

Virtual Consumerism: Case Habbo Hotel

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VIRTUAL CONSUMERISM: CASE HABBO HOTEL

Abstract. Selling virtual items for real money is increasingly being used as a revenue model in games and other online services. To some parents and authorities, this has been a shock: previously innocuous ‘consumption games’ suddenly seem to be enticing players into giving away their money for nothing. In this article, we examine the phenomenon from a sociological perspective, aiming to understand how some media representations come to be perceived as ‘virtual commodities’, what motivations individuals have for spending money on these commodities, and how the resulting ‘virtual consumerism’ relates to consumer culture at large. The discussion is based on a study of everyday practices and culture in *Habbo Hotel*, a popular massively-multiuser online environment permeated with virtual items. Our results suggest that virtual commodities can act in essentially the same social roles as material goods, leading us to ask whether ecologically sustainable virtual consumption could be a substitute to material consumerism in the future.

Keywords

virtual property, consumer behavior, commodification, global culture industry, massively-multiplayer online game (MMO), real-money trading (RMT)

INTRODUCTION

For at least two decades, simulated shopping and commodity consumption have been central elements of play in many digital games and online hangouts. Elements of this central part of contemporary Western culture are incorporated into all sorts of settings, including even fantasy worlds, historical milieus and futuristic visions. Players or participants, often young, are familiar with the logic of consumption and ownership and gladly engage in the simulated consumption games offered by the systems. What controversy there has been over activities portrayed in video games has centered on simulated sex and violence, rarely shopping.

In recent years, however, it has become increasingly common for virtual goods circulated in consumption games to be exchangeable for real money. Using a credit card or mobile phone, players are now able to purchase virtual items, clothes and characters like any commodities in an online store, except that the goods are never delivered to the physical doorstep. This ‘virtual item trade’ or ‘real-money trade of virtual property’, as it is variously known, has forced a re-evaluation of the status of fantastical consumption play. Economists (e.g. Castronova 2006; Huhh, 2008) have observed that what were previously considered fiction can actually be analysed as goods in the economic sense. Legal scholars (e.g. Lastowka & Hunter 2004; Fairfield 2005) have put forward questions regarding the ownership and legal status of virtual assets.

In popular media, the phenomenon has been welcomed with a sort of bemused wonder, at times also with great controversy. From the point of view of parents of young players, it may seem as if the previously innocuous digital hangouts are suddenly enticing gullible children, not yet able to distinguish between real and make-believe, into giving away their money for nothing. In Finland and Sweden, consumer protection authorities have been called on more than once. For authorities and regulators, there is a distinct lack of understanding on how to categorise, deal with or even approach the phenomenon.

The purpose of this article is to offer a re-evaluation of the status of online consumption games from a sociological perspective. Using a case study of *Habbo Hotel*, a popular ‘virtual world’ for teenagers, we descend into the everyday practices and culture of a social world permeated with virtual goods. We drop assumptions regarding the nature of the artifact as a digital game, and instead adopt angles of interpretation from the sociology of consumption, treating the phenomenon as *virtual consumption*. This way, we aim to clarify the motivations of those who participate in the system and spend money on it, explain some of the social dynamics that shape virtual consumer behavior, and offer a perspective on how virtual consumerism fits in the bigger picture of consumer society.

We begin by providing some context on consumption games and virtual asset trade. This is followed by a theoretical discussion of the notion of virtual commodities, where we

compare them to digital information. Next, we turn to sociological literature on consumption, reviewing three main perspectives on consumer culture. Armed with these perspectives, we reach into the case material. In the last section, we summarise our findings, present conclusions and briefly consider the future of virtual consumerism: to what extent could it substitute material consumption, and what would be the ecological implications?

CONSUMPTION GAMES

Habitat, opened in 1985, was an early pioneer of virtual environments. It used two-dimensional graphics to represent spaces such as home, hotel and arcade, where cartoon-style characters controlled by users could talk and interact. The landscape was scattered with vending machines from which users could purchase virtual items ranging from weapons to furniture. Purchases were paid with a currency called Tokens, which was distributed to the users for free. The most desirable items were spare heads that could be used to customise one's character (Dibbell 1998, p. 172). More recently, shopping was placed in a central role in a series of single-player video games called *The Sims*. Described as 'life simulators', they became one of the most successful game series ever. In both *Habitat* and *The Sims*, shopping is conceived of as simulation: 'consumption play'.

In so-called massively-multiplayer online role-playing games (MMORPG) launched in the late 1990's, consumption play began to be mixed up with real money (Lehdonvirta 2005). In *Ultima Online* and *EverQuest*, hundreds of thousands of players 'traded' with other players to exchange game assets accumulated during months of play for other game assets. As with the previous systems, the economy was intended to be like *Monopoly*: no real money would change hands. But in 1999, some players put their game assets on auction at eBay. Perhaps surprisingly, they received bids from other players. When an auction was completed, payment was carried out using ordinary means such as check or money order. The two players then met up in the game and the seller handed the auctioned object to the buyer. This way, an exchange value measured in U.S. dollars

could soon be observed for virtual goods ranging from castles to gold nuggets (Lehdonvirta 2005). In 2002, a massively multiplayer online version was created of *The Sims*, and real-money trading followed.

