

A collection of
management articles for
the aspiring managers

e-Management Digest

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VIRTUAL MARKETING

Marketing to Avatars

With more and more people joining the online virtual gaming world (MMOG – Massively Multiplayer Online Game), such as Habbo Hotel, the Sims Online and Secondlife.com, marketers have been working hard to capture the hearts of the relatively younger segments.

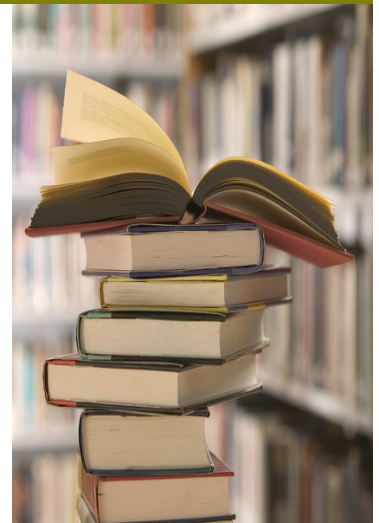
Retailers and manufacturers like Reebok, Adidas, American Apparel and 1-800Flowers.com have found a new channel for promotion. They are setting up shops in Second Life, hoping that users will steer their avatars to these virtual stores and buy goods to deliver to their real world addresses.

Reebok, for example, set up a virtual store in Second Life in 2006 with the aim of promoting its 'then' new products – customizable trainers. It is just perfect for the virtual environment where Residents can build different parts as well as different colours of their pair of shoes online, with their own avatars got to try them on immediately which also give them a slight idea of how those shoes would fit into their real self. On the other hand, Nike offered special trainers that allowed Residents to run faster, in the game. This is major a brand building exercise for Nike in Second Life.



Reebok setting up virtual shops in SecondLife.com

Just like their offline marketing campaigns, companies also organise public relations events to boost up their products and corporate image. As did non-commercial sponsorships, the American Cancer Society - staging its events in Second Life in 2006.



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Residents walked into a virtual course, lighted up virtual candles, and raised virtual cash which was converted into more than US\$7,000 in real cash and donated to organisations.

With unlimited creativity, Second Life has recently emerged as provider of cutting-edge virtual classrooms for major colleges and universities. Open University (UK), Harvard, Rice, University College Dublin, Stanford University and so on have set up delivery of actual courses in virtual avatar form. It is not just some ordinary distance learning courses, but a whole new interactive experience that Second Life Residents would find themselves easier to get involved, and to get interactive with other Residents in their virtual classrooms, mixing learning with fun.



Virtual Classroom, with lecturers delivering courses to 'virtual students'

Paul Hemp published a research on Harvard Business Review in June 2006 claiming that students using virtual worlds are *engaged* in learning, as opposed to those simply watched TV passively. Online Gamers, such as the Residents in Second Life, create their own stories (a type of User Generated Content) and personae that allow them to show off aspects of their personalities usually under wraps. He also notes, marketers have been addressing

avatar marketing for years – the super-cool person in all of us that is waiting to emerge after purchasing the right product.

The combination of virtual-world commerce and the growing overlap of virtual and real worlds led to new opportunities for creative real-world marketers. There are currently around 1 million paid subscribers, and 7 million more free accounts at Second Life.

Seems like a big virtual gold mine out there, marketers should check with themselves before jumping onto the MMOGs' bandwagon:

- Is your company suitable for avatar-based marketing?
- Is your target market plays the MMOGs you are engaging?
- Can you translate your brand compellingly into the context of the game's world?

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ECONOMICS

Age and Investments

The surge (or fall) of the Hong Kong and China stock markets in these few months sets investors in joy and fears. The excitement of trying to foretell what will happen tomorrow or indeed the next few seconds is no less than playing a game at poker table. Greed for making a fast income has taken over the senses for fundamental economics.

Everyone knows the secret to creating wealth: Buy low, sell high – or for punters, sell high first and buy back later. The key to successful investing is getting the timing

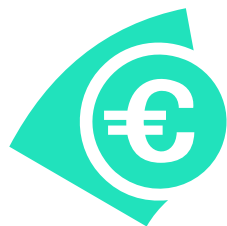
right, and grasping long-term trends. The recent trend has been up and up, but is the last few months long enough to be called long-term?



Economist Jeremy Siegel, author of the investment classic 'Stocks for the Long Run', argued that investment instruments

were in for a long-run rise, as the post-World War II baby-boom generation entered its highest earning years and began to invest heavily for their retirements. He proved correct. The 1980s and 1990s saw huge rises in stock indices globally.

