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# **Co-creating** Second Life

## **Market-Consumer Cooperation in Contemporary Economy**

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In this article, we draw on our participant observation in the virtual-technology context of *Second Life* to explore cocreation's prepossessing claim of consumer empowerment and its connections to contemporary forms of social organization. We conclude that while consumers are genuinely empowered by co-creation practices, this empowerment that frees the consumer in a diversity of ways also offers significant avenues for entrapping the consumer into producing for the firm. In the end, co-creation is a veneer of consumer empowerment in a world where market power, in large measure, still resides in capital. On this basis, we suggest that the seeming demise of capitalism espoused by some scholars is premature to the extent that capitalism has the uncanny ability to meld into newer social formations such as those afforded by *Second Life*. Thus, a more realistic vision is an interloping of the ethical and capitalist economies.

**Keywords:** technology and marketing; value co-creation; ethical economy; creationist capitalism; Second Life; customer exploitation; online games; immaterial labor

K arl Marx (1973) predicted that the dynamics of capitalism would eventually lead to a point at which the importance of direct expenditure of labor power in value creation would be subordinated to other forces. At that point, wealth creation would depend on the effective mobilization of knowledge—social knowledge. In this argument, Marx presupposes the evolution of capitalism to involve new forms of productive cooperation that turn on social networks of knowledge and challenges the traditional dichotomies between production and consumption and between the public and private (Arvidsson 2006; Boellstorff 2008; Dyer-Witheford 2003; Humphreys and Grayson 2008). Such a system of social knowledge would be in direct contradiction to the rigid structures of Fordist modes of production and calls for newer open structures to energize available productive capabilities in markets (Arvidsson 2007; Terranova 2000). Manifestations of Marx's predictions are observed in the forms of contemporary social organization that have been labeled variously as the "ethical economy" (Arvidsson 2008 [this issue]) or "creationist capitalism" (Boellstorff 2008). These forms draw on social-network obligations as resources for cooperative production while encouraging the use of individual self-fulfillment to mask the social character of labor. The Internet serves as a major site for exploring these social formations.

The Internet has emerged as the "ideal-type commodity" of contemporary capitalism (Dyer-Witheford 2003; Lee

1993, 119) in its embodiment of the digital economy and support for the creation of social knowledge (Tapscott and Williams 2006; Terranova 2000). The proliferation of Web 2.0 technologies has encouraged a wide range of Web users to become part of nontraditional social networks in which consumer productive resources are mobilized (Sawhney, Verona, and Prandelli 2005; Tapscott and Williams 2006). Massively multiplayer online games (MMOGs)—games that are played in virtual worlds by several people simultaneously without the corporeal copresence of the players—demonstrate this effective mobilization of consumer labor into new and collectively organized forms of knowledge work (Dyer-Witheford 2003; Terranova 2004). Through these games, firms use advances in Web technologies to provide efficient platforms to mobilize consumer resources for cooperative productive ventures (Herz 2002). The once relatively small online gaming industry has thus been transformed into one of the largest branches of the U.S. entertainment industry, with an estimated value in excess of one billion dollars in 2006<sup>1</sup> (Business Wire 2007).

The cultural and technical work that supports the growth of the Web 2.0-informed knowledge economy has been made possible by contemporary social developments.

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Researchers (e.g., Jones and Richardson 2007; Nason 1995; Rassuli and Tippins 1997; Wilkie and Moore 2006) have outlined various aspects of the genealogy of contemporary marketing and co-creation to offer glimpses into the evolution of capitalism and the marketing responses for dealing with related changes. From its roots in physical-distribution economics to the current consumer centrism, marketing has evolved in connection with the changing dynamics of capitalism and its concomitant consumer cultural effects (Bartels 1988; Venkatesh and Penaloza 2006). Some argue that technological and other influences have funded the increasing willingness of marketers to cede some of their control over production to the consumer toward superior organizational performance. This perspective, encapsulated in the theoretical notions of "value co-creation" (Prahalad and Ramaswamy 2000, 2004) and the "service-dominant logic" (Vargo and Lusch 2004; Lusch and Vargo 2006), emphasizes the centrality of firm-customer co-operation in innovative and productive efforts. The resulting ideology—which we shall call "co-creation" in this article—involves the pursuit of mutually beneficial relationships between marketers and customers by empowering customers to be creative collaborators in the production process. Empowering customers and working closely with them allows for the creation of value that would otherwise be absent.

Nowhere in contemporary society is co-creation more pervasive than on the Internet. The Web has often been constructed as a site of unparalleled democracy and creativity, albeit with unintended negative consequences (e.g., Lessig 1999; Shapiro 1999). The effective mobilization of customer resources in these environments requires the imposition of boundaries around customer freedoms (Terranova 2000), thereby suggesting a paradox of sorts—the

more customers are free to create in co-creation relationships, the more restrictions the firm imposes to extract relevant value. In other words, the ideological recruitment of customer labor under the rhetorical guise of empowerment masks the corporate power grab that facilitates the entrapment of customer labor recruits. Our purpose in this article is to draw on the virtual-technology context of *Second Life* (SL) to interrogate co-creation's prepossessing claim of consumer empowerment (Prahalad and Ramaswamy 2004; Tapscott and Williams 2006). That is, we use SL as an exemplar of firm—consumer co-creation in action to suggest how and where sociocultural and economic value—the financial and market power—is created and controlled.

Second Life is a Web-based, 3-D virtual world founded in 2003 by Philip Rosedale as a Utopian alternative to the real world. The game boasts more than 14.3 million "residents," about 50,000 of whom are online at any one time (Second Life 2008a). It is populated by user-created and user-controlled characters called avatars. Except for the provision of the virtual platform, all aspects of the game are shaped by residents' imagination and labor. Through their creative input and active participation, SL residents generate revenues, albeit mostly for the corporate owner. From a traditional Marxist viewpoint, the fervor behind residents' pursuit of creative leisure is a form of exploitation in which the residents do not reproduce their needs for existence. However, in the new capitalism that we perceive, this creative leisure offers both exchange and use values to the consumer in its contribution to consumer self-fulfillment through participation in affective community networks and its sociopolitical engagement based on respect and mutual sharing.

