Like Taking Candy From a Baby: How Young Children Interact with Online Environments

An Ethnographic Study for Consumer Reports WebWatch

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EXECUTIVE SUMMARY

Young children are embracing the online world in increasing numbers, mirroring the growth of high-speed Internet connections. But what do children do online? Do Internet sites designed for children offer legitimate options for fun and learning? Or are they an example of exploitation in the new media frontier, tools of commerce designed to manipulate children into asking parents to buy toys, subscriptions, lip gloss or a ticket to a forthcoming movie? Our ethnographic observations of ten New Jersey families over the course of several weeks uncovered numerous examples of both.

In this study, our test families kept video journals of their children's online activities, providing a record of the way their young children, aged between 2 and 8, used online content. We examined only a partial list of Web sites, and only a circumscribed set of issues that can arise when children go online. A larger, more extensive study could provide further insights in a study situation in which children have much to teach adults.

We discovered that the digital world offers a wealth of opportunity for young children to play and learn. But even in this small sample of 10 families we found—too easily, in several circumstances—repeated examples of attempts to manipulate children for the sake of commerce.

Internet-based activities for children remain in an early stage of evolution. Today's parents have come to embrace new technologies with high expectations. But the hit-or-miss process of picking and choosing from the many available online options often leave parents more worried about an activity's cost than its redeeming value. Some sites such as Millsberry.com, EverythingGirl.com, M&Ms.com and Hasbro MonkeyBar TV, for instance, appear to exist solely to extend a brand name, or to influence the purchasing decisions of busy parents.

We believe publishers of children's Internet content need to be reminded they are dealing with an audience that thinks differently than adults. Considering how easily millions of adults are regularly fooled by offers of "free credit reports," deceptive advertising, and "order-before-midnight" commercials, we think it is unreasonable and irresponsible to subject children to the same hard-sell tactics. Publishers can easily make design changes necessary to Web sites to eliminate manipulative tactics. Publishers of children's Web sites need to understand theirs is a special audience. There's more at stake than simply making money.

These are the key findings from this study's ethnographic observations:

- Even the very young go online. Children as young as 2½ are being exposed to Internet content, either directly or by watching older siblings or parents. Two children of the 15 we observed in this study were under the age of 3.
- **The Internet is a highly commercial medium.** When rated by our test parents on a Likert scale from 1 (not commercialized) to 5 (extremely commercialized) the 21 sites considered in this study scored a mean rating of 3.47.
- Web sites frequently tantalize children, presenting enticing options and even threats that their online creations will become inaccessible unless a purchase is made. Some sites show attractive options that invite a click, but lead to a registration form instead. Some sites even sell a child's prior experience—a room they've built for a virtual pet, for instance—back to them, using statements such as, "If you cancel your membership, then your belongings will go into storage and will be automatically retrieved when you re-subscribe."
- Most of the sites we observed promote the idea of consumerism. The most common technique uses a reward-for-work basis, awarding "points, coins or dollars" for success

and achievement that can then be used to "buy" items such as clothing, makeup, bigscreen TVs or other accessories for virtual pets or avatars.

- Logos and brand names are ubiquitous. Not a single site or service observed for this study was completely free of brand names, logos, licensed characters, underwriters or sponsors. Even non-profit content providers such as PBS KIDS and Sesame Workshop display logos of sponsors or underwriters, though not always in areas of the site designated for children.
- Subtle branding techniques are frequently used. The online site for Rescue Pets toys offers an online version of the game "Concentration," with its logos on the back of each card. In Barbiegirls.com, shapes of avatars are identical to a Barbie-shaped MP3 player, which can be used as the key to unlock the premium content. In a Webkinz bowling game, the site's logo appears on the rack that clears the pins.
- The games we observed vary widely in quality, in educational value, and in their developmental match with children's abilities. Such mismatches often result in frequent cries for help. Of the sites we observed, PBS KIDS and Sesame Street contained content of the highest educational value. NOGGIN's games were some of the best designed. Club Penguin and Webkinz delivered the best overall experience.

Recommendations

Despite limitations of the sample size, our study's findings have implications for parents, publishers and policy makers. Selected recommendations for each group follow. See this report's conclusion for many more recommendations.