Now, with the post-World War II baby-boom generation starting to hit retirement age, Siegel fears that as they sell their investments to fund their retirements, so the demand for stocks will fall. He is forecasting declining or stagnant markets over the coming 20 years.



Siegel's expectations of inevitable asset value declines appear well founded. Siegel hopes enough boomers will keep working longer or work part time, and that concurrently developing countries like



China will grow rich enough, fast enough to take up some of the slack and keep up demand for stocks and bonds.

But his hopes depend heavily on governments raising retirement age and

workers being willing to work longer. So far, both appear unwilling to make such accommodations. For example, Hong Kong's government still has delusions it can continue to retire workers at age 60.

As our elderly population explodes in the coming decade or two, that illusion will prove harder and harder to maintain.

Why do people, including politicians, consistently refuse to face facts or plan

ahead? So far, people not planning forward seem to think that they are exceptions: that aging will not affect their livelihood. They deliberately ignored the inevitable trends and wishfully think they are exceptional.



(Adapted from an article written by Michael DeGolver for The Standard, 13 July 2006)

INTERNET PRIVACY

MySpace, not yours!

A survey by financial services recruiter Joslin Rowe has found that 20 per cent of employers now use social networking sites to run searches on job applicants.

Using social networking websites to research job candidates is the equivalent of "going into somebody's house and searching through their bedroom drawers", according to Donna Miller, Enterprise Rent-A-Car's HR director for Europe. She said that information on websites such as Facebook and MySpace was personal and not appropriate for recruiters to use.

“I think a lot of students use these sites to meet people and to share pictures with friends, and it’s certainly not a way that people look for jobs,” she said. “They go to specific recruitment sites for that.”



The popularity of such websites has grown dramatically over the past year, with Facebook now boasting more than 3.5 million users in the UK, compared with 500,000 in October 2006.

Enterprise has now introduced a company-wide policy banning recruiters and all other employees from accessing the sites last year. Miller said the policy was an extra safeguard against discrimination. “While I agree that everything you put up on the internet is in the public domain and that everyone should be careful, I don’t feel it is appropriate for recruiters to look at all of it,” she said.

Miller added that the policy was in line with the organisation’s values of personal honesty and integrity.

(Adapted from: People Magazine, 26 July 2007)

ENGLISH

Words Worth

PRONUNCIATION

- Many people in Hong Kong cannot distinguish the difference in sound between ‘Lounge’ and ‘Launch’. ‘Lounge’ is a ‘lazy/comfortable place such as a bar’ and sounds like ‘Lau-n-ge’ but

‘Launch’, a boat and sounds ‘L-on-ch’, like ‘laundry’.

- Ladies underwear ‘Lingerie’ is a French word and sounds ‘L-on-ger-ae’.
- Reading, as a city in England, is pronounced as ‘Red-ding’. Note also when you study for a degree, you will be ‘reading’ a degree – degrees are read instead of studied!
- Manchester, another city in England, is pronounced as ‘Man[↑]-Ches[↓]-Ter’. The first syllable is raised and the second dropped. Most Hong Kong people did them in reverse.
- Salisbury, the name of a major road in Tsim Sha Tsui, is pronounced as ‘Sall-bury’. The ‘i’ is not pronounced.

RIGHT OR WRONG

WRONG	RIGHT
× Would you like to have some more food? No thank you, I have enough.	✓ Would you like to have some more food? No thank you, I have plenty already.
Enough is not an easy word to use. Quite often, especially if it refers to a quantity, it can carry a negative meaning, such as ‘tired of’ or ‘too much’. So ‘I have enough of your suggestions’ means that I have too much suggestions and I do not want anymore.	
× Flying is cheap enough.	✓ Flying is quite cheap.
Enough does not mean ‘quite’ or ‘fairly’ unless the word is used in very informal speech.	
× Because inflation is very high, <u>so</u> we have to limit pay rises this year.	✓ Because inflation is very high, we have to limit pay rises this year. ✓ Inflation is very high, so we have to limit pay rises this year.
In Chinese, we say 因爲 ... 所以. In English, we use <i>because</i> or <i>so</i> , but not both.	
× The special sale should be last for only two days.	✓ The special sales should last for only two days. ✓ This should be last on the agenda.
When ‘last’ is used as a verb, you do not use ‘be’ after it. You use ‘be’ when ‘last’ is used as an adverb.	