Presentation Desire of Digital Identity in Virtual Community

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Abstract. Recently digital items have been widely used by people in the online space including virtual communities and online games. Some Internet companies even in the context of virtual community (VC) generate revenue from the sales of digital items to their online members. The sales of digital items provide insights for Internet companies and virtual community providers who are suffering from the lack of a profitable business model. This study examines why people pay for digital items from the self-presentation perspective in the context of VC by introducing a new construct, digital identity, and developing a conceptual framework of presentation of digital identity. The findings of this study show that the presentation desire of digital identity leads to the intention of purchasing digital items. This study identifies the significance of online group norm and online group involvement on the presentation desire from the social digital identity perspective and the significance of personal innovativeness from the personal digital identity perspective. These findings help to advance theory and offer practical insights in the context of Internet business and VC.

1 Introduction

Recently, virtual communities (VCs) like MySpace (www.myspace.com) and Friendster (www.friendster.com) as well as online game providers have developed a virtual icon called Avatar—a graphical representation and articulation of a user in the virtual environment. In addition to Avatar, online game providers like WorldWarCraft (www.worldofwarcraft.com) and NeoPets (www.neopets.com) have started developing digital items (e.g., game character) and selling them for generating revenue. VCs have also started developing and selling digital items to their users. Digital items (e.g., avatar, clothes and hats for the avatar, digital wallpapers, background music, and weapons used in online games) are online products which can be employed by users for representation and articulation and as a multipurpose platform in the online space. Cyworld (us.cyworld.com) is a representative success case with its unique and profitable business model based on the sales of digital items in the context of VC.

Cyworld is a VC where members build relationships with other members and share their interests and information. Cyworld enables its members to form online clubs of similar interests (e.g., online recipe club, stock investment club, travel information club). Compared to other VCs, Cyworld has a unique feature called a mini-hompy, which is similar to a weblog. Upon registration in Cyworld, each member gets an
empty mini-hompy. Mini-hompy consists of each member’s profile, journal, mini-room, photo album, and guestbook. Members communicate through the mini-hompies. Popular pastimes involve the user clicking through his circle of friends or his friend’s circle of friends, reading their profiles, looking at their photo albums, listening to music from their jukebox, and leaving them messages. Members are under no obligation to decorate their mini-hompies but that would be similar to entertaining visitors in an empty living room.

Cyworld has developed several digital items (e.g., avatar, clothes, hats, shoes, furniture, pets, wallpapers, music, and works of art) which can be purchased by members with prices varying from US$0.2 to US$0.5 for each digital item. Members can buy these digital items and use them to decorate their mini-hompies. Most of the digital items have a certain life span varying from one week to one year. After expiry of the digital items, members need to purchase them again. According to company information, Cyworld had around 13 million members (8% of them are in 10s, 79% of them are in 20s, 5% in 40s and above; 60% of them are female) in 2004 and made an average of US$200,000 in sales each day by selling digital items. Cyworld has further expanded its business from Korea (www.cyworld.com) to US (us.cyworld.com), Japan (jp.cyworld.com), China (www.cyworld.com.cn), Taiwan (tw.cyworld.com) and Europe in the near future.

While Cyworld clearly illustrates a new and profitable business model in the context of VC, the members’ purchase behavior has not been explained. This study aims to examine the purchase behavior of people in VCs like Cyworld. Specifically, this paper seeks answers to two research questions: (1) what factors motivate the intention of purchasing digital items in the online space? and (2) how do the factors affect the purchase intention? The rest of the paper is organized as follows. The next section presents the conceptual background of this research. The research model and hypotheses follow. We then describe the research methodology applied. After interpreting the empirical results, we discuss the implications and conclude with a summary of this study.

2 Digital Identity and the Presentation

Identity is often characterized by one’s personality traits, interpersonal characteristics such as the roles and relationships one takes on in various interactions, the skills one possesses, and one’s personal values or moral beliefs (Calvert 2002). It would be difficult to explain how one person is different from others without using identity. There is an inherent unity to the self as one body corresponding to one particular identity in offline context (Donath 1998). Self-presentation of identity in the offline context is also affected by many factors beyond our control such as age, race, and gender.

However, the Internet has provided a new context for identity exploration because of its anonymity and flexibility. An identity established online is not necessarily tied to the identity of same person established offline. For example, one person can establish very active and cheerful identity in the online context while (s)he has a different identity characterized by shyness in the offline context. One person can also join a special online club and actively participate in that club’s activities while (s)he does