



Virtual Goods News

The business of microtransactions: virtual goods, items and gifts

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Q&A: Steve Hoffman and Bryan Suchenski of RocketOn

[RocketOn](#) is an emerging virtual world that runs as a simple Firefox browser extension, creating a virtual space that is overlaid on your Internet's browser screen. While you browse, you can send your onscreen avatar hunting for hidden virtual goods or socialize with other RocketOn players. Steve Hoffman, CEO and Co-Founder of RocketOn, and Bryan Suchenski, QA Manager and Co-Designer, sat down to talk with Virtual Goods News about how RocketOn's unique architecture was letting them use virtual goods and virtual currency in unusual ways.

"We've built the architecture and now are deploying all the goods on different sites," says Hoffman. "We can overlay on sites without their permission. If you go to RocketOn right now, you can buy soda from a machine. If Coca Cola partnered with us, we could sell actual little Coke cans. If Nike partnered with us, we could sell Nike branded apparel and gear."

Virtual Goods News: You've mentioned before that RocketOn uses a "special system" for distributing and tracking virtual goods across the Internet. Can you go into detail about that?

Bryan Suchenski: Virtual goods are an important part of the whole system we have. We have a store where users can buy items in both virtual and real currency. Then we have dispenser objects spread around the Internet on various sites. Sometimes they find dispensers where they can purchase items using in-world currency. There are also items that are only sold at stores on particular sites, where they can buy objects.

Steve Hoffman: In most virtual worlds, the store is within the virtual world itself. Our idea is that the store to buy your goods is spread out across the entire Internet. We've developed a system for putting stores on relevant sites, say a vending machine on Coca-Cola.com, and if you buy things there you get a virtual can of soda. At Gap.com, you can purchase clothes only available at that store. That's how we've structured our system.

VGN: Is RocketOn partnering with sites like that, maybe to offer branded or sponsored virtual goods?

Hoffman: We're lining partnerships up right now. We have the goods out there now, but they're not sponsored yet. Our users are going out and discovering them as part of a

treasure hunt around the Internet. When we have the partners, there will be branded items. We're in phase one right now.

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VGN: When you anticipate being able to announce some partnerships?

Hoffman: Definitely within the next couple months.

VGN: So why exactly go with a treasure hunt game like this for RocketOn's first big gameplay event?

Hoffman: We look at the whole internet as a virtual landscape. Every site is a destination where people can hang out. We've created a very simple treasure hunt game and find different goods on different sites. If you get a combination of goods that match, you get a special reward. For the treasure hunt game, we've designed it so everyone is looking for different stuff. People can trade and that becomes a social game.

VGN: What's the reward for players who complete the activity?

Hoffman: Right now it's Rocket Points, our virtual currency.

VGN: Exactly how valuable is a prize like that, in context?

Hoffman: We've structured our currency in the way the Korean companies do. We have Rocket Points you can only get by playing games, and you cannot buy them with real money. We have a second called Rocket Dollars, which you buy with real cash. One cent is worth one Rocket Dollar. So one category you can only get by playing, and the others you only get with real money. We mix and match them on different sites. The treasure hunt in particular gives you Rocket Points. We like to be able to give away a prize without having to give away real money.

VGN: A two-currency system is fairly unusual, why did you go with that?

Hoffman: It allowed us more flexibility, we don't have to worry about managing inflation and issues that come with a single currency. We wanted to be able to give away Rocket Points with our partners, in particular. We also wanted to cater to different types of users, some will pay and others only want to earn things through the game.

Suchenski: It means users know what items mean, too. If you have an item that only comes from lots of Rocket Points, players will know you have been playing a long time. For a dollars-only item, users know that someone spent so much to get that item.

Hoffman: An example would be getting a horse or a motorcycle in our system with Rocket Points, as a real status symbol. But for a virtual gift like a rose or an outfit for someone you're flirting with, that person knows you spent real money on that gift.

VGN: An early complaint about RocketOn was item trading being insecure. What you implemented since then to improve the system?

Suchenski: We've implemented a trade system that allows for secure trading with users, back and forth, as opposed to just gifting. There are actually two different systems. You can give items to another player, or set up an exchange dialogue. In an exchange dialogue, both players have to agree to the exchange before the trade goes through.

Hoffman: It really helps. Before the exchange we only had a system where you just dropped an item onto another avatar. A lot of users complained they people weren't reciprocating.

VGN: Can users drop virtual goods in Internet locations for other players to find?

Suchenski: Yes.

Hoffman: You can place virtual notes and leave items on sites for other users.

Suchenski: We also have "doors," where if a user places a door in a room, other users will see it. It acts like a link to another site.

Hoffman: Doors are temporary and placed by users. Wormholes are like them, but placed by us and permanent.