In the virtual context of SL, we highlight the doubleedged sword that is co-creation: on one side, empowering consumers to cooperate with the firm in the production process, while on the other, opening doors for the firm to appropriate the consumers' creative output. We use Arvidsson's (2005, 2006, 2007) perspectives on consumer empowerment and his vision of the evolving creative class (Arvidsson 2007) to explore the networks of cultural and economic production in SL. We also tap Terranova's (2000) and others' (e.g., Dyer-Witheford 2003) ideas on how the Internet connects to the autonomist "social factory" and how labor is conceived and organized in these spaces (Coté and Pybus 2007). We recognize that what is at stake in the SL enterprise is not simply the expansion of corporate control over markets and consumers (Zwick, Bonsu, and Darmody 2008) but the production of a social imaginary regarding identities and class struggle (Arvidsson 2007; Wittel 2001). We seek to understand these relationships toward encouraging the development

of creative platforms that facilitate unrestrained consumer freedom and empowerment in the newer forms of social organization that may rival or overturn capitalism.

### The Concept of Value Co-creation

The concept of value co-creation extends the established notion that value is created by the firm through mobilization of its external and invisible behavioral assets (Falkenberg 1996; Hodgson 2000; Hunt 2000) by placing the consumer at the heart of the value-creation processes. Consumers become "operant resources" (in Vargo and Lusch's [2004] terms) who are capable of creating value for themselves and others. The concept is premised on the view that value created jointly with consumers far exceeds that which is derived from each party's independent pursuit of market goals. The centrality of "value co-creation" to enduring business success has been promoted as the pinnacle of customer-centric marketing (Sheth, Sisodia, and Sharma 2000). Thus, superior business strategy recognizes that value is no longer defined solely by the firm, but it is determined in collaboration with the resourceful consumer, especially when consumers desire to be included in all aspects of the value chain (Friedman 2006; Tapscott and Williams 2006). Indeed, to deny consumers access to what they would counter to the "consumer-is-king" mantra that has dominated postwar marketing thinking (e.g., Drucker 1950; Kotler 1972).

In keeping with marketing's consumer-centrism theme, co-creation is often couched in a language of consumer empowerment that encourages the reimagination of the market as a democratized space of joyful collaboration in which firms strive to establish and support protean consumption environments that engage resourceful consumers (Pine and Gilmore 1999; Prahalad and Ramaswamy 2004; Tapscott and Williams 2006; Vargo and Lusch 2004). The purposeful construction of consumers as partners in mutually beneficial innovation and production processes, however, seems to be a necessary strategy for the firm to arrest the difficulties associated with an active and demanding consumer whose sophisticated tastes and consumption patterns are increasingly disjointed, heterogeneous, and less amenable to corporate categorization and control (Firat and Dholakia 1998; Gabriel and Lang 1995; Holt 2002). The task of achieving rationalizations and managing production in such unstable markets becomes a significant challenge for firms that seek to achieve consistencies through the strategic design of operations and application of resources (Ritzer 2004). Through co-creation practices, the consumer, whose inimitable productive inputs (in the form of free labor expended) are upheld as the route to self-fulfillment in the information economy (Terranova 2000), is enlisted as a willing subscriber to the firm's goals. The previously unmanageable consumer is now brought within the confines of the firm as a partner in the co-production process, offering skills and creativity that support the firm's goals of rerationalizing key drivers of growth and innovation (Zwick, Bonsu, and Darmody 2008).

From such a perspective, perhaps it is more accurate to envision SL and like spaces as fluid content platforms (Sawhney, Verona, and Prandelli 2005; Prahalad and Ramaswamy 2004) on which users are empowered to organize communities and create social life patterns (Jarvis 2007). These platforms may be likened to an amalgamation of embedded market-system components that are connected strongly enough to facilitate opportunities for community ties and sustain the communal spirit through various emotional and expressive dimensions (Layton 2007; Tharp and Scott 1990; Varman and Costa 2008). The platforms also parallel Lury's (2004) exposition of the brand as a "platform for action" that is inserted into the social and works to program the freedom of consumers to evolve in particular directions (Arvidsson 2006, 74). That is, although the choices available on SL are notionally limitless, the fulfillment of consumer creativity and social desires are narrowly channeled to primarily develop and reinforce what the platform allows, including firm access to consumer innovations that would otherwise be unavailable.

The output of this new discursive relationship between the firm and the consumer is no longer in the form of fixed goods but flexible, transitional products that transmit embedded knowledge to be used by consumers as appliances in value creation (Vargo and Lusch 2004). Products are thus recurrently defined through consumers' active engagement with them (Callon, Méadel, Rabeharisoa 2007). Some (e.g., Terranova 2000) have noted the ephemeral nature of the digital commodity and its variable value determined by the extent of combined creative consumer labor inputs (see also Coté and Pybus 2007). Corporate success on the Internet, therefore, appears to rest on a continual extraction of economic value from consumer input. This extraction and the monetization of consumer-produced output is what Arvidsson (2008) labels the "ethical surplus" that results from the genuine sense of self-fulfillment, community, and opportunities for unrepressed indulgence that SL affords its users (Rymaszewski et al. 2006).

Through participant observation and analytical readings of real and virtual texts about SL, we explored these contentions and other issues of markets and political economy in the context of the virtual world. Data for the study were gathered over two months. We were greeted on arrival in SL by veteran gamers who offered to show us around the site. Subsequent interactions with these players and many others in SL gave us access to some of the inner workings of the community. We did not disclose our researcher identities in SL because of our belief that such identification would unnecessarily bias player interactions in our presence (see Emerson, Fretz, and Shaw 1995). Besides, we did not engage others directly for the purposes of research; instead, we relied on their representations (e.g., avatars, interactions, writings, blogs) in SL that were all in the public domain. Thus, we are confident that our presence at the site did not interfere with the nature of the relationships and dynamics that we observed in SL. We draw judiciously from these observational and other data to develop our perspective on the implications of co-creation for consumer empowerment and exploitation.

