

ZAC BROWN BAND

Their 10-Year Road
To Overnight Stardom

Billboard

SEE ZAC
BROWN AT
MUSIC &
ADVERTISING
CONFERENCE
Sept. 15-16,
Chicago



THE NEXT NIKE
15 BRANDS TO
WATCH IN THE
MUSIC SPACE

HAMMER TIME
ROGER FAXON
OVERHAULS STAFF,
STRUCTURE AT EMI

THEY KNOW DRAMA
FANTASIA, MONICA
AND THE ADULT
URBAN DEMO

STU-STU-STUDIO
THE SURPRISING
RETURN OF
PHIL COLLINS

SEPTEMBER 18, 2010
www.billboard.com
www.billboard.biz
US \$6.99 CAN \$8.99 UK £5.50

\$6.99US \$8.99CAN
37>
0 71896 47205 9

Delivering The Goods

Thanks To Merch Sales, Virtual Worlds Can Still Mean Real Money

Two years ago, virtual worlds like Second Life were awfully noisy places.

Acts like Suzanne Vega, Duran Duran and Ben Folds got reams of press for holding virtual-world concerts. The BBC rebroadcast its One Big Weekend music festival in the space. And Sony Music purchased an entire island within Second Life for visitors to come and stream tracks from the label's artists.

Today, it's deathly quiet. Mainstream artists have largely abandoned Second Life, Sony no longer supports its island, and smaller virtual worlds like Doppelganger—which struck a deal in 2006 with Interscope to host artist-branded lounges for acts like the Pussycat Dolls—are defunct.

But to completely write off the potential of the virtual world phenomenon would be a mistake. The problem wasn't so much with the virtual environments themselves, but how they were used. Recent developments show that great potential remains for revenue and promotion for artists and labels that alter their approach to the space.

For starters, forget the virtual concert. It was cute, but the reality of the technology behind virtual worlds is such that it was never destined to

be much more than a gimmick. The appeal was understandable. Second Life grew from 100,000 active users in 2005 to 1 million in 2008, with predictions of reaching 9 million users by 2009.

Impressive numbers, to be sure. But while there are some indie artists who might be content to make around \$200 or so per virtual show—getting paid either by the venue owner or through tips from fans—that's not moving the bar in any significant way.

A better strategy would be focusing on a separate element of the live-music experience: merchandise. Selling virtual goods like T-shirts, hats and jewelry at \$1-\$3 per item through virtual worlds and social networks is big business. But so far, few artists or brands have jumped into the game.

Piper Jaffray estimated last year that the worldwide mar-

ket for virtual goods was around \$2.2 billion, projecting it to reach \$6 billion by 2013. To get a sense of the potential of this market for artists, consider the experience of Snoop Dogg, who works with a company called

Virtual Greats to sell branded virtual goods through a number of virtual worlds. The company says he sold more than \$200,000 worth of virtual goods on virtual

worlds like WeeWorld, Gaia Online and Zwinky.

According to Virtual Greats director of platform management Brett Orlanski, this is just a fraction of what artists could be making once the market evolves.

"Branded virtual goods seem to be underrepresented," he says, noting that only 1% of sales are branded items. "The money we generate to date we feel is small compared to what we think it will turn into."

As a result, labels are slowly re-examining the virtual goods opportunity. Virtual Greats has efforts under way with Justin Timberlake, T-Pain and the estate of Elvis Presley. Warner Bros. Records is about to launch a broad virtual goods campaign surrounding Jason Derülo.

"There's a lot of revenue here in these worlds," Warner VP of digital media Ayal Kleinman says. "It's not just about the impressions and registered users. Kids are buying things, and we can definitely

Merch and juice: Snoop Dogg avatar on WeeWorld, where the hip-hop artist sells virtual goods.



Digital Domain

ANTONY BRUNO



BATTERY PARK

The coolest, most feature-rich gadgets are nothing more than stylish paperweights if their battery is dead. Idapt's i4 Universal Desktop Charger, which can charge up to four mobile devices simultaneously, will come in handy for tech geeks who live a multiple-gadget lifestyle. It comes with six charging tips compatible with the iPod/iPhone, Samsung, Nokia and Sony Ericsson handsets and devices that use micro-USB and mini-USB plugs. It also has a high-power USB charging port for iPads.

The i4 Universal Desktop Charger comes in black, white or silver and costs \$60 at IdaptWeb.com. —AB



For 24/7 digital news and analysis, see billboard.biz/digital.