

Virtual Communities: Risks and Opportunities Transcript

Part 1: Virtual Communities as a Means for Mass Collaboration

Julia Allen: Welcome to CERT's Podcast Series: Security for Business Leaders. The CERT program is part of the Software Engineering Institute, a federally funded research and development center at Carnegie Mellon University in Pittsburgh, Pennsylvania. You can find out more about us at cert.org.

Show notes for today's conversation are available at the podcast website.

My name is Julia Allen. I'm a senior researcher at CERT working on security governance and software assurance. Today I'm pleased to welcome Jan Wolynski, a consultant with IBM's Security and Privacy Practice. We'll be discussing the growth in social software and virtual communities such as Second Life. We'll also be talking about the challenges to transacting business in these types of communities. So welcome Jan, so glad to have you with us today.

Jan Wolynski: Thank you Julia.

Julia Allen: So, what are some of the leading examples of social software that you've seen, and virtual communities, and what are some of the things you're seeing them being used for?

Jan Wolynski: Well, I think some of the obvious ones, most of the listeners will certainly know. MySpace is a popular social networking website that gives interactive opportunities for users to submit work about themselves, including profiles, photos, music, and it's basically targeting primarily the teenagers and young adults, but it is global.

One of the other ones is YouTube, and they have a motto "Broadcast Yourself," which is basically allowing users to upload videos, short videos, with a full range of topics. Ironically Nielsen Ratings put them at about twenty million visitors a month, and USA Today indicated about a hundred million movie clips were viewed daily with approximately sixty-five thousand new videos added every twenty-four hours.

Julia Allen: I mean, isn't that remarkable? Because they say, the major networks are saying that one of their biggest competitors these days is YouTube.

Jan Wolynski: Yes, I mean CNN has even talked about career opportunities and a number of the news media – ABC, NBC, CNN – have actually launched avatars or virtual news people.

Julia Allen: Remarkable. What are some of the other ones that you're seeing?

Jan Wolynski: Flickr is a site that's used for video and image hosting. And again, most of these locations or sites have a free side or a subscription side. Other ones – Wikipedia, the free encyclopedia, is very popular. It allows users to add to the definitions with examples or further explanations. One that may not be very well known is Habbo, H-A-B-B-O. It's a social networking website not dissimilar to Second Life, and it more targets the teenagers, but it offers hotel rooms, per se, that teenagers or people can meet in to discuss issues of common.

Second Life is the 3D virtual world created by the users. Again, it has a subscription service and it has a free side. From a statistics point of view I was actually on the site last night to see how busy it was. So 5:30 on a Sunday night, it indicated fifty-seven thousand users approximately were

currently logged in, and about 1.2 million had logged in in the last sixty days. So a very busy website.

Julia Allen: Well, when we did last meet you talked about how communities such as these are being used for mass collaboration. What is that and why is it important particularly from a business point of view?

Jan Wolynski: The mass collaboration – and we should make sure that there's a distinction understood between that and mass cooperation. The mass collaboration is extremely more structured. People are working together with a very distinct purpose, and usually have better agendas and more control over what the collaboration is. So it's not just a matter of ad-hoc entries, it's more targeted for a specific reason.

So companies are using these to get input from individuals worldwide, whether it be on product decision or assistance in developing new lines – what do people think of a new product as opposed to putting out a marketing plan and waiting for results to come back through the more traditional avenues.

Julia Allen: Well, what do you think about these types of environments is the draw for business? Is it because so many of us are located in so many different places that it's a convenient place to meet?

Jan Wolynski: I think that's a good point. I mean, the world of scheduling meetings and conference calls, especially with larger numbers of people, is very difficult. We live in a very busy time, and getting a lot of people together to discuss something is a challenge. So I see companies, and IBM is certainly no different, encouraging mobile users, people working away from home. It saves on real estate, especially in expensive cities where people may have to travel an hour or two to get to work in the morning and the same in the evening. It allows them to spend more time online and discuss things and collaborate more effectively.