### **Co-creating Second Life**

To me, that's the beauty of Second Life: all we've created is a platform, an almost empty world; where we got lucky is in the fact that you [users] came along and breathed life into it. If Second Life is a world at all, it's because you've created it. (Philip Rosedale, quoted in Rymaszewski et al. 2006, iv)

Second Life is a burgeoning virtual metropolis simulating an area more than 1,577 million square meters (Second Life 2008b). The "world" functions almost entirely on the input of players, or "residents," as they are known in SL parlance. The corporate owners of SL-Linden Lab, affectionately called "the Lindens" describe SL as a platform that simulates the real world but also affords the malleability of everything in that world (Rymaszewski et al. 2006). For each new resident, the SL experience begins with the design and creation of a persona (an avatar) through which the resident will live her second life. Using Prims—pliable virtual units that constitute SL's basic building blocks—residents can customdesign their avatars. We learned that the development of an avatar from a low-level character to one that is a fully functioning social being within SL requires a great deal of time, labor, and other investments. Avatar behavior is governed by at least six universal guidelines for community interaction decreed by the Lindens: prohibitions against intolerance, harassment, assault, disclosure, indecency, and disturbing the peace. Outside this frame, all action in SL is determined by protocols invented, developed, and interpreted on the basis of the community's internal dynamics.

Unlike most MMOGs, SL is not goal-directed with identifiable missions, intentions, or purposes. Instead, it is a relatively aimless and unstructured gaming experience in which users are free to do as much or as little of whatever they choose. The game demands users' active involvement to maintain its appeal, and its evolution is the output of users' collective input. Recognizing the importance of player input for the success of SL, the Lindens have granted players' legally enforceable intellectual-property rights over their virtual creations. The SL Homepage boasts principles of user freedom and creativity by stating that "Second Life® is an online, 3D virtual world imagined and created by its users" (Second Life 2008c). Although the vast majority of creations in SL have value only in that virtual world, there are some examples of players who have successfully converted their copyrighted creations in SL to significant financial profits in the real world (e.g., Anshe Chung<sup>2</sup> and Kermitt Quirk<sup>3</sup>). Granting full control over creations to players and facilitating the conversion of virtual fortunes into real-world cash (by exchanging an in-world currency, the Linden Dollar) has rendered SL into a canon of copyright and patent law and an important platform for exchange and interaction in an economy of ideas (Barlow 1994; Lessig 2004).

Each consumer in SL brings a set of creative capacities that, if effectively mobilized, produces superior resources that are at once accessible to members of the SL community and amenable to appropriation for corporate ends. The extensive and opulent repository of skills and knowledge in the community is necessarily lacking from the delimited firm. The co-creating firm also facilitates heretofore unachievable and unimaginable access to the entirety of individualized demand as consumers collaborate in the production of the commodity through the very act of consumption (Elmer 2004). What we observe in SL, then, is Linden Lab's effective leveraging of the user network by actively supporting users to socialize and create and by allocating resources on the platform. This control generates recurrent growth as the created content becomes embedded into the site. In accordance with the logic of co-creation, Linden Lab has embraced the unruly consumer subject through the open nature of its user platforms. The firm sets consumers free to create, modify, adapt, and innovate what they want and how they want it, in "real time" but on the company's terms (Boellstorff 2008).

Essentially, SL supports the role of the Internet as a primary source of "collective intelligence" and affords the effective mobilization of consumer play into cultural reproductions (Terranova 2000). By giving birth to consumer subjects as producers of a general intellect, SL allows Linden Lab to tap successfully into the entrepreneurial

residents' desire to be creative, and often, downright deviant in pursuit of their consumption goals. Corporate actions and rhetoric uphold the impression of an empowered consumer who has created the world through his munificent actions. The result is a genuine empowerment of consumers toward self-actualizing acts of creative controls that sustain co-creation relationships (Arvidsson 2008; Boellstorff 2008). However, in the absence of the SL platform—Linden Lab can take down the platform at any time of the firm's choosing—residents and their aggregated power in the market would diminish. Thus, consumers derive genuine autonomy on creative corporate platforms even as they are constrained by the firm toward enhancing corporate output. Consumer empowerment in this structure, then, is administered within limits of cooperation defined by the firm.

We witness in SL the emergence of a flourishing "ethical economy" (Arvidsson 2008), a mode of production driven primarily by "ethical" motivations such as respect, recognition, and the consumers' desire to build community. However these motivations and related considerations serve as inputs for further production by which the Lindens extract economic value. The site is an excellent example of how noncapitalist mechanisms are subsumed and included within a capitalist "space" (e.g., virtual game-space) in which they can be made to generate commodifiable value through additional mechanisms (e.g., SL real estate market). Consumers are invited to bring their knowledge and skills to bear on playfully creating a world of their dreams. This input is not only vital to corporate success, it also empowers residents to make contributions as both creators and users (Tapscott and Williams 2006).

Consumer collective power, knowledge, labor (sometimes defined as leisure), and social connections that are manifested by way of respect and social recognition (Boellstorff 2008) assume significant value that may be converted into financial benefits. This is expressed in tangible form through "Linden dollars," the official currency of SL, which can be converted into real-life currencies such as U.S. dollars or Euros and vice versa. A number of currency exchange enterprises and financial service providers have emerged in SL to serve the needs of this new economy (e.g., anshex.AnsheChung.com; TheLindenStore.com). Although informed by a capitalist past, SL residents sought to shirk capitalist tendencies, but they have assumed a noncapitalist veneer over the capitalist modes of exchange in that world. Thus, unlike Arvidsson's (2008) perspective of the ethical economy that portends the demise of modern capitalism, we perceive SL as an avenue for broadening capitalist advances through consumer empowerment and the subsequent conversion of nontraditional resources into capital. The SL platform funds the cultivation of "ethical" motivations such as respect and recognition and the mobilization of consumer creativity and socialization. Using this platform, the Lindens convert these inputs into economic value that is shared with consumers (albeit disproportionately in favor of the Lindens).

The SL platform grants consumers a significant opportunity to contribute to the collective essence of consumer empowerment that allows for their active roles in corporate affairs, including partnerships for productive ventures. Working together, consumers are empowered in a specific and real way; it is this empowerment that makes them productive enough to attract the attention of capital (Arvidsson 2007). Sociocultural dynamics in SL facilitate the emergence of novel and unique forms of social entrepreneurship and communal processes. SL is, therefore, a social avenue for the joint pursuit of convergent consumer-firm goals. In this respect, SL exhibits one of the structural features of contemporary economies in that value is not based on ownership and control over the productive processes as much as it is based on the ability to facilitate communication flows in a defined environment and to mobilize relevant consumer creative resources (Arvidsson 2006; Joshi and Sharma 2004; Terranova 2000). In this respect, consumers share control over value in SL.