For Parents

The overall quality of children's online activities varies greatly. We encourage parents to:

- Keep an eye on the screen. Set up the home computer in a central location so you can see what your child is doing. Lend a hand or suggest an activity that matches your child's interests or abilities and pay attention to the directions his or her activities take.
- Be suspicious of "free" offers. As in the real world, free lunches are rare, and this is a concept children can't understand. Don't expect young children (and many adults) to understand the well-worn caution: "If something looks too good to be true, it probably is."
- Read before you click. Before you or your children click on the "I agree" button, scour terms-of-use agreements and privacy policies to make sure you aren't agreeing to share information you don't want known. At worst, publishers make such disclosures inconvenient to read and awkward, so you are tempted to click an agreement and move on. Those emotions can be amplified when you have an anxious toddler pressing you. Also, don't download software before verifying it won't alter your computer's settings.
- Set search engine preferences. By default, most search engines are designed to filter out pornographic results. Google's default setting is "moderate." By clicking Google's "Preferences" link, you can select "SafeSearch," which blocks Web pages containing explicit sexual images and text. The "moderate" setting only filters images.

For Publishers

Publishers of interactive media need to better consider the developmental level of their audience.

• **Disclose the publisher, author and studio information.** It's hard to imagine buying a children's book without being able to find out who's the publisher, author or illustrator. Yet

many children's Web sites bury this information or don't list it. Sites should clearly disclose identity (name, address, ownership).

- Clearly disclose costs and time limits. Prices for services should be displayed at the start of a transaction, not the end. The premium games at Lego.com are a good example of the best way. Time remaining in a game should be displayed on all main screens.
- **Keep free trials free.** Publishers shouldn't require a credit card for a free trial. If there are "hidden" fees, don't hide them. Disclose them clearly.
- **Don't use free trials to entice children into buying subscriptions.** Club Penguin regularly displays subscription-only items to children playing on free accounts. Our observations demonstrated an instance in which a child clicked on a common object in the game environment which led to the following message: "Oops, you're not a member, but we'd love to have you become one." Sites should only display "free" options in free trials.
- Don't try to cover up or play sleight-of-hand with junk food ads. Our observations noted pictures or graphics proclaiming healthy themes like "get exercise," or "eat healthy foods," juxtaposed with junk food ads. This tactic, probably designed to neutralize concerns of parents, is confusing and misleading. Child obesity is a serious health concern in the United States and other countries. Be open about these kinds of ads, avoid manipulation and disclose nutritional value of advertised foods. Don't dress them up with pictures of broccoli stalks.

For Policy Makers

Organizations like the Kaiser Family Foundation have acknowledged the potential of new media for the delight and education of young children. But children's sites are a new frontier, with few regulations or guidelines. We recommend:

- Creating a voluntary, standardized, icon-based labeling system for children's online content providers. Such a system would help parents identify online content at a glance without burdening publishers with expensive or onerous obligations.
- Providing funding for more research on the characteristics of new media and long- and short-term effects on young children.

CREDITS

Warren Buckleitner, Ph.D., an adviser to Consumer Reports WebWatch, wrote this report. Buckleitner is editor of *Children's Technology Review*, a periodical covering children's interactive media. He is also the founder of the Mediatech Foundation, a non-profit public community technology center based in Flemington, N.J. A former teacher of preschool children and 2nd-, 4th- and 6th- graders, Buckleitner has been studying the design of interactive learning products since 1982. His reviews can be seen in *Instructor, Parent & Child, PARADE* and *Curriculum Administrator*. In 1995, he won the Software Publisher Association's Codie Award for "Best Software Reviewer."

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The author, the Mediatech Foundation and Consumer Reports WebWatch would like to thank the ten families and 15 children who volunteered their time for this study.

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ABOUT CONSUMER REPORTS WEBWATCH

Consumer Reports WebWatch is the Internet integrity division of Consumers Union, the non-profit publisher of Consumer Reports Magazine, the Consumer Reports on Health and Money Adviser newsletters, BestBuyDrugs.org, and a variety of sites advocating consumer rights in the marketplace. Its staff and contributors are award-winning journalists and writers. WebWatch shared in a National Magazine Award to Consumer Reports Magazine in 2004.

