

The Future World of Retailing: Shopping Gets a Second Life

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Submission to: AABRI Conference, Orlando Florida, September 2010
Marketing Track

Key Words: retailing, virtual worlds, second life, e-commerce, online marketing

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Abstract

There are hundreds of online virtual worlds existing today. One of these virtual worlds, targeted to both individual adult consumers and the businesses who cater to them is “Second Life.” Second Life is a virtual community created entirely by its members (both individuals and businesses). Second Life participants assume an identity with their virtual avatar to do their best to create and live in an alternate reality online. Unlike many virtual worlds, Second Life’s virtual world includes e-commerce capabilities. Residents use Lindendollars to buy property, start businesses, game with other residents, create objects, join clubs, attend classes, or just hang out. Businesses have also bought property on Second Life, and have established storefronts.

One area of interest for Second Life is in the retailing sector. Traditional retailers were relatively slow to move to web-based offerings, but now most major retailers have web presences with the equivalent of online catalogs with shopping carts and transactional capabilities. Websites look nothing like the actual store site, but consumers have gotten used to shopping by clicking their mouse on a catalog-style website. The new addition to the retailing environment is online virtual reality, where a store can be digitally re-created. In the Second Life virtual world, some retailers have chosen to “build” a storefront that looks like the actual store a person would walk into, complete with avatar salespeople, and displays of merchandise you can look at, try on, or try out (virtually, of course). Other retailers have adopted a catalog format, in which an avatar would enter the retail “property” and be confronted with a wall of buttons or choice of items to find out about and purchase.

A qualitative study took place to see whether consumers prefer shopping in person, on a catalog website, or in a virtual world, and if in the virtual world, did they want to see a duplicate of the real-world “bricks” store or a duplicate of the web-based “click” catalog. A further quantitative study took place that explored 50 retailers in Second Life to establish a database of store atmosphere and style. Results are discussed, as well as implications for the future of retailing.