that which precisely the commodity was for Marx—is no longer today properly either commodity or sign, but indissolubly both" (1981, p. 148). Here, the symbolic-value of an object comes into play and works to value commodities within their social context. This movement towards the value of the symbolic can be seen in Second Life, where exchange-values associated with virtual goods can be read as a product of what they signify for individuals as well as what they represent for the community at large. Given the absence of use-value within Second Life, it is the symbolic role of virtual goods that will be seen to determine the roles of virtual goods within Second Life, their exchange-values and the rates at which they are sold.

The Roles of Virtual Goods

The roles of virtual goods and the drive to purchase them can be tied to recent debates around the ways in which use-value and exchange-value function in a world increasingly based on capitalism, consumption, and consumerism. Since virtual goods do not meet physical needs, but are still purchased in abundance, it stands that there must be forces behind this consumption that are not rooted in use-value. As a result of the lack of use-value inherent in virtual goods, this driving force is linked to exchange-value in multiple ways, including profitability and affordability, social belonging, status, conspicuous consumption, identity and selfhood, individuality, and social lubrication.

Although they are intrinsically linked, the roles of virtual consumption in Second Life can be divided between the focus of the virtual economy and the focus of the virtual consumer. The focus of the virtual economy is to sell goods and, for many residents, to generate profit. Here, producers seek to create goods and position them in such a way that they are attractive enough to residents that they will be purchased. Conversely, the focus of the virtual consumer is to use those goods in a way that augments their virtual life. Consequently, they seek out the goods that are best going to fill their need and desire for items that will allow for the appearance of status and uniqueness within the virtual world. By positioning goods in a way that plays into what consumers wish to gain from their purchases, the virtual economy is able to use only the symbolic and social needs and desires of virtual consumers to sell their products.

Virtual Goods and the Economy

Profitability

In general, the virtual economy is concerned with selling its goods to generate profits. Since users are able to exchange their Linden dollars for offline currencies, profitability can be a significant goal for producers. This opportunity to make money is positioned as an attractive feature of the world, and Second Life assures its residents that, “Thousands of residents are making part or all of their real life income from their Second Life Businesses” (2008). Making a profit can be difficult. Since there is an abundance of virtual goods within Second Life, developers must balance the cost of their goods with what people are willing to pay. However, generating income is not impossible, and a number of Second Life users are able create goods that are attractive enough to other users that they can live off the proceeds of their sales (Bridge, 2007; Craig, 2006).

The creation of virtual goods in order to generate profits can be a complicated endeavour, especially in an environment that boasts thousands of items for sale and where no commodity will meet a pressing physical need. Given the availability of an extensive selection of well-designed items in Second Life, basic goods do not tend to sell as well as those created by people with more advanced skill sets and design abilities (Lavalee, 2006). Those able to make money from their virtual creations are generally seen to exhibit exceptional devotion to their work in addition to creativity, coding, business, and design skills (Bridge, 2006). Anyone can learn to code virtual goods, and many thousands of commodities are available for purchase in-world, as well as through online auction sites and personal web pages.

As a result of these conditions, producers must find ways to appeal to potential customers. This appeal is especially important given that they are competing for individuals who have a wealth of both offline and virtual goods on which to potentially spend their money. Therefore, those individuals who create and produce virtual goods must do so in a way that makes them especially appealing to other individuals. Producers seem to create appeal in their virtual goods in two main ways. First, appeal can be created by the fact that virtual goods – even those goods that are high in quality, status, or other positive attributes – tend to be vastly cheaper than their offline counterparts. Second, and the strategy that is most directly linked to virtual consumers, is that producers can create a sense of status and belonging for the consumer that arises from the purchase and possession of virtual goods. These elements, combined with the desire to generate profits, define the focus of the virtual economy.

Affordability

In addition to the Linden to dollars exchange rate, an analysis of Second Life commodities reveals that virtual goods are much less costly than their offline equivalents. An in-world Hummer sells for \$500 LD, an amount that is far more affordable than the offline version on which it is modeled. A live-aboard yacht sells for \$2,600 LD or \$9.97 USD, a significantly lower price than even an offline rowboat, and a pitbull dog can be had for \$1,800 LD, or \$6.87 USD. Furthermore, none of these goods have any associated fees or costs that will arise in the future. In Second Life, vehicles do not need maintenance, upgrades, or gas and dogs do not require food, veterinarian visits, or toys. While the initial outlay of money for these commodities is more affordable than it would be offline, virtual goods are also cheaper because most do not necessitate spending after their initial purchase.

