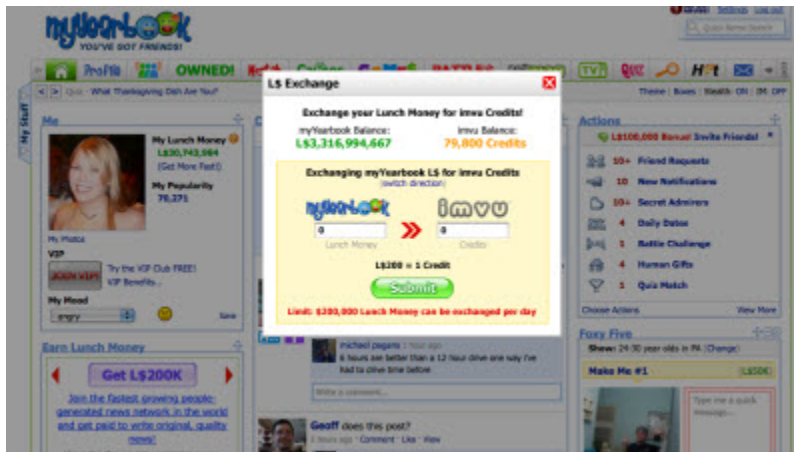


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IMVU and myYearbook set up virtual currency exchange

December 15, 2009 | Dean Takahashi | Comments | [Share](#) 10 |

Two successful online sites are getting together to

encourage their users to adopt the other's services. IMVU and myYearbook are setting up a virtual currency exchange so that users from either service can exchange currency between the sites.

The deal is significant because it is a step toward a universal virtual currency, which could have profound implications for the economies of games and virtual worlds, creating the ability for fluid movement between different sites.

IMVU runs a site where teens and young adults make 3-D avatars and chat with each other in their own customized rooms. myYearbook runs a social network for young people. Both have millions of users who are spending money for virtual items.

Under the deal, users can exchange 200 myYearbook "lunch money" coins for one IMVU credit. Created by myYearbook, the system is called CurrencyConnect and it will be launched in the first quarter of next year. myYearbook is currently recruiting other partners to participate in the exchange program.

Cary Rosenzweig, chief executive of Palo Alto, Calif.-based IMVU, said in an interview that the exchange will be good for both companies in marketing to new users. Neither company is worried about losing its users to the other site, since it's common for users to join multiple sites, Rosenzweig said.

Geoff Cook, chief executive of myYearbook, said his company is open to recruiting numerous sites. But both noted they have to be careful about who they invite to join. If they invited a site with gambling games, for instance, they would have to be careful about scrutiny of anti-gambling regulators. It's OK to have poker games, for instance, if there is no way for the players to cash out their chips. But if the players can convert their coins into a virtual currency that can be converted into cash, then the regulators would cry foul. Accordingly, the Lunch Money from myYearbook can only be converted into promotional IMVU credits, which cannot be cashed out.

"Part of the secret sauce is to limit the potential for abuse," Cook said.

Some of the safeguards include limiting how much currency someone can convert in a given day.

At the moment, the currency exchange rate is fixed between the two sites. But it's possible the rate could float and the companies will study the results of the ongoing currency exchanges. The benefits are a lot like using tokens in mall arcades. When users had tokens to spend, they were far more likely to try out new games they hadn't considered before.

“You can unlock silos of currency and encourage experimenting,” Rosenzweig said.

There are potential competitors. PlaySpan, for instance, provides a virtual goods platform for game companies and others to adopt. It has its own currency that can be used across games. But with the Currency Connect deal, sites can cut out such middlemen.

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IMVU

<http://imvu.com/>

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IMVU Inc. (www.imvu.com) is an avatar-based social

network and virtual world where people meet and interact in 3D. IMVU has reached 40 million registered users, 6 million unique visitors per month and...[More»](#)

Overview

LOCATION: Palo Alto, CA, United States

INDUSTRY: Consumer Internet

EMPLOYEES: 60

TAGS: [Second Life](#), [IM](#), [Avatar](#), [3D](#), [Virtual World](#), [chat room](#), [chat](#), [virtual](#)

Financials

LATEST FUNDING: Series D - \$10M (01/2009)

INVESTORS: [Best Buy Capital](#), [Menlo Ventures](#), [Allegis Capital](#), [Bridgescale Partners](#)

Market

COMPETITORS: [Second Life](#), [Rocketon](#), [Habbo](#), [Lively](#), [Nurien](#), [Donnerwood Media](#)

RELATED COMPANIES: [ExitReality](#), [There.com](#), [Weblin](#), [beeing](#), [Zweitgeist](#), [Mibbit](#), [Habbo](#), [eBuddy](#), [MeGlobe](#), [Just Leap In](#)

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IMVU Company Profile powered by [VentureBeat Profiles](#).

myYearbook

<http://www.myearbook.com/>

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myYearbook is a social network aimed at high school students. myYearbook was initially created by two high school students, David and Catherine Cook, and their older brother Geoff, during Spring Break...[More»](#)

Overview

LOCATION: New Hope, PA, United States

INDUSTRY: Consumer Internet

TAGS: [yearbook](#), [tweens](#), [social network](#), [battles](#), [teens](#), [friends](#)

Financials

LATEST FUNDING: Series B - \$13M (07/29/2008)

INVESTORS: [Norwest Venture Partners](#), [US Venture Partners](#), [First Round Capital](#)

Market

COMPETITORS: [Facebook](#), [MySpace](#), [Hi5 Networks](#), [Bebo](#), [Piczo](#), [Friendster](#)

RELATED COMPANIES: [Passado](#), [Tuenti](#), [Teens in Tech](#), [Ironstar Helsinki](#), [Intuu](#), [XIHA Life](#), [Bahu](#), [Hi5 Networks](#), [groovr](#), [Twitter](#)

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To bad IMVU's chat client software keeps crashing and is so full of bugs that to even call it a "Chatting" program would be false advertising. Don't believe me? Read IMVU's forums...Their new UI is so full of bugs, and uses up so many system resources, that even some of the fastest gaming rigs are maxing out their CPU's and Ram. IMVU's "team" of engineers rely on the "one person" approach of "fixing" bugs..One engineer works on one bug, HOPES to have it fixed without checking it first, IMVU releases it as a "pre-release"....then 10-15 other things break from what that engineer supposedly fixed. Until IMVU starts to listen to their community of members a lot more closely, they're a ship destined to sink. They're constantly flooding their own economy with these "promo" credits as they're called, thus preventing their own Registered Resellers from selling off their surplus...which has significantly reduced the demand. IMVU and Yearbook may be thinking they're creating something here to advance how currencies are exchanged across multiple platforms, but with IMVU involved, it not gonna get far off the ground at all.

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Social Media ★ 2 weeks ago

-

I read an article on Mashable about how they learned Facebook was "mulling over" introducing a Virtual Currency model that will mirror how PayPal works, in that FB will levy a small fee per transaction like PayPal does. I am wondering if this new open platform will allow smaller webmaster like me at **Social Media** will be able to leverage this new financial transaction model?

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Amazing what #IMVU does in the VirtualGoods area <http://j.mp/5Uwfgb> IMVU started lean <http://j.mp/hSVtd> and built a huge user driven economy



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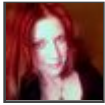
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From twitter via BackType

onwards and upwards: IMVU & myYearbook move towards a universal virtual currency <http://su.pr/2aJECJ>



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