This development is often cited as a celebration of consumers' increasing control of market activities (Prahalad and Ramaswamy 2004; Tapscott and Williams 2006). However, it also suggests that the Lindens' seeming enthusiasm for co-creation with residents is a calculated effort to co-opt unpaid consumer labor. In what Barber (2007) describes as the "infantilization ethos," we observe capitalism's desperate efforts to delay its rendezvous with destiny. Thus, what is construed as consumer empowerment through co-creation (Prahalad and Ramaswamy 2004) may in fact be a strategic device to revitalize the firm's capitalist zeal and market control. Technologies such as those behind SL are positioned as enhancing consumer experiences, but they are designed, in part, to save corporate resources through the transfer of responsibility for costly productive activities to players (Zwick, Bonsu, and Darmody 2008). What the Lindens and owners of other user-generated MMOGs do so successfully is mobilize unpaid consumer labor and convert the intangible fruits of the ethical economy into actual revenues. Therefore, the Lindens' seeming lackadaisical stance toward consumer control of SL masks a conscious effort to define consumption processes and channel residents' creative resources toward corporate profitability. This environment portends a cultural logic that renders intelligible

those situations in which consumer labor is exchanged for self-fulfillment and in which creativity and self-expression are the main consumer pursuits. While they are empowered through the various mechanisms discussed earlier, SL residents are trapped into producing unwaged labor, among many other things, for the firm.

## **Trapping the Consumer** and Appropriating Labor

Self-governance is an important thread in [Philip] Rosedale's thinking about Second Life . . . The overriding principle is that it [Second Life] should run itself. (Moody 2006)

As this epigraph implies, Philip Rosedale's vision for creating SL included the expectation that the game would run itself, free from imposed corporate strictures. Rather than being an automaton, SL receives its replenishment from continuous player input. That is to say that SL is predicated on the detached involvement of the Lindens in the continually renewed power of the game derived from active consumer leisure and labor investments. Dyer-Witheford (2003) observes that most contemporary consumers are often exposed to video games as infants and have come to see their active participation in these games as a social requirement; early familiarity also facilitates the development of relevant digital skills that can later support consumer creativity in online games. SL subscribes to this reasoning in its provision of virtual spaces for its younger players (e.g., Teen Second Life).

Teen SL is an international gathering place for thirteento seventeen-year-olds to make friends, play, learn, and create (Teen Second Life 2008). For all intents and purposes, this site is much like the regular SL, operating on principles of social engagement, collaboration, and communitas. However, there are stricter controls on adult content. Here, young residents develop avatars and other elements that facilitate the functioning of the site. They also support each other by providing advice on various matters that they may not normally discuss with their parents (especially relationship matters). Teen residents are thus socialized into SL values of freedom and community through playful activities that facilitate the creative ethos. On turning eighteen, a teen player's avatar and content (except for virtual land they own in Teen Second Life) are transferred to SL. In this, we observe the colonization of youthful minds through the use of Internet games as breeding grounds for ongoing immaterial labor amenable to annexation for corporate advantage. Immaterial labor that produces the cultural content of the commodity involves activities that are not normally perceived by the laborer as work (Lazzarato 1996; Terranova 2004). In both versions of SL, immaterial labor is derived from consumer playfulness and the pursuit of unconstrained altruism that define these communities.

Practices of corporate appropriations of consumer immaterial labor are rampant in SL, beginning with the very core of the game's existence—consumer creative input—without which the game would cease to exist. When SL began, residents were restricted in what they could create, and each of their creations was owned by the Lindens. These restrictions have since been lifted in an effort to encourage residents' active and direct involvement in the continual improvement of the SL experience. In all of its promotional material, Linden Lab positions SL player activities as releasing consumers from the control of the firm. The company's groundbreaking policy of granting unquestioned intellectual property rights to consumers for their creations is repeatedly cited in corporate communiqués as a way of demonstrating the firm's commitment to consumer freedom and creativity. The copyright policy was implemented partly in response to consumer considerations of boycotting SL to achieve greater creative freedom and control. The influence of consumer power and activism is, therefore, evident in the birth of this policy, as a prolonged organized boycott would certainly have spelled the demise of SL given the game's utter reliance on consumer input. However, most of the credit for the policy is given to the Lindens (albeit with significant prompting from intellectual property expert Lawrence Lessig [Rymaszewski et al. 2006]), who have been hailed as the architects of a landmark phase in MMOG copyright administration (e.g., Herman, Coombe, and Kaye 2006).

Rather than indicate acquiescence to consumer threats, Linden Lab's granting of full copyright ownership of creations to consumers may be seen as a conscious effort to harness consumer labor by encouraging creativity through incentives (Langenderfer and Kopp 2004). Consider that the number of "residents" in SL increased from 1,426 in November 2003, when the copyright policy was announced, to more than 14.3 million in July 2008 (Second Life 2008a). Perhaps more importantly, the policy change was an effective way of legitimizing SL consumers as creative and collaborative rights holders. Legitimizing otherwise abhorrent behavior taps into consumer desire for freedom and empowerment that fuels a relentless consumer quest for status recognition (Belk, Ger, and Askergaard 2003). The policy conveniently couples residents' interests with the Lindens' in that by allowing residents to convert their virtual properties into real-world money, respect, and social recognition (e.g., Anshe Chung), residents develop a genuine interest in the survival of SL. Herein lies an interesting aspect of the ethical economy that traps "free" residents to create more input toward sustaining their virtual world: the firm-consumer relationship is morphed into a symbiotic confederation of mutual dependence, as SL residents are as dependent on the Lindens as the Lindens are on the residents for their social and financial well-being.