This affordability is a trait of most virtual goods, not just those within Second Life. Dibbell's account of consumption in *Ultima Online* offers the information that Dugger's house cost him \$750 USD which, while not an insignificant amount at more than a single week's wages (Dibbell, 2003, 2006), is a small fraction of the cost of buying an offline house. While the online house does not fill a need for shelter, it is a relatively affordable purchase within the virtual world. More importantly, it is a worthwhile purchase for Dugger, who sees the house as a way of better establishing himself within the environment (*Ibid*).

Juliet Schor writes that Americans are driving themselves into serious debt as they purchase (offline) status in an attempt to appear more affluent. In contrast, there are few, if any, accounts of individuals who have gone into debt purchasing virtual goods. This is not to say that people are not going into debt or overworking themselves in order to be able to afford virtual commodities. However, when money is tight for some individuals, online virtual world accounts are one of the first things sold to generate money (Dibbell, 2003, 2006). Given the possibilities for gaining status in the virtual world, these considerations suggest that despite the fact the people are making frequent purchases, virtual commodities remain more affordable than their offline counterparts and are therefore even more attractive to users than they otherwise might be.

Social Belonging

In order to sell their wares and sustain the virtual economy, producers of virtual goods have an abiding interest in imbuing their virtual goods with meanings that make them attractive to consumers. Jhally writes that, "given the central role of objects in the constitution of human

societies, human culture and human meaning, one can provide an answer as to where the power of advertising comes from: it derives not from the ingenuity of advertisers but from the need for meaning” (1987, p. 197). Jhally’s point regarding the “need for meaning” is well taken in this context. There is no inherent material use-value in virtual goods, both by virtue of their immateriality and the fact that they are simply not necessary for the basic requirements of offline or virtual life. Again, they do not feed us, keep us warm, shelter us, or offer any tangible benefits that fulfill basic physical needs. They do, however, sell at an impressive rate for reasons that have, as Jhally asserts, everything to do with meaning, and especially meaning that producers are able to position in terms of status, belonging, and individuality.

This sentiment is echoed in the work of Schor, who argues that the purchase of goods is rooted in the meanings and social status that they offer. For Schor, increasing consumption is driven by a desire to enjoy the benefits associated with a higher status group by purchasing the trappings and appearance of such a lifestyle. By engaging in consumption and allowing other people to see these goods, consumers are able to appear as though they belong in a particular status group within society even when their income would indicate otherwise. Therefore, through purchasing virtual goods, individuals can increase their apparent status within the virtual world. At the same time, those who produce virtual goods can use their ability to offer status as means to position their goods attractively within the economic system.

This focus on status also arises in the Second Life economy in the pricing and discourse of selling virtual goods. For virtual objects, as with their offline equivalents, “the value character of the products of labour become firmly established only when they act as magnitudes of value” (Marx, 2000, p. 13). These goods are still the product of labour, for it takes time and effort to develop and code even the simplest of virtual goods. Here, different objects require different amounts of time and effort to design and code (Lavalee, 2006). However, these differences can affect the price of a commodity and their success within the economy, with those requiring more time and effort being more expensive but also more desirable.

These differences in prices are important since virtual goods are computer code and, beyond labour, offer no intrinsic reason for variable prices. Despite the fact that virtual goods are all constructed of code, there is a tendency for producers to value goods differently within the economy depending on what is being represented. For example, while clothing is common to most avatars, art requires a place for display and is therefore more likely to be a status item and less likely to be widespread within Second Life. Consequently, one dress for sale in the Plaza Mall costs \$150 LD while directly across the aisle a painting sells for \$800 LD. As such, the pricing structure in Second Life can be seen to be as much of a product of exchange- and symbolic-value as any offline commodity.

