



## Stardoll: Casual Web Community or Hardcore Virtual World?

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Tucked away in Room 5 on the ambiguously named “Technology & Results” track at the Virtual Worlds Conference, Matt Palmer and Glenn Ginsburg presented a session titled “Stardoll: The Next Level of Engagement”. [Stardoll](#) not only represents the next level of user engagement, it also represents the state of the art in brand integration and virtual goods business models.

### Stardoll’s Audience

#### Spreading Like Wildfire

Stardoll has over 16 million registered accounts and is adding 35,000 new accounts per day. But Stardoll doesn’t suffer from registered account bloat; the site reaches 7.8 million unique users per month. Those users generate 600 million page views over 35 million visits per month. Even at a modest CPM, that’s a whole lot of revenue, but Stardoll’s business doesn’t rely on banner ads. Instead, Stardoll relies on virtual good sales and integrated sponsorship. As result, they simultaneously achieve a higher revenue per user and provide a better user experience. But more about that later.

Perhaps you’re thinking that this growth must be the product of a massive, expensive, unsustainable media campaign? Not a chance, Stardoll hasn’t spent a dollar on paid media. Growth is driven by viral buzz and press exposure.

#### Global Appeal

Stardoll is an international phenomenon. It was started by a Finnish woman who wanted to share her passion for fashion with her friends and family. Today, the 60-70 employee company is headquartered in Stockholm, but commands a global audience (44% in the U.S., 46% in Europe, and 10% in Asia). The site has been translated into 15 languages and additional translations, such as Japanese, are on the way.

#### Girl Power



Not surprisingly, Stardoll's audience is primarily female (93.1% female, 6.9% male). The site appeals at a universal level to its key demographic - a demographic that has been notoriously difficult to reach in a meaningful way. Stardoll is attaining scale without diluting their core audience; it has the highest concentration of teen girls of any online service.

In addition to teenage girls, the site has found a surprising audience - their mothers. 81% of mothers visit Stardoll weekly and 63% visit the site without their daughter. Co-viewership on that scale is virtually unheard of on the web.

## **Stardoll's "Gameplay"**

### **Who Knew Putting On Clothes Could Be So Much Fun?**

At Microsoft Game Studios, we urged our first party developers to identify their game's core fun as early as possible. Once that core fun is identified and refined, building a great game is actually pretty straightforward. For Halo, the core fun is aiming and shooting with a variety of well-balanced weapons. For Age of Empires, the core fun is establishing an efficient unit production pipeline.

The Stardoll team knows that their core fun is dressing a paper doll. Apparel is dragged off hangers and onto the paper doll. It can be placed anywhere on the screen, and that simple mechanic yields a good deal of fun. Want to give David Hasselhoff that much needed gangsta look? Drag his pants down low. Think it's about time for Avril Lavigne to ditch that good girl look? Low rise pants and a little cleavage couldn't hurt.

Stardoll builds on that core fun with an array of thousands of dress-up and make-up options. This gives Stardoll's entire audience, from Goth girls to Glam chicks, a powerful way to express their unique identities.

### **From Solitary to Social**

Stardoll's dress-up function acts as the foundation for a broader experience that looks a lot like other virtual worlds. Stardoll users get their own space, called a Suite room, which they can decorate to suit their tastes. A new chat feature lets a user share the dress-up experience by inviting a friend to her Suite room.

The heart of Stardoll is StarPlaza, an online shopping mall that features Stardoll's internal brands, such as Fudge and Pretty in Pink, and real world brands, such as DKNY. Stardoll also features an active aftermarket, called StarBazaar, where users can buy and sell items in their wardrobe. Basically, it's a virtual vintage shop.

To date, all of the apparel and other virtual items in Stardoll have been designed by Stardoll's creative team. StarDesign is a soon to launch feature that allows Stardoll's audience to create their own fashions. The combination of StarPlaza, StarBazaar, and StarDesign will enable Stardoll's users to participate in a rich virtual economy based on the fashion they love.