What began as trading between individual players quickly became a grey-market commercial activity. Jin (2006) describes how hundreds of ‘gaming sweatshops’ in China hire young men to play online games in 12 hour shifts to harvest game assets. Virtual property dealer companies such as *IGE* buy these assets and sell them to players, often Western, for significant profit. In the MMO *Second Life*, real-money commerce also involves services such as design and construction consultancy for virtual landowners.

Today, the idea of selling virtual commodities for real money has spread beyond its origins in gaming and found its way to other online services, particularly those where social interaction is a key element. Finnish online image gallery *IRC-Galleria*, Korean social networking site *Cyworld*, Chinese instant messaging service *Tencent QQ* and U.S. social networking site *Facebook* are examples of extremely popular services that earn revenues by selling virtual commodities to their users. The commodities are often small graphical objects that can be used to decorate one’s online profile or given to other users as gifts. Common objects are priced at a dollar or less, while notable ones can fetch tens of Euros. This spending opportunity hardly existed five years ago, but is now increasingly pervasive.

Virtual asset trade has begun to make occasional appearances in sociological and media studies texts that deal with sites where virtual assets are found. Game scholar T. L. Taylor discusses real-money trading in her book on the culture of the MMORPG *EverQuest* (2006), while Anthony Fung (2006) mentions them in a study of online gaming communities in Hong Kong. Grimes (2007) and Herman *et al.* (2006) discuss virtual commodities in the context of debates over intellectual property rights, while Malaby (2006) considers virtual assets as part of a Bourdieuan capital framework. Virtual asset sales are frequently referenced in discussions concerning demarcations between ‘real’ and ‘virtual’ worlds, as they appear to transcend this (artificial) dichotomy. In the works

referenced above, the authors also make valuable starts into trying to understand the role of virtual commodities in the users' everyday life.

Hiroshi Yamaguchi (2004) has compared game economies to so-called local exchange trading systems (LETS), small alternative economies that exist alongside the formal economy. What they have in common is the limited scope of possible transactions. But while LETS and similar systems focus on using new mechanisms to exchange familiar goods, the most interesting aspect of the present phenomenon in our opinion is the use of established markets like eBay to exchange a completely new category of goods.

FROM DIGITAL REPRESENTATIONS TO COMMODITIES

Our intention is to go deeper into understanding virtual goods by examining the phenomenon as a type of consumer behavior. But can real-money trade of virtual assets be considered consumption in the first place? The literal meaning of 'consumption' is using up, destroying or eating something, which indicates that in economic terms, objects have life cycles: first they are produced, then exchanged with money, and finally consumed, until they disappear or fade and lose their value (Wilk 2004, p. 15-17). In the present phenomenon, nothing is *consumed* in the sense of something tangible being destroyed, expended, used up, worn down or eaten.¹ But even with regard to traditional consumption, economic metaphors are not always appropriate. Objects do not necessarily lose their value when used (e.g. antique, jewelry or collectibles), and they can be used several times. The value of goods may be based on non-existing properties (e.g. stock markets). Many objects also have different 'social lives', which means that their use may change over time (Wilk 2004; Appadurai 1986; Douglas & Isherwood 1978). As practical quantitative measures of consumption, researchers observe the spending of time and money.

However, time and money can be spent on media consumption as well as on commodities, and the sociology of consumption has developed very different approaches to these two. Media is intangible, superstructural (Lash & Lury 2007), while commodities

are used to create distinctions through ownership. Computer screens showing digital representations of goods would normally be analysed as media surfaces, but our contention is that virtual assets should rather be analysed as commodities. This is due to a key ‘innovation’ that enables digital representations to take up roles commonly associated with luxury goods and other tangible commodities: *artificial scarcity* (Castronova 2006; see also *rivalrousness* in Fairfield 2005). Since the cost of reproducing digital objects is close to zero, there is little technical reason why every participant in a virtual economy could not be given a copy of each and every commodity. Indeed, armchair theorists of the 1990’s predicted that cyberspace would liberate us from the restrictions of the physical world in just this way. Yet in some circumstances people seem to prefer virtual scarcity over digital abundance. Rivalrousness and scarcity can transform digital representations from media messages into objects with a ‘thing-like’ nature, in a process that resembles Marxist theories of commodification (see Miller 1987, p. 13; Lury 1996, p. 41). This allows attributes that in reality exist by virtue of social relationships between people to be perceived as inherent characteristics of digital objects. One such attribute is economic value.