This desire for status and social belonging is not lost on developers and appears frequently in the discourse around the sale of virtual goods. To denote higher status goods, sellers frequently advertise items in a way that makes them sound special or rare in a bid to attract buyers. One designer selling a piece of art writes, “only 50 of these will be released, this is your chance to own something unique” (SLExchange, 2006c). In turn, the creator of a pre-fab rainforest home writes, “This is a truly one-of-a-kind structure” (*Ibid*, 2006), which could be outfitted with “The Candarian Dweller”, a “unique 7 person sitting room custom” (Maelstrom, 2006, May 13). This advertising discourse—involving terms such as “unique,” “one-of-a-kind,” “exclusive,” and “rare”—appeals to the desire for status through individuality (Mueller, 1986).

By positioning commodities in terms of the status and prestige they convey, developers are able to sell their goods to residents despite the absence of use-value by playing off social and symbolic needs and desires.

Aura and Limited Editions

Status associated with rarity can be traced to Walter Benjamin's notions of the aura of an original piece of work (1968). Aura is the sense of uniqueness based on authority granted through history and presence that emanates from an original work of art. This aura is lost when the work is disseminated through reproduction. Benjamin asserts that, "For the first time in world history mechanical reproduction emancipates the work of art from its parasitical dependence on ritual" (*Ibid*, p. 96), suggesting that there is value to be found in the process of reproduction, despite the loss of the aura. However, it remains that the original piece of work is subject to a loss of its sense of history, presence, and uniqueness when it is rapidly reproduced and disseminated. This loss becomes an issue since, in a world with millions of participants and virtual goods, status can be conveyed through that which is rare, expensive, historical, and possessing an aura.

As with the art world, high-status virtual goods can be protected by ensuring that they are singular, or at least not widely distributed or reproduced. In order to protect its authority from reproduction, Buskirk claims that art "requires a fully elaborated external structure of support, which includes...the adherence to external conventions that limit and control the reproduction of otherwise inherently reproducible works" (2005, p. 4), especially around the convention of the limited edition. Similarly, by only releasing single units or limited edition runs of a particular item, developers have tried to ensure that their goods retain their status and value in Second Life.

However, the protection offered to virtual goods through the use of limited editions has not gone unchallenged. Conflict within Second Life over the program CopyBot—a tool designed to backup in-world content that is capable of copying and reproducing the code for any item—have highlighted this importance of individuality, rarity, and status associated with commodities by threatening these qualities. Protests against the use of this software came largely from developers of virtual goods, who feared that the ability to replicate any commodity would allow them to be undersold and render their profit margins non-existent. By dealing with the issue quickly and declaring the use of CopyBot in violation of the Terms of Service, Linden Lab reaffirmed the value of virtual goods.

Given this response, it appears that the development and availability of such tools may also have implications for the meanings associated with virtual goods. Since CopyBot can recreate any item, it could also affect the loss of the individuality, rarity, and status associated with in-world commodities that were for sale or had already been purchased. To manage this threat, one resident suggests, "I'd also put up a store in Second Life and sell signed and numbered digital copies of the player so copybot wouldn't be an issue" (Nathan, 2006). By acknowledging the need to reaffirm the authenticity of the work through the virtual equivalent of numbered editions of art, the threat to its aura is simultaneously addressed. When any commodity can be copied, including rare or custom-made items, the potential for losing the aura of individuality and status is very real, and is therefore a threat to those who create and sell virtual goods.

Virtual Goods and the Consumer

Status and Conspicuous Consumption

Despite their importance to the Second Life economy, the role of virtual goods as a driving force in the economy also relies on consumers' desire for commodities. While the creation and purchase of virtual goods is common within Second Life, there would be no sale of virtual goods – and quite likely less development of the same – without individuals who desire to purchase those commodities. Since virtual goods do not fulfill physical needs, sellers and buyers must have a means of determining an appropriate exchange-value for commodities, while buyers must also have reasons for purchasing goods. In the absence of use-value, the sale of virtual goods in Second Life depends on symbolic-value to drive their purchase by consumers.

