

Chapter 6

A Survey of Research in Real–Money Trading (RMT) in Virtual World

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ABSTRACT

This paper presents a set of data relating to the investigation of RMT in the virtual world (VW) and social capital associated with RMT platforms. The investigation is carried out using five main research databases: Science Direct; Emerald Insight; Springer Link; Proquest Database; and IEEE Xplore; with a total of 161 research papers. The objective of this survey study is to highlight areas of strength and weakness in current RMT research in VW and its social capital. This study also presents the basic RMT classification based on these previous studies.

INTRODUCTION

Real-Money Trade (RMT) has multidimensional facets that represent a significant element in the developing Virtual World (VW) economies. This new phenomenon requires new ways of thinking, and explicit initiatives to explore RMT from a variety of different angles. In an era in which virtual communities and RMT are so prevalent in people's daily online lives, research can make a valuable contribution to understanding and improving RMT, and to provide evidence to guide policies and practices.

The challenge when undertaking studies in RMT is the complexity of the many elements affecting RMT in the VWs. Many distinct but related factors need to be taken into consideration when researching RMT, such as RMT users' demographics, different users' behaviour in the different VWs, purchasing intention, and purchasing behaviour. At the same time, a range of secondary elements also need to be considered, such as virtual communities and social capital, virtual communities and social capital, each of which has proven to play a critical and important role in RMT (Huvila, Holmberg, Huvilo, Ek, & Widden-Wolfe, 2010).

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This research is designed to explain the different facets affecting RMT, in order to present a basic RMT classification framework. In order to identify any areas that are not adequately discussed in previous academic studies, this study reviews and classifies the publications that have been carried out in the RMT and Virtual Economy (VE) area. The classification covers keywords such as: real-money trade; real-cash economy; virtual economy; virtual marketplace; social capital, etc.

This research is organised in the following manner: background section provides a background about VWs, gaming VWs, social VWs, RMT, and social capital. Research methods section highlights the previous publications' research methods, research classifications, research types, and research characteristics. Results section outlines the results, research types, while mapping previous studies and RMT classifications, and providing a list of all the publications reviewed in the search. Conclusion and discussion is the summary of the research paper and its finding.

BACKGROUND AND MOTIVATIONS

VWs are computer simulated virtual environments, represented in three-dimensions (3D), in which users have a specific goal to achieve (game oriented VW), or in which users have no specific goal (social oriented VW). According to VW research institute KZero (2012), the total number of registered users of VWs had reached 1700 million by the fourth quarter of 2011.

In September 2016, more than 47 million users were registered in Second Life (SL) alone (Voyager, 2016), with 900,000 active users a month in 2015 who get payouts of US\$60 million in real world money every year (Weinberger, 2015). Not only are there a great many users active and registered in VWs, but there are many hours spent in these simulated environments (in-game/ in-world). Based on Linden Lab's findings (2013), SL users have spent the equivalent of 217,266 years of time in-world during the last 10 years in 2013 (Linden Lab, 2013).

VWs have created significant virtual economies which involved a rather significant of real money. The record for the highest real life price paid for a virtual asset was around US\$300,000 (Scarle et al., 2012). It has been reported by Thomas (2010) that Buzz Erik Lightyear, an avatar who is owned by Erik Novak, bought Crystal Palace Space Station in the MMORPG Planet Calypso/Entropia Universe with US\$330,000. The sale price includes the ownership of the station, surrounding land, as well as associated virtual hunting and mining rights (Thomas, 2010). Erick Novak commented on this purchase, saying "this is a stunning investment opportunity and I have complete faith I will recover what I spent relatively quickly" (Thomas, 2010).

Moving to SL, it was reported in Business week by Hof (2006) that Anshe Chung is the first virtual millionaire in VW. Anshe Chung became the first real world millionaire to have generated her wealth entirely from investments in her VW business. She specializes in virtual assets, where she creates virtual real estate and crafts its landscape, selling or renting these to other users in SL (Hof, 2006). Below are samples of significant RMT related milestones in SL and EU.

Significant RMT Related Milestones in Second Life (SL)

- In 2006, it is reported that Anshe Chung (a SL resident whose real name is Ailin Graef, and who lives in Frankfurt) become the first SL millionaire. Anshe has accrued over one million US\$ of net

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