This thingification of representations into virtual commodities meshes particularly well with Scott Lash and Celia Lury’s recent notion of a ‘global culture industry’ (Lash & Lury 2007). Though critics of mass culture such as Horkheimer and Adorno (1976) have long seen culture as ‘industrialised’ and assimilated into market capitalism, culture used to remain in the superstructure. Culture and media were a utility, a means to promote the consumption of commodities, which was the end purpose. But ‘[i]n global culture industry, what were previously media become things’ (Lash & Lury 2007, p. 8). Media representations materialise as tangible commodities and commodities simultaneously become media. And ‘When media become things [...] they no longer exclusively have cultural value. They come very importantly to have use-value and exchange-value’ (ibid.), completing the true industrialisation of culture (and also the culturisation of industry).²

The commodification outlined above is a clear point of difference between services based on virtual commodities and other ‘social web’ services that emphasise user involvement and social interaction. For example, by publishing a prominent video clip on *YouTube*, a user might gain a reputation among fellow users, but that reputation is not something that can subsequently be detached and sold as an attribute of the video to another user. A commodified object, in contrast, can obtain its own history and reputation in its life-course, independent of its maker and independent of other objects (copies) of the same type. In this aspect, services based on virtual commodities actually bear more similarity to old-fashioned online marketplaces like eBay that sell ‘naturally scarce’ consumer commodities than to cutting-edge social web platforms that distribute media content. Ideologically, virtual consumption represents a return to 20th century material consumerism, which the ‘new media’ and the ‘Web 2.0’ paradigm with its emphasis on the amateur and the ethos of sharing were trying to subvert.³

UNDERSTANDING VIRTUAL CONSUMPTION

How do digital representations that have transformed into quasi-tangible commodities become so attractive that users are willing to spend money on them? It is clear that materialistic explanations are difficult to reconcile with the digital nature of the objects in question. In the sociology of consumption, there has thankfully long been a ‘movement away from regarding goods merely as utilities having a use-value and an exchange-value which can be related to some fixed system of human needs’ (Featherstone 1991, p. 85).

In his book *Consumer Culture & Postmodernism*, Mike Featherstone (1991) identifies three main perspectives on consumer culture. First is the Marxist ‘production of consumption’ perspective, which posits that in a capitalist society, mass media and other means are used to ‘educate’ people into becoming consumers in order to open up new markets for the ever-expanding production sector (Miller 1987). As mentioned above, this is the way in which virtual consumption is currently perceived by, for instance, concerned parents. It entails a view of consumers as victims that the manipulative capitalist is luring away from some better, ‘more original’ set of values and social

relations. For instance, Horkheimer and Adorno (1976) express concern over the replacement of high culture with a homogenous 'mass culture' produced by a 'culture industry'. However, the 'production of consumption' view has been criticised as elitist and for the fact that it fails to examine actual consumption processes, which reveal diverse audience responses and complex, unexpected uses of goods.

The second perspective goes deeper into practice, focusing on the use of goods as tools for building social bonds or distinctions. Generally speaking, consumers are seen as communicators who use symbolic meanings embedded in commodities to express status, class, group membership, difference or self-identity (e.g. Veblen 1899/1955; Simmel 1904/1957; Bourdieu 1984; McCracken 1988). The satisfaction derived from goods is primarily linked to their use as markers, and only secondarily related to their physical consumption (Douglas & Isherwood 1978). An extreme example of this is the accumulation of collectible objects, which can be completely 'useless' and non-functional (Baudrillard 1994, 1996). According to Russell Belk (1995, 2004), even if the collected objects were once useful in some way, when they enter the collection they are no longer used in their original purpose. Although collectors frequently describe the thrill of the hunt for collectible objects, Belk (1995) argues that the hunt is, in the end, usually a highly competitive game of status seeking.

On the other hand, Belk (2004) acknowledges that the collector's single-minded pursuit may also be seen as highly pleasurable romanticism; noble saving of objects that few others appreciate. This position echoes a third perspective on consumer culture, described by e.g. Colin Campbell (1987, 2004) and Featherstone (1991), which focuses on the individual emotional pleasures of consumption. Campbell sees consumption as an individual, hedonistic process. Featherstone argues that urban everyday life in particular is *aestheticised*: overflowing with imagery (though not necessarily overcome by it as for Baudrillard 1971/1988) that can evoke dream-like and pleasurable aesthetic sensations. For an individual, contemporary consumer culture also entails the creative mixing of consumption styles in a project that resembles artistic expression.

Does virtual consumption involve the same motives as those detected in other modes of consumption? Perhaps the only study so far to approach the question is a recent article by Yue Guo and Stuart Barnes, titled 'Why People Buy Virtual Items in Virtual Worlds with Real Money' (Guo & Barnes 2007). The goal of the article is to develop a preliminary model of 'individual determinants for the decision to purchase virtual items within virtual game communities.' The model is largely based on models intended to describe user acceptance of new technologies in management and information systems sciences. Thus, the determinants it identifies include ease of use, 'performance expectancy' and 'perceived enjoyment'. The only social determinant is 'the degree to which an individual perceives that important others believe he or she should use community transaction mechanisms to gain high-level virtual items for enhancing character competence' (*ibid.*, p. 72). The result is unfortunately a rather limited utilitarian view of user motivations, which furthermore makes strong assumptions regarding the mechanics of the underlying service that seem to confine its application to certain MMORPGs only.

In this article, we attempt to start towards a richer, more inclusive and theoretically better motivated understanding of virtual consumption by taking the established perspectives from consumer sociology outlined above as our interpretative frame and descending into the everyday practices and culture of a social world permeated with virtual items.