Since many virtual goods are graphically rendered, and therefore visible to other users, they can convey status through their display. Due to the visibility of virtual goods in Second Life, in-world status can be linked to theories of conspicuous consumption. Thorstein Veblen writes, “the basis on which good repute in any highly organized industrial community ultimately rests is pecuniary strength; and the means of showing pecuniary strength, and so of gaining or retaining a good name, are leisure and a conspicuous consumption of goods” (2000, p. 39). By making consumption visual, users and developers are working within a world in which status can be expressed and recognized through commodities, which leads to conspicuous consumption.

The tendency towards conspicuous consumption is seen in the drive to acquire noticeably high-status virtual goods. This drive is not exclusive to Second Life, and has been documented in other online environments. In writing about a player named Troy Stolle from *Ultima Online*, another virtual world, Dibbell describes not only the process of buying a house—a rare, expensive, and high-status good in and of itself—but also what the player does with that property. Once the dwelling has been purchased, “The first floor, once the austere workshop of a hardcore craftsman, has become a bright, busy public gallery for Stolle's collection of rares and semi- rares” (Dibbell, 2003). As with Second Life, other users are free to come and go within the space, and presumably take an admiring look at the display.

Key words in Dibbell's account of what he terms “The Unreal Estate Boom” are “public gallery” and “rares and semi- rares” (*Ibid*). The purpose of this space is to show off Stolle's uncommon goods as a sign of his status within the *Ultima Online* community. Stolle's goods suggest status on their own. Both the dwelling and the goods that it contains are rare, and therefore signal difficulty or expense in their acquisition. However, by making this space public, Stolle is engaging conspicuous consumption in an overt way. Not only does he possess a house—a very visible sign of status, given that it leaves a mark on the very landscape of the virtual world—but he wishes to display his other virtual goods in a way that makes them visible to others. It is not enough that he owns them. His consumption must be made conspicuous to reveal the status associated with his goods in a similar manner to that seen in Second Life.

Similarly, consumption is conspicuous in Second Life in multiple ways. First, even the smallest of purchases of clothing or jewelry can be seen on the avatar, since it is graphically rendered. Second, users can more easily see significant purchases, such as cars and boats, because they are larger than the avatar, and therefore more immediately visible. Third, people tend to be inclined to show off their goods, and private dwellings are frequently made public to

all Second Life residents so that others can see both the dwelling and the goods that it houses. All three forms of consumption allow almost any commodity that can be purchased within the world to be put on display for others to see.

While these first two expressions of conspicuous consumption are readily apparent in offline life (Schor, 1999), the third one is somewhat unusual. It is rare that individuals open their offline homes to anyone who wishes to enter, and yet virtual homes are frequently accessible to other users, if not the entire environment's population. Within the virtual world there is no dirty virtual laundry lying on the floor, or virtual medicine chests with embarrassing contents for visitors to peek into. As a result, privacy is not as much of an issue as it would be offline. Therefore, it is easier for users to open up their virtual abodes to show off their goods without worrying about many of the small details that could keep an offline home off limits to other people.



Fig. 2: A prominent and publicly accessible house at WaterMoon Breeze in Second Life.

More importantly, those dwellings that are open to the public tend to be set up nicely with furniture, art, electronics, and a significant amount of space for users to move around in. In some cases users are so proud of their spaces that they post virtual web sites specifically dedicated to this kind of display (Samiam, 2005). By and large, virtual homes can be kept open to the public more easily than offline dwellings because there is less upkeep, there are fewer concerns about privacy, and theft is unlikely, if not impossible. However, there is also a very real sense of display that goes into the construction of the space and the decision to open it up to the public, either in-world or on the web. Given this tendency towards display, consumption within Second Life can be read as conspicuous in its attempts to make purchases visible within the world.

Identity and Selfhood

In addition to conspicuous consumption, the graphical nature of virtual goods also lends itself more specifically to augmenting personal appearance and in-world identity through consumption. Despite the importance of rare, custom, and high-status goods within the Second Life economy, it is also important to consider other ways through which residents can use the wide variety of more widespread goods to seek status and establish their identity and place within the world. A more common and, in many cases more affordable way to mark identity and generate status is through developing the avatar's appearance using the thousands of items that are readily available for purchase. In virtual worlds, many people simply want to create an avatar that looks distinctive and is representative of who they wish to be (Castronova, 2005). The easiest way to accomplish this task is through the purchase of smaller but no less significant virtual goods.