We research and investigate Web sites on behalf of consumers, and we advocate for consumerfocused Internet policy and governance. Consumer Reports WebWatch accepts no advertising. Consumer Reports WebWatch is a member of the W3C consortium for developing Internet standards; the Internet Society, a grass-roots group focused on Internet policy; and is an at-large structure (ALS) in the user community of ICANN, the Internet Corporation for Assigning Names and Numbers. WebWatch also serves as an unpaid special adviser to StopBadware.org, a "Neighborhood Watch" initiative led by Harvard University's Berkman Center and the Oxford Internet Institute devoted to helping Internet users avoid downloading malicious spyware, adware and malware programs. For further information about Consumer Reports WebWatch, including staff biographies, visit Consumer Reports WebWatch: <u>www.consumerwebwatch.org</u>

WebWatch was launched in 2002, supported by grants from The Pew Charitable Trusts, the John S. and James L. Knight Foundation, and the Open Society Institute. WebWatch has also received grant support from the Robert Wood Johnson Foundation and the New York State Office of Attorney General.

INTRODUCTION

Study Purpose

We wanted to know: How do young children interact with Web sites? What is the nature of their activities, and what role do advertising and marketing play in the interaction?

A New Way to Play

A six-year-old boy waits for his favorite online game to load. He turns to his mother, who is videotaping. He smiles, and proudly announces he's about to play "Nick Jr., just for me." (Note: He's actually not at Nickjr.com, but an associated subscription-based gaming site called Nick Arcade that's advertised on Nickjr.com.) But instead of the game, a blank screen appears with a message he can't read. "This isn't supposed to happen. This is a mistake."

This young boy is a member of the first generation of "digital content natives, seamlessly navigating between traditional and digital sources of media, without missing a step."¹ His mother earns first-generation status as well, as a digital parent who must figure out online play options for her son while keeping his two-year-old brother entertained. Mother and child are about to learn that with these new Web choices come unique sets of challenges.

Mother takes over to try to get the program working. A message appears on the screen that indicates that the game requires a "Nick Arcade Pass." "What does that mean?", asks her son. "It means we have to pay money to use the games on the Nick Jr. Web site," she explains, sounding flustered, because this particular game worked before. Her son says, "Can we do that? Can we pay?" As his mother considers the options, he starts to plead. "Please can we pay?" Eager to quiet her son, but also not eager not to pay, she chooses to download a free trial of the game.

Watch the Video: Mom Downloads the Free Trial

As with any software installation, several "Terms of Use" boxes appear, which she clicks through. She is not aware her default browser has just been modified, with a Nick Arcade/Yahoo! Toolbar, a change in her default search engine, and a new homepage (Yahoo.com).



In this dialog box, the three download permission boxes were already checked, and "Terms of Use" copy is difficult to read through a box that shows just 2½ lines of text. The "I Agree" box format is identical to the other installation boxes required to install the software. For a parent in a hurry, this screen is a booby trap. Capture taken Jan. 20, 2008.

¹ Conclusion from the report, "Kids & Digital Content," from market data firm NPD Group, which surveyed 3,376 US parents of children 2 to 14 in Fall 2007. The quote was from NPD Sr. Analyst Anita Frasier. Cownloaded from <u>http://www.informationweek.com/news/showArticle.jhtml?articleID=196901269</u> on January 20, 2008. The full report is at <u>http://www.npd.com/press/releases/press_080115.html</u>.

As the free trial starts, mother relaxes as her son starts collecting dinosaur bones in an online maze game. While the activity isn't what she or her son expected, it is keeping him busy. After 28 minutes, however, DRM (digital rights management) software kicks in with an audible notice: "Warning, you have less than two minutes to play before your free trial ends." The boy, now joined by his three-year-old brother, has almost reached the end of a gaming level. "What?" he says after the warning. His mother explains time is almost up. "I can't do it!" the boy cries, "Mommy, I can't do it! There's no way out!" The game ends abruptly, and the collected bones and points disappear. The boy grunts in frustration and asks his mother, "Is it over?" When he learns it is, he says, "I didn't have time. Can we pay? Do they want us to pay now? Can we do it?" A week later, the mother is shown the video she recorded, and has no memory of the Yahoo dialog box. But she was angry at the makers of the software for changing her browser. "It was one of those situations that I'm often in...where the kids want something and I'm in a hurry. I was trying to get something for free. But we're trying to run a business out of our house, and I don't need a bunch of junk on our computer."

Watch the Video: When the Free Trial Ends

Children's Internet sites, such as the one described above, characterize themselves as fun, wholesome places to play with perhaps even some brain-building included along the way. Publishers are familiar names like Disney, PBS and NOGGIN, which have earned parents' trust on television. But a closer examination of some of these sites reveals some troubling business practices.