CASE HABBO HOTEL

One prominent site of virtual consumption is *Habbo Hotel*, a popular massively multi-user online environment that is not quite a game, yet not simply a graphical chat program. The environment resembles a giant contemporary Western indoor space, presented in isometric 'retro style' 3D graphics and populated by blocky avatars, each controlled by a user. The service was launched in 2000 by a Finnish company called Sulake, and a localised version is available in 32 countries. Habbo is targeted at teenagers: the average age of users is 15.5 years and their gender distribution is close to equal (Sulake 2008a). According to Sulake (2008b), Habbo currently has around 9,5 million monthly unique visitors globally, which makes it one of the most popular 'virtual world' type services,

about ten times as popular as *Second Life*. Based on Sulake's figures, it is possible to estimate that more than a quarter of 13-18-year-olds in Finland use Habbo Hotel.⁴ In 2006, Habbo earned approximately 55 million US\$, mostly from microtransactions (Hyatt 2007).

Due to its maturity as an Internet service, its popularity, and its strong focus on virtual commodities and real-money purchases, we believe Habbo Hotel is an excellent subject for an explorative study into virtual consumerism. Teenagers are often in the forefront of material consumer culture, and can be expected to provide a similarly rich view of virtual consumerism. In the following sections, we provide descriptions that are based on a case data that was collected in 2004-2007 and consists of user interviews (N=12), studies of Habbo fansites (N=24), and first-hand use experience ('online fieldwork' similar to Slater & Miller 2000). Unless otherwise noted, the data described here pertains to the Finnish version of the service. Quotes were translated from Finnish into English by the authors.

By Habbo fansites, we refer to websites maintained by users independently of Sulake that contain articles and discussion on Habbo Hotel and activities taking place inside it. Johnson and Toiskallio (2005) argue that fansites are a valuable source for user research, especially as a complement to other fieldwork methods, as they reveal lore and practices that could otherwise take months of participation to discover. It should be noted that since the data was collected, Sulake has extended the web aspect of the Habbo platform by introducing individual user homepages, group homepages and group discussion forums, as well as social networking style features. These new features have taken over some of the functions previously carried out by fansites. The combination of Habbo Hotel with the web-based features has been rebranded as simply *Habbo*.

Aesthetics, self-expression and identity

Upon first entering Habbo Hotel with a web browser, a new user is requested to create an avatar, one's digital representation inside the hotel. The avatar can resemble either a girl or a boy and is customised by choosing a set of clothes, shoes, a hairstyle, a face and a skin color. The wide range of options includes T-shirts, sweaters, jackets, skirts, sneakers,

baseball caps, as well as quirkier items such as rabbit costumes and Afro haircuts. After creating an avatar and walking around in the hotel's corridors and cafés, the next thing a new user often does is creating his or her own 'guest room'. Guest rooms can be private or open to visitors. They are initially empty, but can be decorated with a wide range of virtual items and furniture, from sofa sets and lava lamps to DJ decks and rubber ducks. This selection of appearance, clothing, items and furniture sets the landscape for virtual consumption choices in Habbo Hotel. Given the practically limitless number of possible combinations, how do users choose what to consume?

When discussing consumption choices, users commonly point to self-expression and aesthetic considerations as the motivating factors for their choices. User 'Kanhaukka' writes on fansite *Habbomatic.com*:

Regarding my current style, the reason I wear those colors is that the yellow hoodie is close to my favorite color, which is golden yellow. White goes with all clothes, that's why the bottom part is white. Hair also yellow, same reason as the hoodie. IRL [in real life] I don't like to wear shorts and a hoodie at the same time, but in Habbo it somehow pleases my eye.

In room decoration, prevalent aesthetics are reflected in monthly decoration competitions run by Sulake, in which users vote for a favorite room from a set of candidates. Such rooms are popular destinations for visitors who enjoy the view (Figure 1). Even items that have a functional purpose are appropriated for aesthetic purposes. For example, Sulake has created the Habbo equivalent of Post-it notes for attaching notes to walls. Instead of using them to relay information, users sometimes arrange them into decorative patterns. Functional considerations are important in rooms that seek to cater for activities such as games or to accommodate a large number of characters, but even then, users simultaneously strive to make the arrangement aesthetically pleasing or even 'artistic'.

Figure 1. Winning entry of the April 2007 decoration competition



Sometimes consumption choices are used to express a specific role. *'Myself, I am a Gothic witch,'* writes user 'Scekti' in the same discussion thread as Kanahaukka above. Scekti has a white face, black hair and black clothes. Others pretend to have a 'profession'. This involves not only clothing one's avatar accordingly and behaving in an appropriate manner, but also decorating a room or a set of rooms in a corresponding fashion. For example, one user has taken the role of a doctor. He dresses up in a white coat and has built a hospital ward by decorating a room with white tiles, hospital beds and a Swiss flag – the flag resembling an inverted red cross. This type of creative repurposing is common, as it widens the range of expression (see also Johnson & Toiskallio 2007).