Erving Goffman's theories of identity speak to the idea that appearance is a critical way of providing personal information to other people, and that props are a means by which we can convey personal information to others about who we are and want to be (1973). Graphical virtual goods associated with the avatar can be seen and appreciated by other players both for their aesthetics and for the fact that their owner has chosen them (Castronova, 2004). Consequently, by obtaining and displaying virtual goods, residents are able to customize the appearance of their avatars, performing their virtual self to others in particular ways. Although these goods can be relatively small, they can also be a sign to other players of how much money, status, time, or effort has been invested in the avatar.

Goffman's ideas of performativity can be also linked to multiple conceptions of the self, including ideal, multiple, and extended selves. Second Life offers its users the opportunity to create a virtual self with which to experience the environment. However, due to the anonymity associated with online interaction, the virtual self can be different from the offline self in terms of how it is constructed and defined as well as how many selves are created. Rather than being limited to one representation of the offline self, online selfhood can be multiple, variable, idealized, and changeable. In the context of these many options, consumption functions as a way to expand on and delineate between different expressions of selfhood within Second Life.

In addition to the possibility of creating only one self within the virtual world, residents are able to create multiple selves through which to interact with the virtual world (Turkle, 1995; Taylor, 2002; Boellstorff, 2008). While it is possible simply create multiple avatars, this process can be augmented through consumption. As Goffman suggests, consuming particular types of virtual goods allows individuals to relatively quickly and easily position themselves in a particular way (1973). Because different items designate different aspects of identity, the consumption of a variety of goods may be used to delineate different identities from each other, especially within the virtual context (Kafai, Fields, and Cook, 2007). Since these items can be and often are made visible to other members of the community, they serve as a visible marker to distinguish between and reinforce the different characteristics of multiple selves.

Within Second Life, consumption can also be linked to the idea of extended selves. The idea of the extended self refers to the way in which individuals' possessions help to define who they are, expanding the sense of self beyond the immediacy of the body and its associated personality and persona (Belk, 1988; Ahuvia, 2005). Rather than focusing on augmenting the

performativity of selfhood for others, the extended self relies more on possessions as a way to define who they are and, in some cases, who they wish to be (*Ibid*). Within Second Life, virtual goods offer ways to extend the self through a wide variety of possessions, from clothes defining a particular group membership to houses that indicate a particular class of property ownership. This extension of the self is especially interesting in terms of virtual goods than can be scripted or coded so that they function in particular ways within the world. While buying a sailboat in offline life may allow individuals to associate themselves with sailing, it does not guarantee the skills necessary to safely take a boat out on open water. In contrast, buying a virtual scripted sailboat in Second Life allows the resident not only the feeling of being a sailor, but the ability to be one as well. As a result of their meanings and capabilities, the associations made with virtual goods can be a powerful way of extending the self within Second Life.

The influence of virtual goods on providing an extended sense of self is perhaps most clearly seen in reactions to the loss of virtual goods. Russel W. Belk asserts that, "If possessions are viewed as part of self, it follows that an unintentional loss of possessions should be regarded as a loss or lessening of self (1988: 142). Within Second Life, it is not uncommon for bugs in the code to delete the inventories of residents, who respond negatively to such losses. On the official Second Life blog, one resident who lost the contents of their inventory writes, "My inventory is back but I'm a shadow of my former self" (Seaton, 2007), alluding to both the literal loss of items that defined her visual appearance and the loss of feelings of self generated by such an experience. Although it is not solely defined by the individual's possessions, the loss of such goods can have a profound effect on a sense of self.

Finally, since individuals are free to construct their Second life avatar as they please, virtual consumption can be further expanded through the development of an ideal version of the self. Research into consumption practices has suggested that purchases can be used as a way for individuals to work towards the development of their ideal self (Landon, 1974). In online worlds, rather than simply purchasing virtual goods to define and distinguish online identity, goods can be purchased so as to create an idealized persona with which to engage with the virtual world. In Dibbell's account of *Ultima Online*, the acquisition of an in-world tower and creation of a public gallery within it helps to create an ideal version of the self for the purchaser (2003, 2006). While the offline user is positioned as rather average, the in-world self is a property-owning, visible, well-outfitted member of the virtual community. By consuming virtual goods that construct the self in a particular way it is possible for individuals to not only create alternate selves online, but also to construct an ideal self through which to interact with the world and other residents within it.