This study demonstrates that children's online publishers are experimenting with revenuegenerating practices that go beyond simple banner advertising. In many cases, we found Internet content for children has become part of a strategic multimedia branding strategy, designed to familiarize children with new toys, movies or multimedia promotions. In addition, we observed profit-motivated services offering free trials to exclusive content, where prices and terms are not fully revealed to children or their busy parents in a way they can understand them.

This paid-access or subscription model can be confusing to parents and their young children. In this ethnographic study, we decided to examine this new category of services from two perspectives: from an adult's, using a methodical selection of children's Web sites, and from a child's, who might hear about certain Web sites via word of mouth from other children, siblings, cereal boxes, stuffed animals and other sources.

LITERATURE REVIEW

Several recent surveys have observed increasing numbers of children going online.

The increase in use of broadband (high-speed, always on) Internet access is a good place to start. According to the Consumer Electronics Association, an industry group, home broadband access grew 21 percent from May 2006 to May 2007. The report concludes more than half (51%) of U.S. households subscribe to broadband.² Notably, a regression analysis of the study sample of 893 households revealed "other characteristics, notably children in the household, have no statistically significant impact on the decision to adopt broadband at home."³

² Based on a telephone survey of 893 US households conducted the week of May 17, 2007. Download the entire report in PDF format, at <u>www.ce.org/PDF/CEA_Broadband_America.pdf</u>, or view the press release at <u>http://www.ce.org/Press/CurrentNews/press_release_detail.asp?id=11319</u>.

³ The observation about children was found on page eight of the report.

So while children in the home are not the reason families choose to subscribe to broadband services, other research has shown they are affected by it. The Kaiser Family Foundation Program for the Study of Entertainment Media and Health⁴ in its 2007 report "The Media Family: Electronic Media in the Lives of Infants, Toddlers, Preschoolers and Their Parents," documents that the number of homes with children and broadband access more than doubled, from 20% in 2003 to 42% in 2006. With regards to the specific question of how much time these young children (ages 3 to 6) spent online, the survey found that among children under seven, 43% have used a computer, 27% use a computer several times a week, and 18% go online. The study also reports 69% of parents list "education and learning" as the reason they let their children go online.

Assessments of the characteristics of the emerging category of children's online content are also starting to emerge. A report from the Joan Ganz Cooney Center at Sesame Workshop reported that of 131 children's Web sites coded as "educational", nearly half (46%) had what could be characterized to be a strong element of commercialism, ranging from online stores to "advergaming," a term coined by the Kaiser Family Foundation to describe, for instance, brandheavy games. (Shuler, C., December 2007). The paper recommends "better communication between the research community and media developers, and urges protection of children from growing commercialism."5

In a study that looked specifically at sites for children age 7 and up, the National Consumer Council in the United Kingdom noted the growing commercialization of children's online content. The report, "Fair Game? Assessing Commercial Activity on Children's Favourite Websites and Online Environments," found a quarter of the ads on children's best-loved sites are aimed at adults, with children often unable to tell where factual or entertainment content ends and advertising begins. In addition, the report noted the troubling trend that ads are integrated into content, or are not labeled as ads at all.^o

As more children are going online, they are spending more time with various forms of sponsored content or pay-for-use services. The number of unique monthly visitors to Club Penguin more than doubled in the last year, to 4.7 million from 1.9 million. Traffic to Webkinz.com grew to 6 million visitors from less than 1 million, according to comScore Media Metrix.⁷

Such statistics raise a new set of questions: Does exposure to sponsored content affect child behavior in some way? Does it influence the characteristics of play? Does it put children at some sort of risk, either from interaction with strangers or giving away their or their family's personally identifiable information? Does a risk exist that children could be turned into, in the words of one parent in this study, "puppets of free markets" by their interaction with commercialized online environments?

These are difficult questions to answer with conventional quantitative research methods. After all, capturing honest feelings from a pre-literate research subject is far from a scientific process. For this reason, we designed a study with gualitative methods in order to better understand the nature of a child's time online. These observations were combined with reviews of 21 popular Internet sites (Appendix II).