VGN: Are people spending on their RocketOn avatars?

Hoffman: Yes, the revenue is growing. It's very positive and fun to see. Every time we introduce something new, there's a big uptake.

Suchenski: There's another segment that produces new virtual goods. It's very satisfying on our end.

Hoffman: We just introduced virtual pets you can take with you, and we saw a huge spike in people purchasing.

VGN: Have Rocket Points taken off for you, too?

Hoffman: Oh yeah. Our goal – and the points are the game mechanism – we want people to invest time in getting Rocket Points and experience points. You have to reach certain levels to buy certain virtual goods, and there's a lot of stuff you can't buy until you have both the right level and the right experience points.

VGN: Really, you've got an experience point system? What do players do to earn experience?

Hoffman: We're going to add a lot more! It's the top of our list, is to broaden the ways people get experience points. The most obvious way is by playing. We are now coding, as we speak, a way for you to get experience by playing the little games in RocketOn.

Suchenski: We also recently deployed a system where gems appear on websites. Every once in awhile, a gem will just pop up. The first user to get that gets a certain number of points, and the gem is worth a certain number of Rocket Points. Users, while they're chatting, can still be engaged in getting points. The idea was to weave the gameplay into the social and browsing experience.

VGN: The gem concept is interesting - can you trade them? Is that how your users would trade currency?

Hoffman: Yes, that's the easiest way. Lots of people give away gems to people they like.

VGN: So what's your long-term business model? Could you, say, sell sponsored wormholes that lead to sponsored gifts?

Hoffman: Yes, that is the long-term business model. By creating the wormholes, we can drive traffic to partner sites, and we can also put valuable virtual goods on the sites. Let's assume Nike was our partner, we could let everybody know that today Nike is giving away virtual shoes and basketballs. So what we've done is drive a lot of traffic with Nike.

VGN: You mentioned wanting to bring third-party Flash content to RocketOn. Are there plans to let users craft and place items in the future, using Flash?

Hoffman: Yes, we eventually want to open RocketOn up to user-generated content. We want to do it in the right way, though, so people don't get to junk up the system with garbage. So, we want to be careful how we do that.

Our next step is opening it up to developers. People who know how to use Flash, and after that, then we'll give users limited tools for uploading their own material. If all of a sudden we allow users to upload whatever they want to wherever they want, we could get people uploading objectionable material to, say, [Disney](#). We don't want to upset potential partners!

VGN: What kind of systems are you looking at for regulating user-generated content?

Suchenski: We're thinking about a couple of possibilities. Rather than taking up a lot of dev time to go over things manually, we want to have specific spaces users can access, like personal rooms. Let users use that as a test space for content, and then users can have

a rating system to let them flag content they really like or dislike. Then we could shift highly-rated content that wasn't objectionable into the system as a whole.

Hoffman: We already have personal rooms, where you can upload videos and photos into your own space. Out of those rooms, we want to add the feature for people to vote on what's really cool, and what is top rated goes out to everybody across the internet.

VGN: Early on, you were specific about stating that RocketOn wasn't kid-oriented. Would you consider your product teen-oriented, then?

Hoffman: We are seeing a lot of teenagers using our system. Teens have a lot of time to do this. The environment we built is also a safe environment. That's what we're targeting right now. We do see older users and educators using it as a tool for taking students to websites and discussing them. The demographics are broad, but the core focus is users 13-18.

VGN: What kinds of things are you doing to address issues teens have with paying for microtransactions online?

Hoffman: We have integrated PayByCash as a payment gateway. That has been great for us so far. It lets us reach a lot of different countries around the world with the Ultimate Game Card. A lot of our users are from India so we're excited to see [Ultimate Game Card going there](#). We also use PayPal in addition to that. The final piece, which we roll out in February, is mobile payments. We have one type that goes through PayByCash, and a separate system through Zong.

Suchenski: We're arriving at as many ways as possible for anyone to get access to the virtual good without needing a credit card. The Ultimate Game Card buys a lot of goods on RocketOn, and eventually mobile will too. In Europe, half of users pay by mobile.

VGN: What is RocketOn's profile for international users? Do you see a lot of them?

Hoffman: Roughly 1/3 of our users are based in the US, and about 2/3 of our users are international. We're going to really focus on Europe in the next couple of months.

VGN: What are your major non-US territories?

Suchenski: We have a substantial number of users from Europe. We're very popular in India because we're English language. Also South Africa, Australia, and UK. A lot of other users will put up with English if they like the experience. We're building the engine to localize it automatically to other countries, though, so we can push farther into Europe.

VGN: Really, how does automatic localization work?

Hoffman: What we're doing is building a gateway to different sites, and the software will eventually detect where traffic is coming from and display in that language.