Personal Appearance

Within Second Life, personal appearance can be strongly linked to the construction of virtual selves and identity. By offering visible cues about avatar style and preferences, virtual goods can help to establish a particular identity through the appearance of the avatar. While larger goods, such as dwellings and vehicles, have the advantage of being more easily noticeable, commodities associated with appearance are attractive to users because they are always present with the avatar, and therefore always provide information about status and identity. While a virtual house cannot be taken into an in-world nightclub, a distinctive outfit can. Therefore, it is these smaller, portable goods that come to signify status immediately. In this way, appearance is the mark of status and a designator of identity that is always present with the avatar.

Due largely to this focus on appearance, clothing is the most popular commodity within Second Life. Of the 2,353,390 goods currently available on the Second Life exchange, 79,422 are clothing—a category larger than any other by almost 38,000 items—33,565 are accessories, and 16,998 are otherwise related to avatar appearance. It is also possible to buy upgrades to the avatar body, and designers offer a multitude of eye colors, hairstyles, hair colors, piercings, and facial features that can be used to change the body of the avatar and achieve a desired appearance.



Fig. 3: Some of the many clothing options for sale through Destiny Designs in Second Life.

Another expression of this focus on using goods to develop personal appearance and identity in Second Life is the production and sale of “skins,” or full-body tattoos that cover the original body and can change a variety of the avatar’s features at once. One newspaper reports

that, “a rocked-out, tattoo-covered sex god skin can sell for upwards of \$3000 LD, or about \$15 in U.S. currency. People can't buy them fast enough” (Stafford, 2003). Skins allow users a way not just to customize their appearance through clothing and other goods, but also a means of altering the entire body. In this way, Second Life offers residents a variety of options for customizing their avatar's appearance. The wide range of goods available for customizing the avatar body and the rate at which they sell suggests that appearance and the commodities that can be used to change it are important markers of status within the Second Life environment.



Fig. 4: CMFF – Designer Chip Midnight's Second Life clothing, shoe, and skin store.

The prevalence of clothing and other appearance-related goods in Second Life is also a phenomenon found in other virtual worlds. One analysis of *There.com*, a virtual world similar to Second Life, states that, “as with the real world, much attention is given to personal appearance, and one of the main activities in *There* is designing virtual clothes and selling them through in-game auctions” (Brown and Bell, 2004, April 24-29). It is not possible to definitively suggest that this focus on appearance is an integral part of all virtual social worlds. However, the fact that appearance is such an important element of two virtual worlds does suggest a common focus on goods as a sign of status and as a means of customizing the virtual body. Although the goods associated with an avatar do not fulfill physical needs, they are created, sold, and bought at high rates. As such, it follows that their ability to symbolically fulfill needs and desires for status and a pleasing appearance within the virtual world is driving their popularity.

Uniqueness and Individuality

While the almost unlimited combinations of skins, clothing, and features available in-world are a way to ensure avatar uniqueness, numerous advertisements in the Second Life forums offer custom designs, which can further help users to maintain their individuality. These custom orders can cost significantly more than their conventional counterparts—in one shop, a regular dress is \$100 LD, while a custom dress is \$500—but they ensure that the avatar can be singular in its appearance. Custom work ensures that no other avatar will be wearing a particular dress, tattoo, or skin, and also provides a way of creating an appearance or item that is not only unique, but representative of the user. Out of 6,329 advertisements for goods in Second Life’s “New Product” forum, 351 vendors, or 5.5 per cent of vendors refer to their work as “custom,” while in Second Life *Exchange*, 2,704 advertisements, or 14 per cent claim to offer custom goods. These numbers suggest that despite higher costs, there is enough demand for custom work that it is an important factor behind purchases within Second Life.