⁴ Led by Victoria Rideout, the Kaiser Family Foundation has become an authoritative source on children and media in general. The studies are listed at http://www.kff.org/entmedia

⁵ "D is for Digital: An Analysis of the Children's Interactive Media Environment With a Focus on Mass Marketed Products that Promote Learning" can be downloaded from the Joan Ganz Cooney Center Web site at <u>www.joanganzcooneycenter.org/publications</u>. ⁶ Download the full report from <u>http://www.ncc.org.uk/nccpdf/poldocs/NCC182rr_fair_game.pdf</u>

⁷ The figures were quoted in the October 28, 2007 New York Times article "Pay Up Kid, Or Your Igloo Melts," from http://www.nytimes.com/2007/10/28/fashion/28virtual.html

METHODOLOGY

Trying to get an accurate answer from a three- or four-year-old child can be a challenging task, as the majority of child psychologists will attest. For this reason, we adopted qualitative research methods to create a small study, in which children would be observed interacting with already-familiar Web sites. The study design applies ethnographic techniques, using video cameras⁸ to capture the "thick description" as described by ethnographer Clifford Geertz.⁹ In addition, popular children's Internet-based content was surveyed and described (Appendix 1) in order to better understand sites the children were visiting.

In a traditional ethnographic study, researchers spend time living among study participants, taking careful field notes in order to accurately understand phenomena they are observing. The idea is to make the subjects comfortable with the researcher, so natural behavior is observed. One limitation of this method is that it can take a long time for subjects to trust the researcher.

By placing the parent in the role of data collector, we believed children could respond more naturally. Parents were given verbal and written instructions to let their children play naturally, free of coercion.

However, not all the parents approached this task the same way. Some merely turned on the camera, recording long, uninterrupted segments of a child quietly playing. Two families asked an older brother or sister to do the taping. Others participated during the taping, asking questions as the children provided a guided tour of their favorite activities.

As one might expect, usefulness of the footage varied widely. The results provided an audiovisual record of a variety of online activities, making it possible to retrace a child's steps at a later time to verify what happened if questions emerged. Two evaluators viewed the tapes, noting points they judged significant in some way. These significant events were digitized and transcribed in Section 3 of this report, "Vignettes," in an effort to better understand what was happening.

Dealing with Researcher Bias

It is possible for two people to see an identical event and describe it differently. For this reason, two researchers (Brendler and Buckleitner) both viewed two families, flagging vignettes. The captured vignettes were compared to make sure the researcher and research director were in agreement, and that tapes were accurately transcribed. Next, a DVD was prepared with thirty vignettes, which were viewed by a second set of researchers, again to make sure central conclusions were accurate. On two occasions, the tapes were shown back to the subjects, to make sure the events were properly described.

Human Subject Concerns

Because this study involved young children, the data collection process was designed to capture the observations without names or personally identifiable information. Because the parents themselves were the data collectors, they were able to ensure no personal information was recorded. In the transcription process, names and family-specific information were not transcribed. Finally, parents were asked to sign releases granting use of the footage for dissemination of the study results, for example, in workshops or conferences. Each parent was given the option to receive a copy of the final study.

⁸ Canon ZR800 Mini DV cameras were used in the study.

⁹ "Thick description" was mentioned in the article "From Local Knowledge: Further Essays in Interpretive Anthropology" by Clifford Geertz, from *American Ethnologist*, Vol. 12, No. 3 (Aug., 1985), pp. 554-555.

Study Participants

To recruit the ten families, 640 members of the Mediatech Foundation, a public technology center located in the Flemington, N.J. Free Pubic Library were contacted with an e-mail request to see if they would be interested in videotaping what their children do online in exchange for a \$40 gift certificate to a local restaurant. The prerequisites for study participation were (a) they had to have young children eight years or younger who currently go online, and (b) they had to agree to sign a release so that footage could be used when presenting research results.

A total of 15 children participated in the study from ten families, all residing in Hunterdon County, New Jersey. There were six girls and nine boys, ranging in age from 2 years 9 months, to 8 years 3 months, with the mean age just under 5 ½ years (5.36 years). All families had Internet access that could be classified as "broadband," furnished either through DSL or cable modem. Nine families used Windows computers, one used Macintosh. While no formal prescreening was done of study subjects, all appeared to be normally developing, with no language delays or other obviously apparent learning disability. In addition, all subjects demonstrated well-developed skills in using computer mouse, keyboard and in some cases, a search engine to find Internet content.

Parents were reminded to capture only the footage they would want a researcher to see. Parents, or in some cases their older siblings, were instructed to fill one 60-minute tape over a several-week period. All but two families filled the entire tape and one family requested a second tape. All the tapes captured multiple sessions, the number ranging from 2 to 8 sessions. The total amount of footage collected in the study was just under ten hours.