Although there is the potential for residents to make money in SL, the economic imperative rarely fuels users' desires to remain active residents. Besides, only a few hundred people make a real-life living in SL (Andrews 2006; Hemp 2006) and are thus locked in by the pursuit of financial gain. For many, the draw is the perception of SL as an exciting escape into a virtual realm of fantasy, one that is grounded in the pursuit of self-fulfillment through community engagement, sexual experimentation, random acts of selfless altruism, and creative expression. These users do not seek to earn money but willingly offer leisurely work that ultimately contributes to the Lindens' bottom line because their creative participation in SL serves as an effective path to increased self-knowledge and social efficacy. The availability of desires that excite fulfillment in virtual worlds puts consumers in a spiral of unending desire for creative virtual solutions (Arvidsson 2006; Belk, Ger, and Askergaard 2003; Boellstorff 2008). This energizes a certain kind of healthy competition that continually challenges the consumer—not the corporate owner of SL—to enhance all aspects of the game to make it progressively more exciting.

Many residents of SL see their creative input into this process as a leisurely activity and will agree with Lee and LiPuma (2002, 192) in suggesting that their involvement in SL is motivated by the need to participate in the construction of a community devoid of hierarchical constraints prevalent in the real world. Conscious of consumer enculturation into this nonmonetary frame of thinking, the Lindens tap into the social and economic dimensions of customer knowledge by providing a platform and other tools for consumer creativity (Sawhney, Verona, and Prandelli 2005; Terranova 2000), thereby funding the ideological and tangible recruitment of immaterial labor for profitable ends. Blinded by their seeming empowerment to realize unfulfilled desires, SL players overlook or fail to perceive that it is their labor that shapes SL and the profits that accrue to the Lindens. This failure to consider productive leisurely consumption in the SL environment as unpaid work paves the way for consumer labor to be appropriated with little or no dire consequence for the firm.

Writing on Terra Nova Blog (Terra Nova 2007), Richard Bartle—a pioneer of the multiuser domain (the precursor to MMOGs)—has likened these virtual-world ownership structures to "benevolent dictatorships" rather than the "libertarian autocracies" they claim to be (see also Doctorow 2007). The dictators (to borrow Bartle's label) promote collective production of knowledge but strive to ensure that compensation for this collective cultural labor is selective and skewed immensely in their favor (Coté and Pybus 2007; Terranova 2000). One simple aspect of the financial gain to the Lindens, as noted by Hof (2006b), underscores this point:

[SL] tap(s) into something very powerful: the talent and hard work of everyone inside. Residents spend a quarter of the time they're logged in, a total of nearly 23,000 hours a day, creating things that become part of the world, available to everyone else. It would take a paid 4,100-person software team to do all that, says Linden Lab. Assuming those programmers make about \$100,000 a year, that would be \$410 million worth of free work over a year. Think of it: The company charges customers anywhere from \$6 to thousands of dollars a month for the privilege of doing most of the work.

This simple analysis points to a primary rationale for the Linden's fervor to co-create SL with residents: they provide the land (platform), and the players offer the hard (immaterial) labor as all production responsibilities are handed over to the unpaid leisure consumer. The playfulness and creativity that residents exert in their routine SL consumptive practices are reconstituted as unpaid labor undertaken on behalf of the firm, as every mouse click represents an act of production contributing to (re)producing the world. Linden Lab mobilizes consumer creative resources for its financial benefit and turns around to extract direct payment from the consumer for the consumer's own work. Simply put, the leisure activities of consumers have become a force behind the social exchanges that are converted into economic and other value for the Lindens.

Summarily, SL is as much about empowering consumers as it is about harnessing immaterial labor for corporate benefit. Still, we observe a sharp contrast between the driving force behind residents' participation and the Lindens' motivation to provide an empowering platform for consumer creativity. That is, the SL resident's motivation is more about supporting a community that thrives on active sharing that is not constrained by social hierarchies than it is about financial well-being, while the Lindens are influenced by the direct financial link to applying the co-creation and service-dominant logics (e.g., Prahalad and Ramaswamy 2004; Vargo and Lusch 2004). The Lindens' approach conforms to Sutton-Smith's (1997) theorizing of businesses as play wherein they are constituted as games that offer avenues for restless consumers

We find that SL is sustained by the assimilation of consumer work and play. While participation as an SL resident is voluntary, consumer enculturation into the digital world and the enhanced desire to be part of a collective human intellect that guides action on the Web encourage many to see the game as a leisurely social and creative pursuit. Granting copyright ownership to players for their creations in SL was a pragmatic move that involved providing gamers with an even more extensible interface and invited consumer desire to create toward building goodwill and financial benefits for the Lindens (Herman, Coombe, and Kay 2006). It also reflected an auspicious trapping of SL residents for corporate benefits, as residents are hooked on their incessant pursuit of community, creativity, and social freedoms in this virtual world. Such are the dynamics of SL that the consumer is rendered impotent by nurturing a sense of empowerment that allows for extorting the consumer's free labor and other productive energies for sustained corporate benefit.

#### **Dictatorship of the Proletariat?**

There will be tensions . . . on all sides, [between] people who like it the way it is, and people who want it to be what it might become. (Mitch Kapor, Linden Lab Chairman of the Board, quoted in Rymaszewski et al. 2006, 306)

Terranova (2000) argues that free labor is a structural component of late capitalism derived from a complex historical relationship between labor and capital. It would seem that this structural order that grants capital its dominance in the relationship is under attack by SL residents using their creative freedom as weaponry. This is especially so, considering that the Internet has often been touted as the epitome of social equality in its ability to usurp conventional governance structures and authority (Benkler 2006; Tapscott and Williams 2006). SL exhibits many structural features of this Internet movement that, among other things, seeks to eradicate social hierarchies. Linden Lab communiqués often use liberatory language that supports the ideological construction of SL as a space of freedom, justice, creativity, opportunity, and play. It upholds the game as a prime site for enacting consumer empowerment and unfettered creativity that act as counterpoints to real-life ills. This leads one to perceive the absence of class struggles in SL. However, as in all virtual social contexts, "even when we go onto the digital world to 'escape' reality, we end up engaging with symbolic representations which we read in relation to reality" (Jenkins 2007). Kapor's comment that introduces this section suggests that SL is no exception to this rule that grounds the virtual in the real world of class struggle, where a class structure is one formed by relations within markets and production units (Weber [1922] 1968).