Although custom designs are commonly found in clothing and appearance-related goods, similar development can be completed for almost any virtual commodity, providing that there is a willing developer. Custom cars and motorcycles are available to those willing to pay, and a customized castle currently costs \$20,000 LD. However, it remains that these virtual goods still do not fulfill material needs. What they do offer is a fulfillment of desires. Custom goods are closely linked with appearance and status, and offer users a way to establish themselves within the virtual community through the goods that they possess and the things that they suggest about their bearer. Moreover, these goods can be seen as representations of status at a financial level. While custom goods ensure the individuality of the avatar, they are also a visual sign that the user has the means to pay for unique goods rather than simply purchasing items that are available to other residents. By purchasing virtual goods, and especially those that are custom made, users are expressing their status, individuality, and position within the virtual world to others.

Social Lubrication

In addition to their potential to indicate status, virtual goods can also function as a social lubricant to bring people together through common interests and shared activities. Despite the fact that goods in Second Life lack conventional use-value, this does not mean that they are not still useful within the world. In some instances, commodities can bring people together into shared activities out of which social networks and communities develop. Some of the clearest examples of the use of virtual goods as social lubricant surround larger commodities and the events that surround them. For owners of cars and dune buggies, it is not uncommon to have owners come together for a race and enjoy time together socializing. Although individuals do come together of their own accord and form in-world communities, virtual goods can serve as a common bond and a reason to get together with other users.



Fig. 5: The Nantucket Yacht Club – a sailing club with moorings and activities for Second Life residents with sail boats.

To this end, one boat designer and owner writes, “I was thinking of having a race, or series of races, some time in the next couple of weeks. I know nothing about real sailboat races, so it would probably be a simple affair. Everyone would race the same class of boat, though -- i.e., a Flying Tako” (Massiel, 2006, June 22). Membership in a particular group of individuals is signaled by ownership of specific goods—in this case, specific to the point of owning the same class of boat. More importantly, it not only signals membership but allows for participation in activities that are associated with or facilitated by the goods in question. Without owning these goods, membership may not be possible and individuals can be excluded. Conversely, while there is status associated with these goods, they are also wrapped in intangible notions and feelings of belonging that can be employed in their sale. Brown and Bell write, “By choosing to do leisure activities with certain people they become our friends” (2004, p. 353). Although virtual goods may not be necessary, through their purchase they are able to bring people together into communities based on common interests and activities, and can be sold as such.

Conclusions

Despite the necessity of moving away from conceptions of use-value and need fulfillment when considering virtual goods, it cannot be said that there is not a sense of need attached to consumption within Second Life. However, this sense of need is constructed not on conventional notions of physical and material needs and use-values, but on symbolic meanings around individuality, power, status, community, and belonging. Baudrillard asserts that individuals, “in the rupture of symbolic exchange, autonomize themselves and rationalize their desire, their relation to others and to objects, in terms of needs, utility, satisfaction, and use value” (2000, p. 24). Although residents may justify their purchases in terms of their use-value, it remains that they are purchasing goods whose meaning is located in social- and symbolic-value, rather than the capacity to meet physical needs.

Although there remains a lack of use-value in virtual goods, it is important to note that their consumption should not be read as irrational or meaningless. A significant number of individuals who enter into forms of online engagement highly value their interactions (Turkle, 1994, 1995). As Thomas Malaby suggests, even within spaces that are virtual, “People may, in any specific context, imbue them with deep, normatively charged meanings” (2007: 96).

As such, it can be argued that it makes sense for them to focus their efforts in terms of time and money on developing reputation and status within the online world through virtual goods, if this is the environment and community that matters most to them. The roles that these commodities play for individuals is still meaningful, and it is these representations of status, individuality, and belonging that have driven the sale of virtual goods even as they have supplanted use-value.

The continued purchase of millions of dollars worth of virtual goods suggests that their consumption is being driven by a quality apart from that of use-value. An examination of virtual goods reveals that use-value is not a characteristic that is necessary for acquisition, and that exchange- and symbolic-value can be the driving force behind consumption. As a result of their existence as visually rendered code stored on a computer server, none of the virtual goods available for purchase in online worlds can be linked to a tangible expression of use-value. Yet, walking through a virtual world, these goods are everywhere—on avatars, in shops, advertised on the street, and placed in homes and buildings—and despite their ephemeral and immaterial qualities, they affect Second Life users, residents, communities, and interactions in significant ways that continue to justify their purchase.

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