Part 2: Conducting Business in Second Life

Julia Allen: Well, let's kind of delve a little bit more into Second Life. I was really fascinated when I heard you speak on this subject, so can you say a little bit more about what it is and how it works?

Jan Wolynski: It's a virtual world where you can live and work and play. I think that's about as simple as I can get. It's what you put in is what you get out from an individual's perspective. Companies are looking at it because there's an opportunity to advertise. You can make money there. They have a marketplace scenario there where you can actually buy and sell items, whether it be real estate or your own images – the way you look. People are making money on that aspect. For example, the currency that's traded there is the Linden dollar, and it's worth approximately – like two hundred and fifty Linden dollars would be about one U.S. dollar. So you can actually make your purchases in those Linden dollars and trade them in for real U.S. currency. So you're crossing that line of virtual world and physical world by purchasing virtual property.

Julia Allen: Well, when I think about it though, it seems to me like – let's say a store front like an Amazon or some other, maybe even eBay or some other web-based business or business that has a strong internet presence – you can interact with them directly by going to their website. What do you think would be the advantage of any company kind of standing up a store front in Second Life?

Jan Wolynski: Well, one of the things I've seen about it is because of the accuracy of the virtual world, and there's quite a bit of appeal to the visual side of it, is you can actually set up a store front

where you can walk into the store, go through the doors, walk up to an individual, and actually hold a conversation with a salesperson. And don't forget, you're doing this from the comfort of your home as opposed to going into the stores, and yet you can still have that conversation without being there physically.

Julia Allen: That's really amazing. So in your travels in Second Life, what are some of the leading organizations that you've seen that are actually conducting business there and how are they going about it?

Jan Wolynski: Well, I know from a Canadian perspective, Canada Post, our postal services, is on there. They've set up a virtual business. Coldwell Banker have opened up for virtual real estate. As I said earlier, the news medias have set up avatars, virtual news reporters. Some of the financial institutions are looking into them, and of course IBM has a huge presence there with sites.

Julia Allen: Are you able to say a little bit about what IBM is doing?

Jan Wolynski: They're into it in a number of ways. But one of the ones that I think is really interesting is the IBM Virtual Healthcare Island. And when they say islands, it's usually just – it means it's a separate portion of the environment. So it's like their world, and it's designed with a futuristic atmosphere and provides visitors with an interactive dimensions of their new open standards-based health exchange. So it allows patients or people to call in and it takes them right from the home to create their own personal health records in a secure and private environment, all the way through to medical issues.

Julia Allen: Have you seen any application of the environment to managing a global supply chain for example?

Jan Wolynski: I haven't seen it directly but I'm sure it's there. One of the sites that's quite interesting is a site, Innocentive, which allows people and companies to list problems or asking for solutions, and people basically log in there with suggestions. It's basically the primary motivation for the book Wikonomics, about the development of a gold company that was having problems finding gold and they basically put all their information out there and asked people to contribute. So from a purpose of Marketing, I would think that would be a great way of getting your message out or finding out what people thought of your solution.

Part 3: Security, Privacy, Legal, and Societal Challenges

Julia Allen: So of course with every opportunity comes risk. And I know that you work actively in the security and privacy arena. So as you look at these environments, and specifically Second Life, what do you find as some of the key challenges from a security and privacy point of view?

Jan Wolynski: Well, I mean, from the basic security and privacy side, of course you have the data breaches. The Linden Labs, when you register, you provide them with certain information about yourself. You do require a real contact point with an address, email address, and the likes, and you're creating an image or an avatar on their site. So you're basically traceable wherever you go within that environment. And there may be some privacy concerns on how that information is used if there's locations that you'd rather people did not know you were visiting. It's an identity that has value.