Although residents and the owners of the SL platform operate on different motivational platforms, they cooperate with each other by reason of the benefits that accrue to each group of participants that would not be possible if each operated independently. In this cooperative structure, the Lindens are perceived by residents as "demigods" and "wizards" who wield extreme power in that world and can act unilaterally as and when they please (Boellstorff 2008). Clearly, the Lindens have distinct honors and are placed at the head of the SL social hierarchy (the aristocracy). The creative consumer masses who sustain the SL platform constitute the proletariat (Carr 2006). Even though they recognized this inequality in the world, many residents pointed to the fluid nature of this structure, believing that it was only a matter of time before the tables turned in their favor.

Framed by the realities of the capitalist world, escapism in SL is insufficient to mask the underlying tensions even among the masses in SL. Arvidsson (2007) proposes a model of interaction that emphasizes the contribution of unpaid "mass intellectuality" to creativity in the advertising industry. We engage this thinking to explore one form of class struggle in SL and its connections to co-creation and consumer empowerment.

We observed at least two ideological fundamentalist groups of SL residents. The first group comprises individuals and organizations who consider SL's primary function as a platform for testing alternative forms of sociality. This group engages in creativity mainly for nonfinancial ends and constitutes part of what Arvidsson (2007) describes as the "underground." We refer to this group as "creatives," agreeing with Arvidsson's contention that this is the creative class that feeds ideas to the salaried professional class. The second group—we shall label it "corporates"—took residence in SL with the intent of converting available resources into financial gain. This group includes prominent individuals and companies such as Anshe Chung, Dell, and Nissan as well as lesser known SL companies such as SecondStyle (a successful clothing and accessories company) and the SL Agency (a marketing agency that assists clients to establish SL presence). For the corporates, SL presence is more about espousing the virtues of capitalism than it is simply about enjoying their social experiences.

The tension between the corporates and creatives came to an early head when Fizik Baskerville (avatar of U.K.-based brand consultant Justin Bovington) purchased the first auctioned island in SL with the intent of turning it

into a marketing platform for his company. Fizik was greeted on his arrival by virtual protestors wielding "Boycott the Island" placards. In this context, we perceive a "consumer proletariat" whose natural state funds a desire to resist corporate influence (Arvidsson 2007). This general resistance to corporate control in SL is contrasted by the curious fact that many users frequently create or acquire branded merchandise for their avatars. Paralleling critical reflections on the 1999 antiglobalization demonstrations in Seattle in which some "anarchists" destroying a Niketown were photographed wearing the company's branded footwear (Samuels 2000), equipping one's avatar in SL with branded merchandise does not appear to be part of the "corporate control" that evokes trepidation among many creatives.

We suggest that the demonstration against Baskerville derived in part from the creatives' concern about the infiltration of the established social order of corporate rule that they believe still dominates the real world. The activists see themselves as consumers who are empowered to mobilize the relevant resources to overthrow the status quo in their virtual world, in the spirit of protecting their community. In so doing, their resolve to participate in an ethical economy is strengthened as they cooperate among themselves and even with the "corporate enemy." Thus, rather than serve as a conflict with capitalist tendencies, the activists' strategy may be understood as an expressive pursuit of community built on understanding and cooperation between groups at different levels of the social hierarchy. Their creative input provides fodder for the in-world media controlled in part by the Lindens (e.g., Au 2004) and invites other creatives to develop materials of resistance (and cooperation) for use in SL. Consumers also use their creative and other skills to boost corporate presence by their adoption of corporate emblems, especially for automobile and fashion products, that are conspicuous representations of brand power.

Even in a transient economy such as SL, we observed consumer actions that are designed to fortify the game's underlying logic about developing and preserving a portable sense of community, freedom, and respect when such pursuits involve recognition of unbalanced power in the system. Through these modes of recruiting and learning, it appears as if there is a staggered process of arrivals and departures in SL, where residents who leave the community are replaced by others whose time on the site overlaps with the experienced residents from whom they learn the entrenched qualities of community and co-creation.

In these and other observations, we find the genuine presence and expression of consumer proletariat power and its paradoxical ability to render gains for the firm. For instance, the demonstration against Baskerville showed the potential power of the consumer proletariat to influence SL society. However, its organization required significant resident creativity and investments that would be counted as creative inputs for enhancing the SL experience, and hence, it appeals to new and existing residents. In other words, the more freedom consumers have to create in support of their identity projects or to challenge existing structures, the more creative material they provide to lubricate the Lindens' profit machine, unmindful of or uninterested in the circle of entrapment that defines this consumer pursuit. This evokes arguments that commodifying consumer resistance supports a form of marketsanctioned cultural experimentation through which the market rejuvenates itself (Frank and Weiland 1997; Holt 2002, 89).

Continuing dialogue and interaction between the two fundamentalist classes in SL has led both to tone down their rhetoric. Couched in an ideology of communal living, offerings of help by the creative radicals to the corporate class are not uncommon. This does not mean that the commercial realities of SL have been embraced by all, although the collective emphasis appears to be on crafting a tolerant Utopian world of peaceful and productive coexistence. Some creatives promote this cooperation on the grounds that play and financial enrichment go hand in hand and that such mingling does not necessarily contaminate the creative ethos of SL. For instance, Baccara Rhodes, a prominent creative and founding member of the group Spellbound (a community of storybook-loving creators), which runs free community events, describes the occasion of its Peter Pan-inspired digital restoration of early twentieth-century London as "a window to the soul of what Second Life was and could really be as a community . . . enjoyed in the spirit of good fellowship" (Rymaszewski et al. 2006, 280). While this community philosophy underscores her SL ventures, Rhodes also adds,

Today I see building groups formed whose sole purpose is constructing large projects but more of a commercial nature, which is just as wonderful. And no matter what the purpose, the idea of camaraderie to a single goal is an incredible benefit to Second Life. The work is more exacting and the standards are tougher but I still believe that our motives are the same. Second Life as a world wishes to be the best it can be. (Quoted in Rymaszewski et al. 2006, 280)

This representative comment suggests a clear emphasis on the importance of SL's community ethos but also suggests how class cooperation may be reinforced by well-intentioned commercialism. A further example of how users traverse communal and commercial boundaries is evident in the rise of the "furries" community. The community of Luskwood, for example, developed from a group of early creative residents who wanted their avatars to be cartoon-like animals (furries) whose initial existence involved nothing more than gathering nightly to just "build and talk" (Rymaszewski et al. 2006, 284). From their shared desire to develop and improve the community, more sophisticated furry avatars were developed, resulting in the creation of a customizable anthropomorphic avatar shell, first for personal use and later sold to more than sixty thousand furry wannabes (Rymaszewski et al. 2006). Thus, community-centric ideas, even when infused with large doses of commercialism, are seen as enriching SL's communal principle.

