

# CERT'S PODCASTS: SECURITY FOR BUSINESS LEADERS: SHOW NOTES

## Virtual Communities: Risks and Opportunities

**Key Message:** When considering whether to conduct business in online, virtual communities, business leaders need to evaluate risks and opportunities.

### Executive Summary

Increasingly, users are participating in a wide range of online, virtual communities – from sharing information to stay personally connected to developing sophisticated [avatars](#) (virtual personas), establishing businesses, and making money. Environments such as MySpace, YouTube, and Second Life are adding new users worldwide every day. Businesses are discovering the benefits of using virtual communities for mass collaboration – where global users can easily interact with one another to achieve specific business objectives without having to be physically present in a single location.

In this podcast, Jan Wolynski, a consultant with IBM's Security and Privacy Practice, discusses the growth in social software as well as the challenges and opportunities when conducting business in virtual communities.

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## PART 1: VIRTUAL COMMUNITIES AS A MEANS FOR MASS COLLABORATION

### Examples of [Virtual Communities](#)

[MySpace](#), a popular social network community, allows users to share information about themselves. It primarily targets teens and young adults.

Under the motto "broadcast yourself," [YouTube](#) allows users to upload short videos for general viewing.

- Nielsen ratings estimates 20 million visitors per month.
- USA Today states that 100 million movie clips are viewed daily, with 65,000 new videos added every 24 hours.
- YouTube is emerging as one of the biggest competitors to the major television networks. News media organizations have created avatars (virtual news people) to operate in these environments.

[Flickr](#) provides photograph, image, and video hosting services.

[Wikipedia](#) is a free encyclopedia that encourages users to add explanations and examples on a wide range of topics.

[Habbo](#) offers virtual meeting rooms where people can congregate to discuss common interests. Habbo primarily targets teens.

[Second Life](#) provides a virtual 3D world created by users.

All such communities tend to offer a free service so users can become more familiar with the communities and their services. They offer a paid subscription to access more functions and features.

### Accelerating Mass Collaboration

Mass collaboration involves the use of a structured environment where people virtually meet and work together to achieve a specific purpose with a defined agenda.

Organizations use mass collaboration environments to obtain input from individuals worldwide, for example, on

product decisions or creating new product lines.

These communities can be used to:

- quickly obtain market reaction to a new idea versus more traditional avenues that typically take longer
- address the challenges of people being geographically dispersed along with the growing expense and difficulties with travel
- provide a meeting place and access to necessary services for mobile workers – which saves on commute time, real estate, and other in-office expenses

People can spend more productive time collaborating online.

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## **PART 2: CONDUCTING BUSINESS IN SECOND LIFE**

### **What Is Second Life?**

[Second Life](#) is an online, virtual community where users can live, work, and play.

Companies are looking at it because they can advertise products and services, and make money. It provides a virtual marketplace where users can buy and sell anything from real estate to an avatar's images and possessions.

Second Life's currency is Linden dollars. One U.S. dollar is worth about 250 Linden dollars. Purchases are made in Linden dollars which are obtained using real currency, crossing the line between the virtual world and the real world.

### **Standard Web Site Store Fronts vs. Second Life**

The realistic, virtual effects in a community like Second Life create a richer experience than going to, for example, amazon.com or ebay.com.

A user's avatar can walk into a store, have a conversation with a sales person, and make a purchase from the comfort of their home or office.

### **Organizations Conducting Business in Second Life**

Canada Post and a number of news media outlets have virtual businesses in Second Life, as does Coldwell Banker for real estate

IBM has a virtual healthcare island (a separate portion of the Second Life Environment) that users can visit to interact with their personal health records in a secure and private manner.

### **Sharing Problems and Solutions**

Unrelated to Second Life, [Innocentive](#) has created a site that allows people and companies to describe problems and seek solutions.

This approach of seeking problems from the broader Internet community is further described in the book [Wikinomics](#).

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## **PART 3: SECURITY, PRIVACY, LEGAL, AND SOCIETAL CHALLENGES**

### **Risks to Keep in Mind**

As in any online community, users can be subject to security breaches and violations of their personal privacy. When you create an avatar in Second Life, you provide your real name, address, email address, etc., and can therefore be

traced via this information. Your personal identity has value.

All of the threats that are present in the physical world are present in Second Life, such as theft, sexual assault, disturbing the peace, bank robberies, and cases of fraud and false pretenses.

## **Enforcement**

Second Life has a strict privacy policy and publishes all incident reports so users understand what is happening. Enforcements include warnings, suspended accounts, and potential legal action.

## **Legal Interpretation**

Lawyers are debating whether virtual property has the same legal rights and restrictions as real property. Questions include how to deal with bankruptcy, wills, and costs to defend intellectual property rights. It is not clear how a user is arrested, prosecuted, and, if found guilty, serves their time.

The absence of jurisdictional boundaries makes this even more challenging.

## **User Trends**

Younger generations who have grown up with technology prefer communicating and conducting business online. They like the anonymity and being able to access services, information, and each other from anyplace, anytime.

One of the downsides is that people can get "lost" in this environment and believe that it's real.

## **Operational Cautions**

One of the biggest challenges for community site providers is constant availability. Given the demand and growth in users (and servers), sustaining a constant level of service that meets user expectations can be difficult.

Gartner recommends that businesses continue to explore and test these environments but that they not commit to them as the main location for conducting business.

Leaders need to understand the rules for conducting business and perhaps watch and see what other businesses are establishing a presence in communities such as Second Life. Most environments provide an equivalent of yellow pages so you can see who's there.

## **Resources**

"[Social-networking sites work to turn users into profits.](#)" USA Today, May 12, 2008.

"[Are There Business Applications for Virtual Worlds?](#)". Knowledge@Emory online business journal.

Gotta, Mike. [Deciphering Social Networks](#). Burton Group, August 5, 2008.

Kumar, Sanjeev, et al. "Second Life and the New Generation of Virtual Worlds." Computer Magazine, IEEE Computer Society, September 2008.

"[Hackers' Latest Target: Social Networking Sites.](#)" Washington Post, August 9, 2008.

"[LinkedIn Hack Demonstrates Ease of Impersonation.](#)" Dark Reading, August 12, 2008.

[Wikipedia list of social networking websites.](#)