Family	Age/Gender	Sites	Number of Sessions	Platform
1	7, male	Club Penguin, Webkinz	2	Windows
2	6, female	Millsberry.com, Club Penguin, Barbie.com, MyePets.com	3	Windows
3	3, female 6, male 7, female	Webkinz	2	Windows
4	8, male	Webkinz, Club Penguin	1	Macintosh
5	3, male 6, female	Nick Jr., NOGGIN, PBS KIDS, JETIX, Club Penguin, Webkinz	4	Windows
6	7, male	AddictingGames, Club Penguin, FreeOnlineGames.com	3	Windows
7	2 ½, male	NOGGIN	3	Windows
8	3, male 6, male	Nick Jr., Nick Arcade, Webkinz	5	Windows
9	6, female	Club Penguin, Barbie.com, EverythingGirl.com	4	Windows
10	3, male 6, male	Webkinz, Jetix, M&Ms.com, LEGO.com, MonkeyBar TV, Littlest Petshop VIPs	1	Windows

TABLE: DESCRIPTIVE STATISTCS OF PARTICIPATING FAMILIES



The youngest subject (just over 2 ½ years old) was still wearing diapers, but he was able to independently use NOGGIN.

Watch the Video: Meet the Children

The children observed started using the Internet as young as age 2½, either watching older brothers and sisters or playing independently. There was no evidence the children were coerced to use any site or service. The children generally appeared eager for a turn on the computer. Parents were instructed to follow their children's lead, taping natural activity and interjecting only when they felt it was natural to do so.

Limitations of this Study

When interpreting the results from this study it is important to keep in mind its qualitative nature, combined with an examination of 21 Internet sites, using ethnographic methods to collect case study data.

- A sample size of 15 children from 10 families is not large enough to accurately generalize to a larger population. The study volunteers were all from the same geographic region, in Central New Jersey on the East Coast of the United States. Description statistics, other than age and gender, were not considered. No formal screening was conducted of the study subjects, such as reading ability, school achievement level, learning disabilities or pre-existing medical conditions.
- Online content is inherently dynamic. This study offers a snapshot of children interacting with various sites between October 2007 and January 2008. It is possible, in fact, probable given the nature of new media, that a Web site's content or policies may have changed since observations were conducted.
- This study did not consider the influence of other forms of media on young children, such as television viewing, video game use, use of educational software, cell phone access, etc.

FINDINGS

A close examination of the sites visited by our test families indicates a wide range of quality and varying amounts of commercial content. Despite the limitations of this study, it was immediately evident from viewing the videotapes that allowing parents to collect data was an effective way to gain a rare and unfiltered view of the complexity of the Internet/child relationship.

Following are a list of observations:

- Even the very young go online. Children as young as 2 ½ are being exposed to Internet content, either directly or by watching older siblings or parents. Two children of the 15 we observed in this study were under the age of 3.
- Children's sites can be characterized as moderately to highly commercialized. When each of the 21 sites considered in this study where rated on a Likert scale from 1 to 5, the mean rating was 3.47, meaning that if roughly ten hours of footage that was observed was lumped together, the overall experience could be considered moderately to highly commercialized.¹⁰
- Web sites frequently tantalize children, presenting enticing options and even threats that their online creations will become inaccessible unless a purchase is made. Some sites show attractive options that invite a click, but lead to a registration form instead. Some sell a child's prior experience a room they've built for a virtual pet, for instance back to them, using statements such as, "If you cancel your membership, then your belongings will go into storage and will be automatically retrieved when you resubscribe."
- Most sites we observed promote the idea of consumerism. The most common technique uses a reward-for-work basis, awarding "points, coins or dollars" for success and achievement that can then be used to "buy" items such as clothing, makeup, big-screen TVs or other accessories for virtual pets or avatars.
- Logos and brand names are ubiquitous. Not a single site or service observed for this study was completely free of brand names, logos, licensed characters, underwriters or sponsors. Even non-profit content providers such as PBS KIDS and Sesame Workshop display logos of sponsors or underwriters, though not always in areas of the site designated for children.
- Subtle branding techniques are frequently used. The online site for Rescue Pets toys offers an online version of the game "concentration," with its logos on the back of each card. In Barbiegirls.com, the shapes of avatars are identical to a Barbie-shaped MP3 player, which can be used as the key to unlock the premium content. In a Webkinz bowling game, the site's logo appears on the rack that clears the pins.
- The games we observed vary widely in quality, in educational value, and in their developmental match with children's abilities. Such mismatches often result in frequent cries for help. Of the sites we observed, PBS KIDS and Sesame Street contained content of the highest educational value. NOGGIN's games were some of the best designed. Club Penguin and Webkinz delivered the best overall experience.

