

# Forrester Consulting: Consumer Engagement In Virtual Worlds

## Executive Summary

Virtual worlds have been in the consumer consciousness now for several years; marketers have engaged with consumers either by creating experiences and campaigns within an existing world or by building standalone destination worlds for their brands and products.

Now, as we enter the second phase of virtual world growth — with new worlds, new business models, and new audience interest — it is time for marketers to look seriously at the customer touch opportunities offered by virtual worlds, even if they have been burned in the past. Why? Marketers at global firms who have used virtual worlds for marketing purposes highlighted four key advantages of the channel:

**1. It grants unprecedented depth of engagement with consumers.** Second only to inperson consumer meetings, virtual worlds allow marketers to get up close and personal with individual consumers. Using these interactions to allow for feedback, creative tasks, and just plain fun creates brand and product advocates in the user base who go far beyond in-world influence.

**2. It taps into an audience that is difficult to reach via other channels.** Today's virtual world users are seen as a minority vanguard for future usage, but they are also difficult to reach via other channels. This is especially true of youth groups and deeply creative communities supported by various virtual worlds.

**3. Newer worlds offer better opportunities for cross-channel tracking and more targeted audiences.** Early virtual worlds, while technically groundbreaking and providing the necessary foundation for future worlds, often lacked audience-tracking tools and were open playgrounds without a specific purpose. New, recently launched worlds or those just around the corner will offer better tools for customer tracking and tend to target gamers, youth, conversation, or other specific tasks, rather than just being open. This allows better brand alignment and campaign integration.

**4. Virtual merchandizing resonates with youth — and can be very cost-effective.** Virtual items and other digital assets resonate with Gen Y consumers far more than with older (physical-media-loving) consumers. They appreciate novel, unique items and accept brand involvement in these items and their distribution — provided it has been thought through. Needless to say, the creation, storage, and distribution of virtual items can be very cost-effective compared with traditional merchandise like t-shirts and caps. Yet, there is still work to be done by marketers who want to work with virtual worlds. In particular, a lack of rigor in planning, metrics, and ROI has meant that even successful campaigns don't get the internal recognition they deserve and future funding continues to be a struggle. Building simple ROI models and utilizing tools like Forrester's Social Technographics® ladder, POST methodology, and engagement metrics can turn a virtual world campaign from something you *feel* was successful into a cast-iron win.