Stardoll's virtual world features are complemented by features that are more commonly seen in social networks. Each user is given a profile page that looks a lot like a typical social networking profile page. However, due to the site's younger demographic, the contents of the profile pages

are limited. Girls can't upload photos, but they can express themselves with images of their MeDoll and a variety of profile customization options. Stardoll also features Clubs that are similar to Facebook Groups. The Clubs feature was launched five months ago and there are already over 500,000 Clubs in the system.

## **Stardoll's Business**

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### **Virtual Goods Done Right**

Six figure real estate deals in Second Life and massive gold farming in World of Warcraft are what get the media's attention when they talk about virtual goods. But Stardoll is the company that has flawlessly unlocked the power of the virtual goods business model.

The first key to Stardoll's success is that they've found a genre of virtual items that are truly valuable to their audience. Celebrities and their fashion are an aspirational obsession for millions of people around the world, and Stardoll taps directly into the vein of that obsession. That same insatiable desire to look trendy in the real world translates, without skipping a beat, into the online world.

The second key to Stardoll's success is that they provide an incredibly rich platform with which fashion brands can reach their demographic. As soon as fashions hit the runway or the retail shelf, they are available in Stardoll. If a girl thinks her MeDoll looks cute in that new pencil skirt from DKNY, she can run out that day and grab the very same skirt from her local brick and mortar mall. That same branding extends beyond just apparel. MeDoll make-up is provided under the Sephora brand and jewelry is based on designs from Heidi Klum's jewelry collection.

All of this makes Stardoll one of the most powerful branding and lead generation tools that's ever been available to the fashion industry. They have even had consumers ask when Stardoll's house brands, such as Pretty in Pink, will be available in brick and mortar stores.

### **Advertising Done Right**

Stardoll doesn't fall back on banner ads to augment their virtual goods business. Instead, they weave marketing messages into the features of the Stardoll experience and, as a result, create an advertising experience which is fun, engaging, and far more powerful than static banner ads.

For example, during a recent advertising campaign for Disney's movie [Enchanted](#), Stardoll took scenes, characters, and costumes directly from the movie and incorporated them into the world. As a result, Stardoll's users could immerse themselves in the fiction of the movie and develop an attachment to the movie world before *Enchanted* even hit screens. In a unique twist on banner advertising, Stardoll offered a poster that users could hang in their Suites. That poster was hung in hundreds of thousands of Suites and generated millions of ad impressions. Stardoll's approach to advertising generated everything from casual brand impressions to deep engagement in a way that added value to the audience's experience and was elegantly integrated into the site's core activities.

Stardoll provides a similarly rich branding platform to actors and music artists. Every celebrity featured on Stardoll has their own unique URL so that they can use their Stardoll presence as a promotional vehicle. In addition, Stardoll often runs explicit promotions for celebrities and

musicians who are featured on their site. For example, Stardoll recently ran a contest where a member of their audience was flown to an Avril Lavigne concert and got to meet her backstage.

Stardoll's approach to advertising highlights some important lessons:

- Audiences want advertising, but only for the brands they care about
- Audiences want to choose the brand messages they receive; they don't want those messages pushed to them
- Just as in the real world, online brand associations are powerful personal identifiers
- Engagement is maximized when branding is woven into the core activities of the site
- Above all else, advertising should be fun for the user, not a distraction

## A Model for the Future

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Although virtual goods have resulted in extraordinary success in Asia, there has been some doubt as to whether virtual goods would become a mainstream business model in Europe and the U.S. When Cyworld [recently close its doors in Europe](#), some people asked whether virtual goods would ever be relevant outside of Asia.

Stardoll is proof positive that virtual goods have a very promising future in Europe and the U.S. The Stardoll team has hit on a recipe that is uniquely engaging to their core demographic, and they are leveraging that recipe to provide maximum value to their users and their advertisers.

I'm glad that I stumbled into Room 5 at the Virtual Worlds Conference. Stardoll is defining the future of virtual goods today — and I'm amazed that they've flown under the industry radar for so long. Stardoll has captured the attention of 16 million girls around the world, but they don't even have a Wikipedia page.