The creatives behind Spellbound and Luskwood, along with others who offer services for fees in SL, may not be as wealthy as their strictly corporate counterparts, but they are vanguards of creativity. These creatives entered SL with the motivations of an "ethical economy" but later realized opportunities that could be exploited in a capitalist sense. They constitute the proletariat in SL—the masses whose individual contributions by themselves would have little or no impact but when combined together provide impactful creations that define the constitution of creativity. Together, these individuals and groups make the rules that define value in SL, and they contribute significantly to a dictatorship of the proletariat. In this dictatorship, the SL proletariat produces material and immaterial creativity in a manner not considered selfindulgent but that fosters the playful community-centric ideals of SL. The creative proletariat has become the arbiter of what is fashionable and admirable in SL, drawing on a capitalist history to establish a community that is somewhat of a hybrid form derived from the ethical and capitalist economies.

Channeling proletariat creations to the corporates requires the support of a network entrepreneur—to borrow Arvidsson's (2007) label—who facilitates a less tenuous migration of capitalist entrepreneurial logic into the SL economy. This entrepreneur straddles the two extreme viewpoints to fund a mutually reinforcing relationship of symbiosis and amicability between the creatives and the corporates in SL. It is the network entrepreneur who recognizes the opportunities for potential economic gain that are presented by collective immaterial labor and works to capture and rearticulate it into surplus capital. The network entrepreneur may adapt the creatives' input to define it for mass diffusion, and the potential financial gain makes the ideas appealing to the corporates. Working with these entrepreneurs, the proletariat seems to be graduating from peasantry toward aristocracy by reason of a willingness to

bestride the fundamentalist extremes, skillfully treading the fine line between pecuniary aspirations and altruistic creativity. The Lindens appear to see no threat in this development, as they ultimately benefit from the creatives' and corporates' unremitting struggles for recognition and improvements.

In SL, we learned that creativity is a much valued currency that confers social respect and accelerated mobility along the upward rungs of the social ladder. Thus, the Lindens are accorded the status of a distinctive creative class in SL and are hailed by many as selfless governors whose primary objective is to provide a unique virtual alternative to the real world and its totalizing economic logic. The high level of goodwill held by many for the Lindens derives in greater part from their copyright ownership policy and others that emphasize consumer freedom. Through effective self-presentation (Goffman 1959), the Lindens have consistently projected resident creativity and empowerment over their own motives. They have achieved remarkable success as network entrepreneurs in connecting the creatives and the corporates in a manner that adroitly locates real SL power in themselves. The Lindens represent the ultimate network entrepreneur, infused with a heavy dose of aristocracy. Their popularity derives in part from their ability to govern SL through a seeming dictatorship of the proletariat. Thus, rather than eliminating social hierarchies and letting unrestrained freedoms ring across the terrain, SL allows a form of cooperative governance in which demi-gods operate alongside a creative class and proletariat that routinely challenge the Lindens' preternatural authority.

#### Conclusion

Researchers have noted that the socio-economo-cultural structures of modernity are no longer enough as totalizing agents of firm control in the contemporary economy (e.g., Arvidsson 2005, 2006, 2007; Dyer-Witheford 2003; Holt 2004; Tapscott and Williams 2006; Terranova 2000; Wittel 2001). This is in part because of developments in marketing and other technologies that have opened more avenues for consumers to assert their independence from the firm. Containing the new unmanageable consumer has become a major goal of the firm. We have relied on SL experiences to suggest that co-creation is a significant avenue by which the firm retunes the status quo toward managing consumer independence. Tapping mass consumer intellectuality through co-creation processes is framed as "empowering" the consumer to co-create value with the firm (e.g., Prahalad and Ramaswamy 2004; Vargo and Lusch 2004). Our observations lead us to suggest

that co-creation principles challenge the rigid productionconsumption dichotomy that characterizes Fordism and allow consumers considerable freedoms that would otherwise be absent within the new social order. While consumers co-create freely and may sometimes challenge capitalist advances, the platforms that allow such co-creativity facilitate the colonization of collective consumer minds and the commodification of consumer creativity.

In her analysis of the digital economy, Terranova (2000) contends that work processes are inscribed in everyday activities and that this "fruit of collective labor is not simply appropriated, but is voluntarily channeled and controversially structured within capitalist business practices" (p. 39, emphasis in original). Still, the insertion of the consumer into the productive process is a subtle use of the firm's invisible "behavioral assets" (Falkenberg 1996) that is framed as an invitation to playful liberation, creative expression, and entrepreneurial freedom and impressed into the Trojan horse of co-creation. The effective mobilization of immaterial labor in such a system entails a process of creating and controlling "subjective processes" wherein the worker's personality and subjectivity are involved in the production of value. In this respect, one of our major findings is that while consumer empowerment may be used to influence market action (e.g., SL's granting copyright ownership to players), it merely offers an illusion of consumer control that traps the consumer deeper into a desire to keep one step ahead of the firm in the innovation game. The firm is then able to colonize the collective creativity of the proletariat as the consumer innovates at will, unconscious of the trap wherein she plays.

This colonization constitutes an interloping of the ethical and the capitalist economies in SL. The qualities of community, social organization, and mass participation that constitute the ethical economy enhance consumer power and well-being, but they are also amenable to use as capital inputs for production. This colonization of collective minds affords a "Hotel California" syndrome. It also evokes images of a high-walled prison where there are no guards and prisoners can do anything they please within the walls. All resulting output, however, belongs to the prison warden. The consumer in this context "make[s] the market her own, even as it makes her its prisoner. She trumpets her freedom even as she is locked up in the cage of private desires and unrestrained libido. She announces a faux consumer power even as she renounces her real citizen power" (Barber 2007, 35). Clearly, the firm makes all the rules, even though its presence is felt only marginally in the background. From this background location, the firm's guiding hand maintains control of the market and can strip the consumer of the essential tools that afford consumer power in this economy.