While many develop individualistic styles, virtual consumption behavior is also a way to identify with a subculture. Habbo's 'Goths' are a good example, with their preference for black clothes, tall candles and gloomy furniture. Some of those who identify with Goths

believe that being one simply consists of making the appropriate consumption choices, while others contend that it also entails various beliefs or values. In any case, Goths are not a group or organisation with a defined membership, nor is the Goth identity based on traditional socio-economic or geographical divisions. The one thing that most Goths have in common is their shopping behavior. Table 1 shows a selection of Habbo clothing styles, as identified by a fansite author. Other categorisations are constantly put forward and debated.

Table 1. Common clothing styles according to fansite Kriisipalvelu.net (2005)

Punk	Gothic	Teinix (teenie)	Wannabe	Own style
Bright colours, irokese	White skin, dark clothes	Pastel colours, round cheeks	Smart dress, stiff behavior	Does not care about fashions
				

Users also form groups of varying degrees of organisation and longevity, styling themselves as e.g. ‘gangs’, ‘militaries’ and ‘model agencies’. The groups often have a set of rules that specify member ranks and membership criteria, such as required items and appearance. For example, one ‘military’ organisation requires its members to wear green tops, other pieces of clothing indicating rank. A gang calling itself ‘Egyptian Mafia’ instructs new recruits to label themselves with the text ‘*E.M. rank: slave*’ and wear brown clothes. Failing to conform to the dress code may result in expulsion from the organisation. For a price of one Plastyk, members may purchase a right to be exempt from the dress code.

Luxury and social status

Inside each Habbo Hotel there is a 'virtual economy' where items are traded on markets and prices determined as a function of supply and demand. The original source of all the commodities circulating in the economy (the 'producer') is Sulake. Sulake provides an online catalog where new virtual items can be bought at a fixed price. The items are paid for using the official currency known as credits, which must first be purchased from Sulake. In Finland, each credit costs approximately 17 eurocents, depending on payment method. As an example of the catalog's price level, the aforementioned Plastyk chair costs five credits (0.85 €), while a wood-paneled 'Tubmaster' jacuzzi goes for 50 credits (8.50 €).

Although Sulake's catalog provides a perfectly elastic supply of many items, there are many items for which the supply is limited. Seasonal items such as Christmas trees are available in the catalog only at specific times of the year. 'Collectibles' are available only for a limited period of time after their introduction, usually for two weeks but sometimes for only two hours. A special item is sometimes made available in a strictly limited quantity as part of a promotion or a competition. In Habbo slang, such items are known as 'super rares'. Items that are not available in the catalog can always be bought or bartered from other users, but their prices tend to go up as the supply grows thin. For example, a limited number of DJ style record players were distributed by Sulake in 2002 as part of an advertising campaign for a mobile operator. In 2006, users were trading them for around 250 Plastyk, which equals a re-purchase cost of approximately 200 €. Even though the purpose of virtual items in Habbo Hotel is ostensibly aesthetic, something to decorate rooms with, in practice they are simultaneously, perhaps even primarily, pieces in a status game. User 'Roundact' on fansite *Habbomatic.com* writes:

What stuff do you have in Habbo? Are you rich? I have 12 moccas, 2 typewriters (genuine), 3 DJ Esko posters, 4 dice, 6 typewriter-sets and some random stuff.

Possessions are constantly discussed and compared both inside the hotel and on fansites. Those with lots of rare and valuable items are labeled 'rich'. Rich users do not

necessarily use their possessions for anything; they may simply line them up on the floor, as in Figure 2. The expensive record player is actually not even capable of playing music. However, changes in market conditions can affect the value and status of items. Since mid-2006, the record player was again distributed as part of a new promotion. This multiplied its supply on the user-to-user marketplaces, leading to a drastic decrease in its value and the prestige associated with owning one.

Figure 2. A room with valuable items, including a record player



Besides scarcity, other factors that can contribute to an item's value are age, previous owners and how the item was originally acquired. For example, a decorative trophy that was originally given as a prize to a well-known 'celebrity' avatar (and still has that avatars' name inscribed on it) is valued many times higher than a visually identical new trophy that lacks such history. What difference does it make whether one is rich or not? For example, some popular venues (e.g. casinos, dating games, trading houses) only

welcome avatars of sufficient wealth. After losing his property to a scammer, user ‘Hpsaea’ wrote in *Habbo-Sanomat*:

[Losing the items] was not the worst of it, though. I was broke. Literally in the blink of an eye, I was demoted to the lowest value class in the eyes of others.

