

# Big media plays in the virtual world

Who are the players and what are they doing?



# The Players

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2007 may be remembered as the year that big media officially arrived in the virtual world. In many ways it feels like the dot.com boom all over again, with companies acquiring existing technology and expertise rather than develop it inhouse. There's money being spent and fortunes to be made for those who have the right thing, at the right place, at the right time.

Companies are looking for a good fit to complement existing projects or to extend their reach and gain a strategic position in an emerging marketplace.

In this section, we explore what a few big media companies are doing in three very different virtual worlds: Second Life, There.com, and Kaneva. But this is the tip of the iceberg. Consider just a few recent projects by some of the large media companies that are active in this space.

## CBS Corporation

 In February 2007, CBS announced a strategic partnership with The Electric Sheep Company to "realize the potential of virtual worlds as a new way to interact with audiences, create communities and build new advertising channels." As part of the partnership, CBS raised more than \$7 million from existing investors.

## Time Warner, Inc.




Time Warner Investments recently announced that it seeks to acquire minority equity stakes in private companies, with a targeted investment up to \$25M.

Andrew Cleland, Executive Director of Time Warner Investments, summarized the company's investment strategy in an interview with Mary Kathleen Flynn of Tech Confidential and Behind the Money:

"We're looking for a range of companies along four dimensions: online video, mobile, advanced content (machinima, mash-ups, and gaming), and social networks and virtual worlds. This is another space that we have become more interested in as a category this year."

Time Warner companies are actively involved virtual worlds, as shown by the following recent projects:

## Home Box Office

 HBO recently acquired rights to a machinima series that was shot entirely inside a virtual world. "My Second Life: the video diaries of Molotov Alta" tells the story of a man who disappears from his California home and then sends video messages back to the real world. Filmmaker Douglas Gayeton (of Millions of Us) claims to have come across the video dispatches and assembled them into a documentary. HBO reportedly paid a six figure sum for rights to the series. <http://www.molotova.com/about.html>

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### Warner Bros.



CBS and Warner Bros. (working together as the CW Television Network) have teamed up with The Electric Sheep Company and Millions of Us to produce immersive experiences inside Second Life based on the hit shows, CSI:NY and GossipGirls. The CW Television Network is a joint venture between Warner Bros. Entertainment and CBS Corporation.

### Turner Broadcasting



Turner Broadcasting System's New Products Group signed a one-year deal with Kaneva to build and test virtual world extensions of its entertainment properties.

Starting this month, CNN becomes the latest news organization to set up shop in Second Life. See the article, "CNN comes to Second Life" on page 14.

### National Broadcasting Company



NBC recently aired an episode of The Office, which was shot, in part, inside Second Life. Clear Ink was retained to design and produce the Second Life scenes. (For more information on the project, see page 6.) The episode, "The Ad" aired in October and can be viewed online at: [www.nbc.com/The\\_Office/video/episodes.shtml](http://www.nbc.com/The_Office/video/episodes.shtml).

This past summer, NBC hosted a series of concerts "Live from the Peacock Room" which were streamed from the top of the NBC Universal building in Second Life.

### Viacom



MTV Networks has partnered with Makena Technologies to create a multitude of virtual worlds where "you can live the MTV life." At last count there were seven distinct 3D social networks based on popular shows, including Virtual Laguna Beach, Virtual Pimp My Ride, The Virtual Hills, Virtual Newport Beach, and even The Virtual Real World.

### Hearst Magazines



Makena Technologies has entered into a strategic alliance with Hearst Magazine's CosmoGIRL! to create a community based on the magazine in the PG-13 rated virtual world, There.com.

### Showtime Networks



Showtime Networks and The Electric Sheep Company teamed up to create what has proven to be one of the most successful communities in Second Life, based on the hit cable series, "The L Word." ☼