Consider, for example, that through a single act of consumer empowerment—granting residents intellectual copyright over their creations in SL—the Lindens are able to engage consumer work and extract consumer creative resources for profitable ends. While some commentators (e.g., Klang 2004, 399; Lessig 2004) would lead one to conclude that the Lindens' policy was a manifestation of Lockean arguments in favor of consumer empowerment and property ownership rights, it is clear that the authority granted to consumers in SL is tenable only to the extent that the Lindens want. The SL environment is tempered with the latent suprastructural control that may be exercised by the Lindens.<sup>5</sup> To paraphrase Herman, Coombe, and Kaye (2006, 202) in direct reference to SL, Linden land is already code owned and controlled by the Lindens, and all authorial activities first and foremost produce value that accrue to the Lindens. The Lindens could decide to take down the SL platform at any time of their choosing. Doing so would of course eliminate the Lindens' accumulated goodwill, but it would also strip consumers of all their power in that environment.

Our observations regarding co-creation, consumer empowerment, and the exploitation of immaterial labor are fundamental to a diverse range of activities, including the contemporary mode of valorization of brands (Arvidsson 2005) and television audiences' time as a productive commodity (Jhally and Livant 1986). However, what proliferating Web 2.0 technologies now allow firms to do is to establish successful participatory networks, such as MySpace (Coté and Pybus 2007) or Glam.com and Facebook (Jarvis 2007), in which users willingly produce the actual commodity. The immense value of these companies (such as Facebook's estimated \$15 billion valuation [Guth, Vara, and Delaney 2007]) is based almost exclusively on the immaterial labor of their users. Similarly, the growth of technology tribes (such as Linux, MacIntosh, Technophiles, etc.) that are willing and able to put their skills to work for reasons other than profit (Cova, Kozinets, and Shankar 2007) also facilitates the success of corporate attempts to use this consumer resource. What is apparent in these examples is that the invitations to consumer co-creation facilitate the colonization of collective intellectuality in pursuit of the firm's capitalist goals. Therefore, in co-creation, we observe the fulfillment of Marx's (1973) prediction regarding the subordination of direct labor power to mobilization of immaterial labor for value creation, although as Boellstorff (2008, 209) notes, the deeply personal and participatory nature of the consumers' productive processes makes this "production without alienation."

We observe that the Lindens' practices in SL indicate a clear understanding of the workings of value co-creation (Prahalad and Ramaswamy 2004) and the servicedominant logic (Vargo and Lusch 2004) that touts the economic value of strategic cooperation with consumers. Co-creation essentially monetizes the output of the ethical economy by allowing for the appropriation of what some (e.g., Schollette 2007) have described as "dark matter"—the affective construction of community and the intangible, noncapitalist wealth on which capital now feeds. Therefore, we conclude that consumer empowerment as espoused by proponents of co-creation is a fragile veneer that veils a loose and ephemeral consumer authority fostered by capital's pursuit of a commercial marriage with creative consumers. By willingly embracing the firm's advances and empowerment veneer, the consumer is able to expand the commodity and entrench herself more deeply into the world of creative experimentation. The consumer garners significant satisfaction from this marriage of convenience but also grows increasingly dependent on the firm for self-fulfillment. The firm supports this consumer desire for self-fulfillment by granting the consumer shared control over market dynamics, desire for distinction, community, and creative experimentation while carefully appropriating all consumer output. While this may be empowering in diverse ways, it grants the consumer a false sense of market control that traps the consumer to continually create for the firm. In the end, co-creation is a veil of consumer empowerment in a world in which market power, in large measure, still resides in capital.

Our analysis of SL leads us to consider an alternative to capitalism's future as espoused by Arvidsson (2008) and others. In his articulation of the "ethical economy," Arvidsson (2008) envisions more consumer-controlled collaborative social spaces such as SL in which consumers are empowered through newer technologies to keep "dark matter" entirely within the boundaries of the "ethical economy." Based on our observations, we suggest that the implied demise of capitalism is premature given the effective interloping of the ethical and capitalist economies. Indeed, consumers seem to accept capital's new face in that they have come to expect a lasting marriage with the firm—the empowered consumer develops an ethical economy that depends on the firm's platform for its survival, and the firm converts various aspects of this economy into economic value through capitalist equipment. This vision of the future recognizes the evolving nature of the capitalist structure and the structure's ability to insert itself within dynamic social formations—regardless of who creates it—to resist any form of mortality.

#### Notes

- 1. Figure from Western World Massively Multiplayer Online Games Market: 2006 Review and Forecasts to 2011 Report. In addition, Castronova (2001) reviewed the completed auctions for the items and in-game currency in Everquest and calculated that players earn an average wage of \$3.42 per hour of game played, and collectively, its per-capita GNP was \$2,266 (then comparable to the seventy-seventh richest country in the world per capita, ranking it between Bulgaria and Russia).
- 2. Anshe Chung, real name Ailin Graef, is the first reported resident to have made more than \$1 million in a virtual world. Her income is combined from a variety of sources: virtual real-estate, virtual stock market investments in Second Life companies, "cash" holdings of several million Linden Dollars, and a number of virtual shopping malls and virtual store chains. She also has several virtual SL brands (Hof 2006a).
- 3. Kermitt Quirk created the video game Tringo (a hybrid of Tetris and Bingo) for in-world sale before selling the rights to a real-world game company that developed it for Nintendo GameBoy Advance (Rymaszewski et al. 2006).
- 4. Hotel California is a song that was recorded in 1977 by American rock band "Eagles". The song tells the story of a traveler who is attracted to a luxurious hotel along a California highway. With feasts and all, the hotel seems like paradise until the traveler realizes that the hotel staff are programmed to receive guests not to check them out. The song is a metaphorical representation of the excesses of consumer culture and the subtle way by which it invites prospects. Like the capitalism that feeds them, Second Life and other virtual environments offer the appealing prospects of consumer freedom while ensuring that those who respond to this call remain entrapped to produce for the firm.
- 5. A recent court case—Bragg v. Linden Lab.—brought many of these ownership and intellectual property-rights issues to a head and spawned a maelstrom of debate among users and contributors as to the exact meaning and nature of user ownership and intellectual copyright in online worlds (Terra Nova 2006). However, an eventual out-of-court settlement between the parties meant that no legal precedents were set regarding the "true" legal ownership status of usergenerated content.

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