¹⁰ See Appendix II for more details on the nature of commercial techniques used on each site.

- Many online games are variations on the same themes. Many of the games children play follow the same tried-and-true formulas, albeit with different licensed characters. Most common are the "Bust-a-Move" style games (match a series of colors to win points), racing games (aim for ramps or avoid obstacles), platform games (jump or fly through a maze of ledges to collect items) or whack-a-mole-type shooting galleries. So while content might change, format remains fairly consistent.
- Young children online can lead to spam, or worse. In two cases, children downloaded programs that altered settings of their parents' computers. A six-year-old boy was observed typing his mother's e-mail address into an entry window to win a toy.
- The Internet is becoming a popular multimedia delivery system for children. For the families observed for this study, the Internet has largely replaced CD-ROMs as the most popular multimedia delivery system for children. Unlike mostly text-based online content a few years ago, today's Flash-based content includes animation, video, sound and responsive games. In some cases games track progress and adjust themselves in difficulty—features previously found only on CD-ROMs. Load times can be long, and activities are unresponsive at times, however. Quickly loading sites such as Club Penguin have a distinct advantage over graphic- and music-intensive sites like Barbie Girls or Disney X.
- Children don't like to play alone, even online. Online games are often social when there is more than one child in a household. Younger children commonly watch while an older brother or sister plays. Sometimes, preschoolers and parents play online games together. In homes with more than one computer, children can play without arguing over whose turn it is, and visit each online in networking sites like Club Penguin or Webkinz.
- Parents don't mind straightforward advertisements. In fact, they expect them. But one parent expressed concern with sites she believed used her children to manipulate her into using her credit card with attractive items that that require registration or a subscription. This includes the prize items used in contests at Hasbro MonkeyBar TV, the "free trial" at Nick Arcade, the charms at Webkinz, the keys on BeanieBabies 2.0, and others.
- **Preschoolers don't understand advertising**. Children ages 2 to 6 can't conceptualize "ulterior" motives behind online games. As they grow and gain online experience, however, they learn banner ads are things that can lead them away from their play, or, as one child in our study noted, they "don't do anything."
- You have to pay to play the really good stuff. Starting at about age 5, children begin to realize online games get better when their parents pay, but they don't yet understand how the process works, or the cost. One 6-year-old explained to her mother that "you have to put money in an envelope and send it to the people who made Club Penguin."
- Children and parents were sometimes confused about which site they were on. How do you define a children's Web site? Some, like Club Penguin or Webkinz, are clearly defined by requiring children to log in or out, and use one URL. But others, such as NickJr.com, Bratz.com, NOGGIN, EverythingGirl.com or PBS KIDS are umbrella URLs for clusters of related sites that may link to one another, either through ads or through menus. As a result, parents and children can easily get lost, making it harder to identify the publisher of the site, or whether an ad is really a menu. One girl, aged 6, confused PBS KIDS with NickJr.com, when she said "you can buy all the PBS Kids stuff at Target."¹¹

¹¹ PBS KIDS is commercial-free.

- Shopping is a common theme, but play money is often abstract. Nearly every online activity observed featured some sort of shopping activity. While virtual shopping experiences can be useful in teaching children to learn about mathematical concepts, some sites use units of currency that number in the hundreds or thousands, far beyond the ability of young children to count or conceptualize. While they like to shop, children don't understand how money works—just that they "have enough" or they "need more." While playing at MyePets.com, a 6-year-old girl with 103 "credits" referred to them as "one-zero-three." Later in Webkinz, she tried to buy an item that cost 245 "Kinzcash" dollars, but could only count to 15.
- Even kindergarteners use Google. Children as young as 6 were observed typing search terms into Google. But they clicked on sponsored links as frequently as organic search results, since they tended to contain keywords. Children also proved adept at using drop-down search histories.
- **Computing environments and preschoolers don't always mix**. The families in this study used Internet Explorer or Firefox browsers, both designed for literate adults rather than young children. Two children struggled extensively while trying to navigate games via a browser. Other children had problems when starting a new activity or switching to another. In a Webkinz bowling game, a 6-year-old boy pulled the mouse backwards too quickly (to simulate swinging the ball back), accidentally hitting the task bar with the cursor, making the game disappear in mid-swing. Another young child lacked the fine motor skills to keep the cursor inside the window, and unintentionally clicked on an advertisement. When his mother told him to click the "back" button, he took her instructions literally, climbing up on the table, looking in back of the monitor for a button.