Besides property ownership, there is another method sanctioned by Sulake for establishing status group differences. ‘*Habbo Club is a club for all active habbos who wish to gain access to many different wonderful privileges and rights. One month’s membership costs 25 credits [€4.17],*’ reads the service’s description. Benefits include skipping in lines when entering crowded areas and having a larger and more varied selection of clothes to choose from. An avatar’s status as a member of Habbo Club is indicated by a badge with the letters ‘HC’, and is also often evident from the avatar’s clothing style. Some HC members routinely discriminate against non-members. For example, they might not speak to non-members and may label their rooms as ‘*HC only*’, indicating that non-members are not welcome and may be thrown out. One member explained that this is because non-members can potentially be ‘throw-away avatars’ used in fraud or harassment, unlike HC avatars, which are financially committed. But those who remain non-members for financial or other reasons complain about the discrimination. HC member ‘Simpucca’ writes at *Habbomatic.com*:

Sometimes in a beauty pageant you may have encountered a situation where a non-HC says to a HC, ‘you are sure to win because you are a HC’ or something similar. This is not nice. Winning does not depend on HC only. Personally, I have seen ordinary characters win many times.

Goods as vehicles of arbitrary meaning

Being extremely rich, hosting an exceptionally popular venue or activity, producing a popular fansite, or being a Sulake employee may result in one becoming a ‘Habbo celebrity’. Habbo celebrities are users or avatars with high social status that receive a lot

of attention from other users and are frequently interviewed in ‘talk shows’ and at fansites.⁵ Other users sometimes imitate their style and behavior. ‘Mirska’, the celebrity proprietor of ‘Mirska’s Virtual Hospital’, complained in an interview that her hospital decoration concept is being copied by others, and that some users are even pretending to be her. Imitation leads some celebrities to adopt a new style. ‘Kalasumppu’ at fansite *Kala-stamo* writes:

As we all know, afro-style hair has long been a favorite among celebs, but at the moment [...] it looks like the afro is giving way to its successor, the rasta hair.

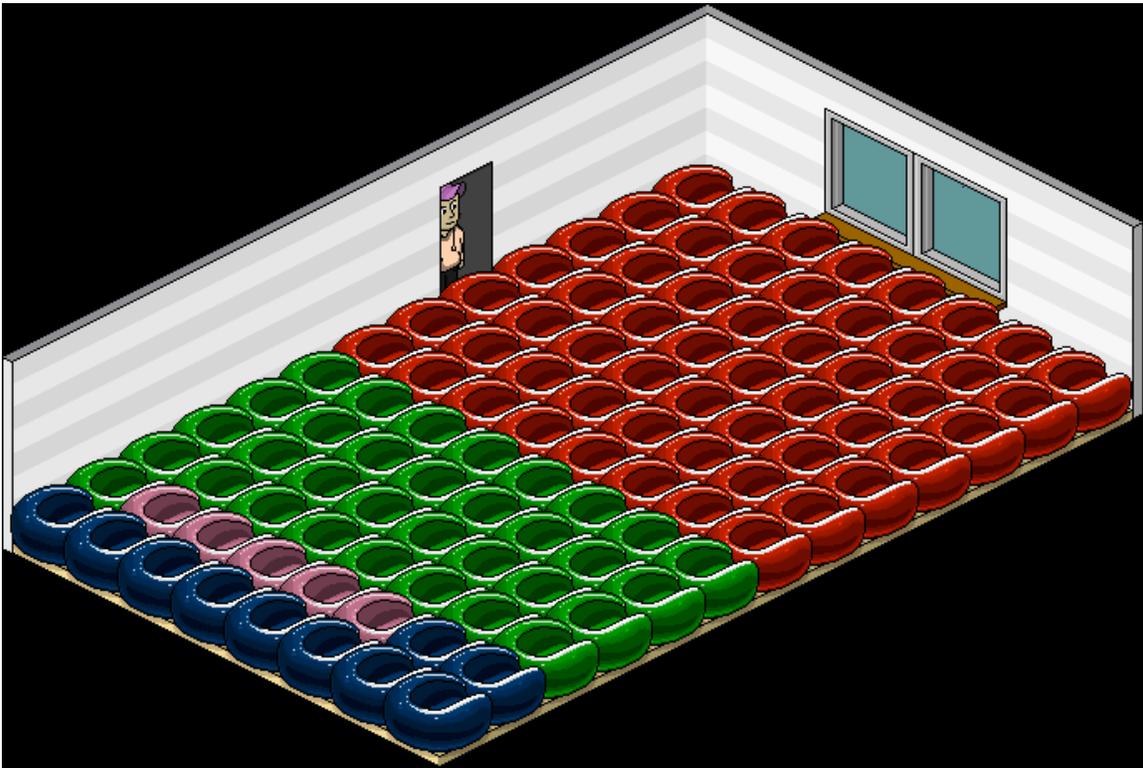
Having a large number of celebrities as friends is a positive status sign. Being familiar with Habbo culture is also desirable. If one shows a lack of knowledge regarding conversational conventions, the celebrity canon (over which there is much disagreement), popular venues, or the value and history of every virtual commodity in the service, one risks being labeled a ‘newbie’: a new or otherwise insignificant user whose opinions carry little weight and can be marginalised. Sometimes ‘experienced’ users claim to be able to recognise new users based on their clothing style alone.

