

ECONOMY OF VIRTUAL WORLDS

Summary

Virtual worlds are computer-simulated environments, similar to the real world, inhabited by avatars controlled by human players. Their primary purpose is entertainment. If a virtual world is characterized by persistence, scarcity, specialization, trade, and property rights, a virtual economy can emerge in it.

Virtual goods can be sold on real-world Internet auctions, making considerable income for players who spent hours gaining them in the virtual world. Also, owners of a virtual world may open it for marketing activities of real-world companies.

Virtual economies can be analyzed alike the real ones, though their uniqueness must be taken into consideration, the most crucial difference being that the entire virtual world is open to direct and costless manipulation by the world's owner.

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