



Tribune photo by Michael Tercha

Supermarket expert Phil Lempert (center) has teamed with Kraft Foods to develop "Phil's Supermarket," a location in the Second Life virtual world. Such social sites are becoming an increasingly popular way for marketers to reach out to consumers.

## Kraft giving consumers a virtual taste

Products to debut at Web supermarket

By John Schmeltzer  
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Hoping to jump-start sales of 70 new products, Kraft Foods Inc. on Monday chose an unusual venue in which to debut them—a virtual supermarket.

Kraft, best known for macaroni and cheese, Oreo cookies and Maxwell House coffee, wants to lure participants in an online world known as Second Life to interact with, but

not eat, its latest offerings. Northfield-based Kraft said it will become the first food-maker to launch its products in this emerging Web-based environment, joining other companies in testing a new way to reach consumers. Instead of being fed 30-second messages in TV or radio spots, consumers can create an experience at SecondLife.com, in this case by trading recipes or downloading product in-

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### A guide to the world of Second Life

**Joining:** Free after downloading the company's software from [www.secondlife.com](http://www.secondlife.com). An upgrade costs \$9.95 for the right to build objects and purchase property.

**Buying and selling:** With a credit card, users can purchase "Linden dollars," which they use to buy and sell virtual land and objects within the game.

**Transportation:** Residents can fly or teleport.

**Where to go:** Boutiques in Midnight City and singer/songwriter Regina Spektor's listening loft. Or type your interests into the "search" bar, hit "teleport" and explore.

**Etiquette:** Be nice. Most areas are "safe," meaning no violence, indecency or harassment.

**Violations:** Typically result in a warning, followed by suspension and a permanent ban for repeat offenders.

**Crime protection:** Don't give your password to anyone.

Source: Linden Lab



## KRAFT: Some doubt effectiveness of strategy

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formation to cell phones.

For marketers, virtual worlds in which people create second identities, or avatars, are popular targets because Web users are increasingly turning to these social sites. Likewise, marketers such as Kraft are experimenting with this new medium as a way to interact with customers by letting them control their experience with the brand.

"Marketers are going where the audience is going," said Drew Stein, chief executive for Infinite Vision Media. "You can't reach today's customers with a hard sell."

### Promoting a 'dialogue'

These sites are gaining traction with companies because consumers can have a "dialogue," Stein said. "You provide fun and enjoyment under the core brand."

Although the supermarket initially is to be stocked with Kraft products that are new to the market this year, including a

bistro line of pasta that takes macaroni and cheese to an adult level, by the end of the summer the store will be stocked with 100,000 items from dozens of manufacturers. That is more than double the amount found in a typical bricks-and-mortar supermarket, said supermarket guru Phil Lempert, who is teaming with Kraft on the online launch.

"Supermarkets have long been the center of a community. This helps re-create that relationship between the consumer and food world in a new way," he said.

Food experts attending the Food Marketing Institute trade show in Chicago, where Kraft announced its launch, said they are unsure how much consumers will use a virtual supermarket for such an everyday chore as grocery shopping.

However, Stein, who has worked with Dell Inc., the Weather Channel and musician Suzanne Vega to create virtual brands, said Kraft stands to gain from its effort. "Kraft could accomplish a lot of things on Second Life," he said. "They could build a community for people who are foodies, a place to congregate about food, talk about food, talk about the notion of food and nutrition. It could be a combination of education and entertainment."

SecondLife.com is a three-dimensional Web site that launched in 2003. Residents create and name an online persona

to interact in the virtual world, where they can listen to concerts, purchase new clothes for their avatars and buy land to build a house or business.

In April, more than 300,000 residents spent real money at Second Life, according to data the site provides. Second Life says there are more than 6 million residents of the virtual world, and more than 1.6 million of those have logged in over the past 60 days. In the last seven days, more than 350,000 people logged in.

Other major companies and sports leagues are experimenting in the new virtual environment. Last week, the National Basketball Association inked a deal to showcase game highlights and clips from classic NBA games there, and to offer a chance for Second Life's avatars to take a picture with the league's championship trophy.

Dell established an outpost in Second Life last year, said Laura Thomas, editor for the computer-maker's virtual presence. "Second Life already had a robust economy when I became a member" last year, with probably more than 200,000 residents, Thomas said. "We decided to dip our toe in the water. It was a fast-growing community and another opportunity to connect with customers."

Unlike the traditional supermarket where consumers buy their groceries, "Phil's Supermarket" will be an interactive stop where consumers only can

obtain information, share comments and develop a shopping list they can print or download to the newest generation of cell phones that incorporate radio-frequency-identification-enabled chips. Once downloaded to a cell phone, consumers can scan the product codes with those phones to make certain they are choosing the product they had on their list.

### Connecting with consumers

Lempert said the supermarket will help retailers, such as Peapod and Dominick's, and food manufacturers better connect with consumers who are seeking product information and service. At the same time, it will help retailers and manufacturers regain trust in the products being sold, he said.

The virtual supermarket unveiling also demonstrates that Kraft's effort to restock its product-development pipeline is in high gear.

Bill Bishop, chairman of the Willard Bishop Consulting Co., said, "I think that the announcement of the new items is a very strong indication that the program is gaining traction and suggests that we expect even more to come."

Kraft's efforts to boost marketing and revive the product pipeline were goals outlined by Irene Rosenfeld, chairman and CEO, at a conference this year with Wall Street analysts. [j schmeltzer@tribune.com](mailto:j schmeltzer@tribune.com) [ebenderoff@tribune.com](mailto:ebenderoff@tribune.com)