What is Second Life?

• Despite appearances, it’s not a game.
• Self-sustaining economy with a currency convertible to U.S. dollars
• More than 7 million avatars representing real people across the world
In October 2006, Reuters launched the first ever virtual news bureau with three objectives:

- Engage with a new audience of young, technologically-savvy early adopters
- Learn more about three dimensional virtual worlds and communities
- Help the Second Life economy to grow by providing objective, trustworthy financial news and data
Reaching new customers
Breaking real news in a virtual world

- Congressional investigation into taxing virtual world economies
- WPP earnings ahead of expectations, first reported during Second Life Davos interview, moves stock by 2 percent
- Second Life a virtual battleground for French, U.S. presidential elections
- FBI probes Second Life casinos
Creating a new interview medium

- Second Life interviews with real audio and virtual avatars
- Second Life residents submit questions in real time
- Enables journalists to bring their audiences along
- World Economic Forum, Reuters industry summits, World Editors Forum
Second Life Growth

October ’06
- 1 million registered avatars
- $0.5m US Dollars in daily transaction
- 12,000 positive cash flow businesses

June ’07
- 7 million registered avatars
- US$2 million in daily transactions
- 22,000 positive cash flow businesses

Fuel for doubt
- Problems with user retention; 90 percent of registered avatars leave Second Life within three months
- Low concurrency rates; maximum of 45,000 people signed in at once
- 30 day users and daily spending flat since March
Why Do Virtual Worlds Matter?

“3-D realms such as Second Life are the next phase of the Internet’s evolution and may have the same level of impact as the first web explosion.”

–Sam Palmisano, CEO, IBM

• Valuable experience with user interfaces for the PlayStation generation

• Gartner projects that 80 percent of Internet users will be taking part in virtual worlds by 2011

• The Second Life project has already generated lessons for other Reuters businesses looking to innovate in user interfaces and communities