And surprisingly enough, and there's problems there that to a degree where Second Life actually publishes an incident report, and I'll give you a couple of examples that some would be readily noted. Spamming, there's even thefts, you have sexual assaults, disturbing the peace, just about

any offense that you can think of in the real world, you can have in the virtual world. They even had in a virtual bank a series of virtual banks robbed. So you've got that side – the typical fraud and false pretenses. So everything is linked back to security and legal issues.

Julia Allen: So from a governance or oversight perspective, are you aware of what actions or enforcement the folks who are responsible for operating and monitoring the Second Life environment, kind of what they do when such incidents occur?

Jan Wolynski: The Second Life people, actually they've got a very extensive privacy policy. And the reason they publish the incident report is they notify people of events that are happening, and what their action was – whether it's a suspended account, or a warning, or in some cases, I guess depending on the severity, they could even forward it to law enforcement if required.

Julia Allen: So it sounds like they've really taken a very open and transparent approach to conducting business and enforcing their guidelines and ground rules. Is that your take?

Jan Wolynski: Their privacy statement in terms of conditions is very strict. And they make it quite clear that they own the data that's on their servers. So anything that you put in there, while copyright would certainly be owned by yourself, they still maintain the actual data that's in there. They say it's theirs regardless of copyright. And that's one of the big issues right now that I think lawyers are having a heyday with is virtual property. Does it have the same rights as real property? How do you deal with it in things like bankruptcies or estate matters like wills, and associated costs to defend intellectual property rights?

Julia Allen: Boy it does provide some interesting challenges when you don't really have the physical equivalent.

Jan Wolynski: Correct. I mean, the gambling side caused some problems not that long ago, about last year where they closed down a virtual casino; the FBI, I believe it was, involved in that one. And that one had mixed opinions because people said "This is our business. You should stay out of it. This is our virtual world." But obviously it opens the door to people to take advantage of that. But of course with those crimes comes the difficulty in legislating how are you going to address it. How do you arrest people, how do you judge them, how do they serve time – all those things.

Julia Allen: Right, because there's none of your traditional jurisdictional boundaries.

Jan Wolynski: Exactly.

Julia Allen: So Jan, what do you see as some of the future trends in the use of virtual communities specifically for conducting business?

Jan Wolynski: I think it's just going to grow, and I think probably at a rapid rate, exponentially. I think people, especially the new gens coming along, are going to say "This is the only way I want to do things," is online where either anonymity is required or just the simplicity of working from home or from your own environment that you are more comfortable in. It's created something called a Truman Syndrome lately. There's some psychiatrists looking at the fact that people are getting lost in this virtual world, that they actually believe that - if you saw the show "Truman" where the individual actually believes that they're living in a virtual world.

Julia Allen: Yes, so again, a great opportunity but kind of some scary propositions if not managed properly.

Jan Wolynski: Exactly, and Gartner just recently reported some challenges with it. One of the biggest challenges is the down time, it's grown so fast that just to keep the computing grid going has been a challenge. And until that gets more reliable, shall I say from a big business perspective, Gartner's actually recommending they should consider Second Life as a virtual environment and keep it as a sandbox to do some testing or pre-production type of work, but maybe hold off of it as your main location to conduct business.

Julia Allen: Well, I think it's going to be an interesting space to pay attention to and see what happens as the time goes forward. So do you have some places where our listeners can learn more about the general subject or Second Life in particular?

Jan Wolynski: Any of the locations that I've mentioned. I think because there's free access and free accounts, people should go to them. Be very careful with what information you're supplying obviously. But you can go to SecondLife.com. It's a very informative website. Same thing with MySpace and YouTube, if you haven't had experience with them. Look at the business rules around conducting business on those locations, particularly Second Life. And if you're interested in seeing just who is on there, the Second Life website also lists brands, specific businesses. In fact, there's something called Second Life Yellow Pages, and Yellow Lanes, which is basically a type of Yellow Pages for Second Life.

Julia Allen: Well Jan, this has really been a fascinating introduction and I really appreciate your making the time to introduce our listeners today and really thank you very much.

Jan Wolynski: My pleasure, thanks Julia.