

[washingtonpost.com](http://www.washingtonpost.com)

Advertisement

Virtual Games Create A Real World Market

By Mike Musgrove
Washington Post Staff Writer
Saturday, September 17, 2005; A01

For a year and a half, Tod Kellen roamed the universe in the online computer game Star Wars Galaxies, living a fantasy life as a successful Jedi knight. Last week, Kellen decided the game was stealing too much time from his real life as a salesman for a chain of Wisconsin funeral homes, so he took extreme action: He auctioned off his fictional alter-ego on eBay.

The winning bidder paid \$510 for the game character Kellen had created and all the winnings he had accumulated in hours of play -- a top-notch light saber, a speeder bike, a nice chunk of real estate on the planet Lok and a bank account containing millions of Imperial credits.

It was a simple trade of cash for the product of someone's labors, except that all the goods exist only within the confines of a computer game, electronic blips to be transferred from one account to another.

Kellen's auction is just one example of how increasingly popular online role-playing games have created a shadow economy in which the lines between the real world and the virtual world are getting blurred. More than 20 million people play these games worldwide, according to Edward Castronova, an economics professor at Indiana University who has written a book on the subject, and he thinks such gamers spend more than \$200 million a year on virtual goods. One site, GameUSD.com, even tracks the latest value of computer-game currency against the U.S. dollar, an exchange-rate calculator for the virtual world.

On the Internet, real-world dollars can buy a virtual bazaar of odd items: A St. Bernard dog for the virtual home in The Sims Online fetches \$129.99. A "Blood-bladed dagger" for use in the game EverQuest: \$40. A two-handed sword for use in World of Warcraft is listed at \$66.59.

As such items gain value, real-world problems are creeping into the virtual world. In China this year, a man was stabbed to death for selling a virtual sword that didn't belong to him. In Japan this summer, police arrested a student for creating a software hack that killed and robbed other characters in Lineage II, a game with nearly 4 million subscribers worldwide.

After Hurricane Katrina, the operators of EverQuest II assured more than 13,000 members in the Gulf Coast region that their virtual property would be protected and preserved until they could resume playing.

West Virginia resident Bob Kiblinger is one of the pioneers of the virtual marketplace. He started playing a game called Ultima Online in 1998 and discovered he could make money by buying other players' accounts and reselling their virtual property online.

Eventually he quit his job as a chemist with Procter & Gamble Co. and now says he makes "six figures"

annually selling items for more than a dozen online games through his site, GamingTreasures.com. "I had a really good job with Procter & Gamble, but I wanted to be in control of my own destiny," Kiblinger said. "This was it. It was perfect."

In online role-playing games, players pay a monthly fee to take part in a virtual world with a science-fiction or fantasy theme. They create a character and spend hours going on adventures in a computerized landscape, gathering items and gaining experience points the longer they play.

But not every fan who plays Star Wars Galaxies is willing to spend a year meticulously maintaining a virtual career to attain the cool powers of an advanced Jedi. And as the average age of gamers rises, more are finding themselves with intrusive real-world lives. They have less time but more money.

"I work fairly long hours, plus I have a wife and kids at home," said Doug Robinson, a game fan in Kentucky, who said via e-mail that he has bought and sold game characters and currency in Star Wars Galaxies and other online games. "I just don't have the time to grind for 10 hours a day to get to the fun content in most games, I had rather spend a little real-world cash."

At one typical currency-exchange Web site, the MMORPG-Exchange, the current rate for Star Wars money is \$24 for 5 million Imperial credits -- about enough to buy a fast speeder bike. Put in an order via PayPal, and a green-skinned delivery guy will, within minutes, pop up inside the game to hand over the money in one shady corner of Mos Eisley, that corrupt city on Luke Skywalker's home planet of Tatooine.

This business exchange takes place in something of a gray market. Though it isn't against the law to spend money to get ahead in a computer game, it typically breaks the software license agreement users have to approve when installing games on their computers.

To discourage the practice, game companies' customer service representatives typically prowl these virtual worlds, shutting down the accounts of players who publicly offer to help others in return for real-world money. Sometimes game companies patrol eBay and request that the site shut down auctions that they say infringe on license agreements.

Mythic Entertainment Inc., a game company in Fairfax, has been an active opponent of real-world money infiltrating its game world. Mark Jacobs, president and chief executive, said that he tried to get other game companies interested in filing lawsuits to stop the practice but that the industry of reselling virtual goods might be too large to take down.

Sony Online Entertainment Inc., the company that developed and runs such games as Star Wars Galaxies and EverQuest, was once a fierce opponent of the practice and threatened online traders with cease-and-desist notices. Recently, though, the company tried a different tack, allowing the trade of goods between players for real-world money in EverQuest II. In 30 days, about \$180,000 changed hands between players; one player spent \$8,000. Some players spent as much as \$2,000 for characters.

Raph Koster, chief creative officer at Sony Online Entertainment, said the experiment has been a success so far but wouldn't say whether his company has plans to expand it.

Koster pointed out that it's not necessarily in the game's best interest to imitate the real-world economy, in which the point is to get money so you don't have to do things. In the gaming world, the point is to do stuff. That's the fun of playing.

"The economies in the real world are designed to grow and progress toward an improved standard of living so that eventually you don't have to slay dragons for food -- you go to a supermarket and get dragon burgers.

"We don't want people to get to a point where they just go out for dragon burgers," he said. "That would not make for an interesting game."

Microsoft Corp. has said this sort of trading will be featured in the next Xbox, and Sony has implied it might be in the next PlayStation.

Castronova predicts that more companies will take the strategy Sony took with EverQuest II -- sanctioning the trade of virtual goods in some of their virtual places while banning it in others.

But unresolved is the fuzzy issue of to whom all this virtual stuff really belongs.

Sony Online Entertainment owns the Star Wars Galaxies game, for instance, so it could argue that all the Jedi knights walking around that world are its property -- just as characters in a book or movie belong to the publisher or production company.

But Kellen, the player who auctioned his character on eBay, said he thinks the effort he put into that character is worth something, as well.

"I've got over a year's worth of time invested in this game," he said. "It would be crazy not to get something back."

© 2005 The Washington Post Company

Advertisement



Advertising Links

What's this?

Save on All Your Calls with Vonage

When looking for local regional and long distance calling, use Vonage to make calls to all 50 states and Canada. Get voicemail, great international rates and more. Sign up today.
www.vonage.com

MyCashNow - \$100 - \$1,500 Overnight

Payday Loan Cash goes in your account overnight. Very low fees. Fast decisions. Direct deposit is not required. No credit check. Confidential - secure.
www.mycashnow.com

Refinance Rates Hit Record Lows

Get \$150,000 loan for \$720 per month. Refinance while rates are low.
www.lowermybills.com