

BIRTH OF A BRAND / HABBO HOTEL

WELCOME SIGN / FROM HOBBY TO HABBO: HOW A PET PROJECT GREW INTO A GLOBAL PHENOMENON / BY ALISTAIR WILLIAMS

The story of Habbo began back in 1999, when two young Finnish guys, Sampo Karjalainen and Aapo Kyrölä, created an online application called Mobiles Disco for their friends' rock band and their fans. Mobiles Disco was always a hobby but once launched, the word about a new cool multi-user online community started to spread quickly. In a few months the project had got thousands of users from around the world – from as far away as Brazil. After noticing the thrill of such a concept, Aapo and Sampo decided to develop their idea of a new way to meet friends online a bit further.

Jussi Nurmio, the CEO of a major Finnish advertising company Taivas, became interested in the idea and Aapo and Sampo started to work in the online company of the Taivas Group, Ego Taivas MediaLab. Soon they, with a few other developers and graphic designers from Ego, used the same idea and technology to build a funny multiplayer online game Lumisota (Snowball game). Launched in February 2000, Lumisota served also as a test for commercial usage, since players could increase the effectiveness of their snowballs by buying extra force with SMS messages.

Utilising experiences from the previous projects, the group of young developers continued to build on the concept of a multiplayer online game and soon Sulake, the company, was founded and the first hotel, Hotelli Kultakala (Hotel Goldfish), was launched in August 2000. After the huge success of the virtual hotel launch in Finland the company aimed to expand internationally.

Growing the global community

Habbo was officially born as a brand in February 2001 when the doors to the international community of Habbo Hotel opened in the UK. It quickly became apparent that our international presence would require separate game environments for different language areas, because the first international version mainly attracted English speakers. It was relatively straightforward to create local game environments and with just a few modifications the concept can be adapted for any country. Sulake launched the next new communities in Switzerland and Japan in 2001 and four more were opened in 2003. At the same time the technical platform was re-built and the concept further developed.

During 2004, Sulake as a company and Habbo Hotel as a 'game chain' grew dramatically. By the end of the year, the company had launched 16 hotels on four different continents and the number of employees had increased to 160. It was at this time that Habbo started to attract teenagers from all around the world and the monthly user base grew from thousands to millions.

Easy access easy play – free with an option to buy

A simple definition of Habbo is a virtual world, online community and social networking environment aimed mainly at teenagers. It's an online hangout where community members can meet up, play games and develop their self-expression. Habbo provides a rich and positive environment, but it's the teens themselves who write the script.

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As 'Habbos', they create their own virtual world by customising their characters, their own rooms and their Habbo Home pages.

Playing Habbo is free and buying premium services is voluntary; most of the users don't use money in Habbo. The online communities' currency is Habbo Credits which are used to pay for premium services such as virtual furniture, game tickets, mobile games and elements for the user's own homepage. Virtual furniture and homepage gadgets are particularly important factors in most Habbos' lives within the community, allowing them to express themselves through the creation of theme-styled rooms and homepages, game rooms and places to chill out in. Users can pay using a wide variety of payment methods such as SMS, IVR telephone lines, credit cards and prepaid cards among others.

Pixel-style like no other

The graphical design of Habbo dates back to the first versions of Mobiles Disco. Originally designed by Sampo Karjalainen, the 'Habbo pixel style' pays homage to the early computer games, such as the world of Commodore 64. Habbo's axonometric 2D environment, unique design and wide colour palette help the Habbo pixel style stand out from other international multiplayer online games.

The retro style has been one of the most significant success factors for Habbo, because it is simply never out of date. The original style was chosen based on the creator's own

likings – analyzing afterwards it is clear that this decision was one of the most important ones in making the international phenomenon happen.

The Habbo game environment is built on Java-based FUSE technology, which has been developed by Sulake specifically to support multi-user online environments. The game client itself is programmed by lingo developers and can be viewed with standard web browsers enriched with Adobe's Shockwave Director plug-in.

Celebrity visits and goodwill cooperation

The key to Habbo is social interactivity: meeting other Habbos and having fun together. The Habbo community is always packed with fun events whether it is seasonal events, competitions, campaigns, celebrity visits etc. arranged by the Habbo staff or events prepared by the other community members.

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Celebrity visits are an appealing event for the Habbo users on a global scale. Hundreds of musical artists, actors and athletes visit Habbo each year. The most famous visitors include Gorillaz (who 'toured' 12 Habbo countries), Pink, Pussycat Dolls, Beastie Boys and Ashlee Simpson. In the UK this feature has been acknowledged as altering how artists engage with their audience by allowing Habbo users to 'meet and greet' their music heroes. Since the success of the Gorillaz tour, Habbo has been approached to create similar events and has played host to various pop artists like McFly, Jamelia and Faithless.

Celebrity visits in the UK are based on the community's music tastes and favorite artists, which are collected from the results of numerous polls. All celebrity visits are designed specifically to create unique event every time. Jamelia, for example, spent two hours in Habbo, visiting numerous rooms to meet and talk to her hordes of fans, chose the winner of a fashion design competition and opened a new room in the Hotel. After the mass discussion Jamelia visited some of the Habbo's guest rooms, commented on them and talked about her latest album. This provides an excellent stage for artists to publicise themselves and promote their music to a hard to reach audience. It also allows many Habbos to talk on a one-to-one basis with their role models in a way that would not otherwise be possible.

Sulake also cooperates actively with youth and goodwill organisations around the world.

Globally the company has partnerships with over 30 different groups including Unicef in several countries, the Red Cross and NSPCC in the UK. The InfoBus concept, a virtual space inside the community where the specialist partners educate Habbos about topics including dangers of drug abuse and safe Internet usage, is the most popular form of collaboration.