As an example of how the correct interpretation of the meanings of various virtual consumption choices is based on negotiation between users (as opposed to being determined in advance by developers through, for example, graphic design), consider ‘Habbo stables’: rooms where participants assume the role of either a horse or a horse keeper. Since actual horse-avatars are not available, the choice is indicated by skin color, which in Habbo, as in many other online hangouts, is a consumption preference. Dark-skinned avatars are considered horses, while light-skinned avatars are keepers, a code that, for a moment, seemed quite widely understood. Not understanding would of course have been grounds for being labeled a newbie.

Another example of user-negotiated meaning is the emergence of an ad-hoc currency. When Habbo Hotel was first opened, it contained no currency that could be used in user-

to-user transactions; all trade was barter. But after a while, a certain virtual plastic chair known as 'Plastyk' emerged as a de-facto currency (Figure 3). Prices would be denominated in plastic chairs, and the same plastic chairs could be used as a medium of exchange. The same process led to different results in parallel versions of the system. In the U.K. Habbo Hotel, a three-level currency system emerged: one 'Throne' equals approximately 34 'Club Sofas', and one Club Sofa equals approximately 75 'Rubber Ducks'. The exchange rates of the currency units naturally change as supply and demand fluctuate. Several fansites observe and publish the going rates; the values mentioned here are from *HabboX.com*.

Figure 3. A room full of Plastyk chairs, used as informal currency



CONCLUSIONS AND DISCUSSION

Through our selective exposition of everyday practices and culture in Habbo Hotel, we sought to clarify the motivations of those who participate in the system and spend money on it as well as to explain some of the more complex social dynamics that shape virtual consumer behavior there. In this final section, we summarise the findings from our three chosen perspectives, conduct another comparison between virtual commodities and digital information, and conclude with a discussion of virtual consumerism as a 'real' form of consumption.

Adopting an individualistic perspective on consumer culture, the everyday environment of the virtual world of Habbo Hotel can easily be described as highly aestheticised, permeated with abundant imagery and artistic expression similarly to the cityscapes described by Featherstone (1991, p. 95-112). Virtual *flâneurs* derive pleasure from wandering around artistically placed stacks of furniture while wearing carefully selected couture. Self-expression, aesthetic considerations and even artistic aspirations are revealed in users' virtual consumption choices. Similar motivations have been identified in e.g. *The Sims* (Paulk 2006).

From a more social perspective, it is clear that many virtual commodities are also used in the capacity of markers. They are used to signal distinctions between high status and low status, between membership and non-membership, and between one group and another. In the marker role, the aesthetic and functional attributes of a commodity may cease to matter entirely. Extrinsic attributes, particularly rarity, exclusivity and association with particular individuals or groups become the driving forces behind consumers' choices. For instance, our material suggests that Habbo collectors are at least equally motivated by status-seeking and utilitarian pursuit for the possession of expensive rarities as they are by a romantic, noble passion for the goods as such, as anticipated by Belk (1995, 2004).

The status of a virtual luxury good is not necessarily fixed, however. Like contemporary consumer society, Sulake introduces and re-introduces items and styles so that what was

previously the privilege of a select few may suddenly become available to masses. This makes it difficult to rely on ownership of exclusive objects as the only means of establishing social differences, leading individuals to adopt taste and ‘correct’ consumption choices as another way of drawing distinctions. Not only must one adopt an appropriate consumption style out of all the possible combinations, one should also display the ability to classify others’ styles to be considered authentic (c.f. Bourdieu 1984). Compared to the static, pre-programmed symbolic values of virtual items in *The Sims* (Paulk 2006), in Habbo the meaning of goods is negotiated between real people. Some users imitate the fashions of celebrities, which in turn invent new fashions to maintain the distance (c.f. Simmel 1904/1957). Others opt for subversive strategies (Featherstone 1991, p. 92-93), aiming to discount or even replace existing status games instead of joining them. Keeping abreast of all the changing styles and commodities requires good sources of information. This is provided by fansites, the Habbo equivalent of cultural intermediaries. In all, the dynamics outlined above resemble Featherstone’s ‘economy of cultural goods’ (1991, p. 83-94).

Intricate as the Habbo cultural economy is, the dynamics of taste, fashion and imitation are no strangers to the worlds of ordinary websites, blogs and social media platforms either. Featherstone associated these features with societies that enjoy unrestricted access to goods (1991, p. 17), information goods in this case. Thus the remarkable thing about virtual commodity platforms is perhaps rather their ability to create the more stable, old-fashioned status systems: stable markers to which economic value can readily be assigned. That said, even the exchange of digital files can sometimes engender alternative economies with instances of scarcity. For example, Don Slater describes a social world where digital sex pictures are treated similarly to tradable commodities (Slater 1998). The images are digital and abundant, but finding ‘good’ or ‘rare’ ones from the global haystack is difficult. When a good specimen is uncovered, it enjoys a period of natural scarcity until it has been propagated to everyone, creating momentary difference between haves and have-nots.

Yet even without considering scarcity, a significant difference between digital files and virtual commodities can be found in their life-course. Lash and Lury's (2007) comparison of the products of the old and new culture industries illustrates this point well. According to Lash and Lury, Adorno's commodities were atomistic: identical to each other and externally caused. In contrast, the products of the global culture industry are Leibniz's monads: 'all different from each other, because each carries its own trace' (Lash & Lury 2007, p. 12). In Habbo Hotel, users can discuss the age, provenance and past owners of each instance of a very rare item. This makes each copy distinct and of different value. For a rare sex picture, on the other hand, it does not make sense to discuss the provenance of individual copies: they are all the same.

