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Payday for Doppelganger

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Perhaps Silicon Valley doesn't scare so easily.

Doppelganger announced Tuesday that it had received an \$11 million infusion of venture capital, a ringing endorsement of virtual realms that follows pessimistic reports of a coming advertising backlash against the more famous virtual world of Second Life.

San Francisco-based Doppelganger operates a music-focused virtual realm where users listen to music, hang out with bands, throw parties, and make their avatars dance. Originally a single social venue called "The Music Lounge," the Doppelganger world is expanding into a cityscape full of clubs, lofts, and streets, known as "vSide," the company said Tuesday.

Comventures joined existing funders Draper Fisher Jurvetson, Greycroft Partners, Draper Richards, Trident Capital, and KPG Ventures in the third round of funding, which adds to the \$14 million Doppelganger has already raised.

The funding is a timely boost for virtual worlds, given that the yearlong blitz of positive attention lavished on early media darling Second Life has recently turned a bit sour. Recent reports have brands pulling their wares out of the free-for-all world of Second Life, where users can do pretty much whatever they want. Part of the problem has been mayhem from an "army" of avatars that have responded angrily to commercialization in the world they've helped build. American Apparel, for example, closed up shop in Second Life after virtual "shootings" targeted avatars shopping in its virtual store.

Despite such chaos, Comventures partner Michael Rolnick said he remains convinced that brands will be drawn to virtual worlds—particularly the more staid environs of Doppelganger.

"We've taken a long time looking at this space, and we've come to the conclusion that this is going to be part of the marketing mix," said Mr. Rolnick. "Marketers are going to spend money on television, radio, social networks; and

now the next natural place to go is virtual worlds. This is how young people are spending their time.”

Doppelganger exists in a growing subgroup of virtual worlds focused on bringing a massively multiplayer online game (MMOG) experience into a contemporary pop culture world saturated with media stars. Atlanta-based Kaneva, for example, is trying to entice media companies to build out areas where fans can pretend to walk around and interact in their favorite television show.

Doppelganger has built out a virtual talk show studio for Tyra Banks, as well as rehearsal studios for such musical acts as the Pussycat Dolls and Gnarlz Barkley. The site incorporates ongoing gaming elements involving musical acts, such as scavenger hunts and murder mysteries. It has also helped MTV build a separate virtual universe that replicates New York’s Lower East Side.

Doppelganger CEO Tim Stevens said Doppelganger’s controlled, contemporary universe—with the metaphor of hanging out in a hot club or Times Square—allows the company to very naturally incorporate brands as virtual drinks, clothes, or billboards.

“It’s like television, with programming and inventory slots for commercials,” said Mr. Stevens. “We do the same thing but execute it online, and it’s much more engaging.”

One example of such brand immersion is Doppelganger’s just-announced deal with StarStyle.com, purveyors of celebrity fashion. StarStyle will offer a boutique of virtual clothes in Doppelganger, through which fans can order real clothes.

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