The joint Habbo-FRANK project was first piloted in Habbo UK in 2006. The 'Infobus' provides a close-knit forum where Habbos can talk to a FRANK advisor on drug related topics. It aimed to show the usefulness of drug related information provided in an online environment and gauge the response from the teenage audience. This provides a unique and controlled forum, which, in addition to Habbo's high safety standards ensured that this was the service of choice to pilot such a project. Habbo UK has now been working with FRANK for nearly 2 years following an extremely successful trial. Three 20-minute sessions are run for three days a week and to date the 'FRANK Infobus' has been full to capacity, demonstrating the success of bringing a relevant dialogue into a teenager's environment.

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Converting advertisers to content providers

In addition to pro bono activities, Habbo works with selected advertising partners that through relevant and integrated messages, add value to the user-experience and ultimately, to both the advertiser and the community.

Habbo provides a strong branding environment that drives interaction with millions of teenagers. As one of the world's fastest growing online destinations for teens, Habbo offers both an innovative and cost effective way to commence in a two-way dialogue. Furthermore, Habbo effectively builds brand loyalty and the potential to modify consumer behavior. Habbo pushes traditional online marketing campaigns into a live and virtual activity and identity driven world, with advertisers as the providers.

Detailed advertising campaigns are devised for each client based on the communications objectives and brand in question. Brands leveraging Habbo's opportunities include Nike, Coca-Cola, Nokia, Procter & Gamble and MTV.

In the UK, for example, Procter and Gamble wanted Habbo to run an engaging event that raised awareness of the Always brand. Habbo created a month long event called the 'Always Salon', which adopted the structure of the popular TV show at the time – *The Salon*. A number of Salon rooms were built specifically for the campaign. Numerous polling tools, live news feeds, Always staff blogs and a

dedicated campaign area on the Habbo site were just some of the tools used. Engaging the entire community in such a specialised event is tough, but 12 Salon workers were selected, tested and voted out by the Habbo community itself. Successful applicants were given a special Always Salon badge to distinguish them from the visiting customers and in the wider community after the event. The community could write in their staff reviews and send in live feeds offering words of support, enabling us to engage not only the 12 staff members but also the wider community.

After 'world domination'?

In April 2007 Habbo has local online communities in 29 countries and Sulake has grown to a company with over 300 employees worldwide. Habbo has been ranked as one of the world's largest and fastest growing online teen communities and Sulake as a company has won numerous awards for its outstanding work in creating and maintaining a technically stable and user-friendly, safe environment for teenagers to meet new and existing friends, play games and have fun online. Sulake's business model, which is based on using micro payments to charge for premium services in the community, has proved to be extremely successful: the company has doubled its revenues almost every year it has operated and in 2005 and 2006 Sulake was among the fastest growing tech companies in Europe (source: Deloitte Fast 500).

Sulake aims to build Habbo into a new type of youth brand, which is anchored in the world's largest online youth community. The brand will be extended to include mobile games and content, a possible animation series and merchandising products. Sulake also aims to broaden the company's product portfolio with other kinds of game and community concepts for different target audiences. Sulake's existing international network of offices, payment and marketing partners will be utilised in launching these upcoming products.

Currently teenagers around the world have already created over 75 million Habbo characters, and over 7.5 million unique users visit Habbo communities each month (source: NielsenNetratings). Eighty per cent of Habbo users are between the ages of 12 and 18, with an equal divide between the sexes.

Buzz and viral marketing

Word-of-mouth and viral marketing have been key to Habbo's success. Creating a vibrant teen community requires a critical mass of trendsetters and early adopters to spread the word and make the community come alive. WOM is equally important in maintaining interest towards the community: in Habbo it is the users who write the script and make the community interesting for others.

Sulake has always used a wide variety of viral marketing tools in addition to traditional marketing activities. Its global online movie-

making contest, Habbowood, took place in April 2006. Habbo users around the world created over 700,000 animated short films using a moviemaking tool designed especially for this campaign. These films were sent to friends all over the world over 1,000,000 times and viewed over 6,000,000 times. One way to calculate the viral effect is the time spent with the Habbo brand – with Habbowood, users around the world spent over 18 years interacting with the brand.

Why is Habbo so popular?

One of the main reasons why Habbo has become this popular is because it gives users the freedom to be creative. Thousands of simultaneous users meet each other daily in Habbo communities, playing and chatting together, and making new friends. Habbos hang out together in 'possies', and run police departments and hospitals, often paying their 'workers' with virtual furniture. You can find e.g. all sorts of events, competitions and theme parties arranged by the users. Almost every reality TV show has its own version in Habbo! The creativity that you see in Habbo is just simply amazing.

This fan culture also extends beyond the boundaries of the Habbo community, with hundreds of fan sites worldwide reporting on Habbo news and rumours. A handful also operate their own radio stations, events and extends the fun that Habbo offers the community. This is also an important reason why Habbo is so popular.

Timeline:

1. October 1999: Sampo Karjalainen and Aapo Kyrölä create Mobiles Disco, the early predecessor of Habbo
2. May 2000: the company Sulake is founded
3. August 2000: the first community, Hotelli Kultakala (Hotel Goldfish) is opened in Finland
4. February 2001: launch of the first international site in the UK – the name Habbo Hotel is first introduced
5. November 2001: over a million registered Habbo characters
6. 2003: four new Habbo communities are launched Japan, Spain, Italy and Sweden.
7. 2004: nine new Habbo countries: The Netherlands, Germany, Canada, Norway, US, Australia, France, Singapore and Denmark.
8. January 2005: Sulake's investing round results in 18 million euros new capital.
9. April 2007: over 75 million Habbo characters have been created in 29 localized Habbo communities.

This article appears in issue eleven of Contagious. The issue also includes case studies on JetBlue and Axe/Lynx.

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