How do we address the charge leveled from the 'production of consumption' perspective: that Habbo Hotel and similar services are deceiving consumers into spending money on an illusion? One strategy is to note that everywhere in our economy, goods have a social life beyond their physical qualities. Even the consumption of food and drink is far removed from simple fulfillment of physical needs, in terms of quality, quantity, form and ritual. Positional goods are frequently made artificially scarce to enhance their value as markers (Leiss 1983). Thus it is not so much a question of Habbo luring the consumer from 'real' to 'illusionary' consumption, but from one arena of socially oriented consumption to another. We have seen that virtual commodities are able to fulfill the same kinds of aesthetic and social roles as material commodities in their respective subcultures (c.f. Thornton 1996). When we label them 'virtual', we do not mean to imply that they are less 'real' – only that they are computer-mediated. If there is an unreal air to how intangible objects can be worth lots of money, it is an observation regarding the nature of our consumer culture in general, of which virtual consumerism is only a naked example. In this sense, all consumption is virtual.

Yet it is obvious that from a parent's point of view, no matter how real they are, social arenas that are computer-mediated may not be very attractive targets for investment, especially if they steal resources away from the 'big game' of school and career. Marginalising them as 'not real' may thus be an appealing strategy. However, as more

and more aspects of life from work to social relations become increasingly computer-mediated, it becomes progressively more difficult to distinguish between these arenas (on work, see e.g. Yee 2006; Pinckard 2006). If a quarter of all Finnish teenagers use Habbo Hotel, there may well be school classes where almost every pupil is a user. In this case, what is the relationship between the pupils' Habbo identities and their schoolyard identities? One possibility is that virtual and material consumption profiles are positively correlated. Previous research suggests that young people's ways of using new technology correspond with their consumption patterns in general: those who are interested in and competent with new technology are likely to be more trend and brand conscious consumers, and vice versa (Wilska 2003; Wilska & Pedrozo 2007).

Another possibility is that status obtained in Habbo Hotel could act as a substitute to material status consumption within a reference group. In other words, lack of trendy sneakers at school could be compensated with virtual dragons and record players. If this was the case, it could have interesting ecological ramifications. Assuming fixed income, any money spent on virtual goods must necessarily mean less money spent on material goods. A virtual item carrying the same price and symbolic payload as a material commodity could potentially have a significantly smaller ecological footprint. The production, distribution and disposal of virtual commodities requires only negligible resources, although their design and use consumes computing related resources such as electricity. Serious studies on the environmental impact of virtual commodities are yet to be conducted, but in July 2005, Sulake received an award from *Dodo*, a Finnish environmental organisation, for the 'biggest inadvertent environmental feat of the decade' (Dodo 2005). Dodo believed that by providing a venue for virtual consumption, Sulake had created a greener alternative for consumption crazy teenagers to spend their allowances on.

Our notion of *virtual consumerism* is intended to draw attention to this societal side of the real-money trading phenomenon. Compared to the innocuous consumption games of the past, today's virtual consumption is increasingly a part of the surrounding society, a new extension of the playfield of contemporary consumerism. For now, it seems the rules

remain largely the same, from global division of labor to systems of symbolic exclusion. But in a mediated society, virtual consumerism also carries transformative potential, at least towards the material aspect of consumption.

Notes

1. Except for the gradual wearing down of computer hardware and network infrastructure, and the electricity they consume.
2. Note that Lash and Lury use the similar term *virtual object* to refer to ‘potentials that generate a succession [...] of actual forms’ (2007, p. 182), e.g. a brand that is actualised as a series of sporting events. In this parlance, *virtual commodities* are instances of ‘actual form’. However, due to their digital nature, virtual commodities can remain extremely close to the objects that spawned them, e.g. a digital brand image.
3. Copyright law of course tries to persuade users that media representations are commodities that can be sold by the piece. The ease at which digital information is duplicated works against this interpretation being perceived as correct by the consumers. So-called Digital Rights/Restrictions Management technologies (‘DRM’) attempt to turn media products into actual virtual commodities.
4. According to Sulake (2005), Habbo Hotel Finland had 280 000 monthly unique visitors in 2005, although some probably just visited the front page. According to Sulake (2008a, p. 189), 57% of Finnish Habbo users are 13-18 years old. According to Statistics Finland (2008), there are approximately 640 000 people aged 10-19 years in Finland. Thus at least $280\,000 \times 57\% / 640\,000 = 24.9\%$ of 13-18-year-olds were visiting Habbo in 2005. It is not unreasonable to assume that similar penetration continues today, given that Sulake (2008b) claims strong growth in total user base globally.
5. These ‘Habbo celebrities’ should not be confused with occasional visits by actual celebrities such as Ozzy Osbourne, which are organised by Sulake as part of marketing and promotional activities.

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