ONLINE CONTENT: A DEVELOPMENTAL PERSPECTIVE

This study considered a developmentally diverse group of children, reflected in each child's ability to use a mouse, read text on the screen, or use menus to select activities on Web sites. The children in this study could be classified into two developmental groups. The youngest subjects, aged 2½ to 6, match the characteristics of Jean Piaget's¹² preoperational thought classification, a stage marked by egocentrism and an inability to keep more than one attribute in mind at once. The older group, aged 5 to 8, demonstrated much more ease in going online and jumping from one activity or site to another. They were also better at describing activities to their parents.

Characteristics of younger children (ages 2 to 6):

- They ground online play in the present or immediate past, not on what happened a previous day or what will happen tomorrow.
- They have the fine motor skills needed to use the mouse, and older ones can type short words like their name, screen name or password with enough practice, although it helps to mark the keys.
- The concept of a "subscription," or money to pay for premium services, has little meaning to a child in this age range.
- They have little tolerance for glitches or bugs. Any problem can result in extreme behavior, such as kicking, rolling on the floor, and cries of anger and disappointment.

¹² Piaget, J. (1952). The Origins of Intelligence in Children. New York: International Universities Press. This is Jean Piaget's most cited work, according to Google Scholar, although there are many deviations relating to individual development and stage theory.

- They find it difficult to sit still for stretches over 15 minutes, but this can vary between ages 3 and 5. It is natural to put fingerprints on the screen, move around, climb on the computer table, or swivel in the chair.
- They make frequent requests for help from parents or older siblings.
- Using the computer is a social experience. They like to share accomplishments with anyone nearby, or watch as older brothers, sisters or parents use the computer.
- They can use a traditional browser, such as Firefox or Internet Explorer, providing bookmarks are set up in advance or the startup routine is the same. But they have trouble when things change, or when too many windows are open.
- They can't conceptualize how pictures get to the screen whether they come from a computer hard drive, or are streamed from a server thousands of miles away. All they care about are the images on the screen and the sounds coming from the speakers.
- They can't read or decode, but can use menus that combine print with icons, or that stay in the same position throughout the program. Menus that use print are also good early literacy experiences.
- They cannot differentiate between sponsored and editorial content, or understand the notion that there may be some type of sales motive behind activities on the screen.
- The younger the children, the less able they are to explain what an advertisement is, or what it does when you click on it. But if an advertisement appears in a consistent place on the screen, they soon learn they shouldn't click on it because it takes them away from their current game.
- They take things literally. When one child was told to click the "back" button, he looked behind the monitor.
- While they frequently encounter online currency systems, they lack the cognitive ability to compare or contrast numerical quantities when shopping. They just know they need a "lot of money" in order to do "a lot of stuff."

Characteristics of older children (ages 5 to 8):

- They respond less emotionally to snags and glitches, and are better able to solve problems independently.
- They can locate online content with bookmarks, but are just as likely to get to new sites by typing the name of the site into a search engine.
- They understand the notion of social play that an avatar represents another player or themselves, and they can become competitive with other players or friends.
- They worry about following the rules, "fair play" and "doing bad things."
- Children in this age range may sense going online is serious business, and that parents worry about things like sharing personal information or visiting "bad" sites. But they can't conceptualize what constitutes a "bad" site" and if they encounter pornographic content, they aren't developmentally able to understand what they are seeing.
- They are beginning to understand the computer is a portal to pictures, movies or stories, provided the right keyword is typed.
- They can start to use either left or right mouse clicks, and can start typing passwords or keywords with more fluency.
- They understand the notion of advertising to some degree, especially if presented as video clips of TV commercials, when they take place in distinct blocks of time. But they are unable to explain banner advertisements, "leveraged" content and embedded commercial content presented simultaneously along with games or editorial content.
- While they don't understand banner ads, they learn by trial and error that ads such as those on NickJr.com are not good to click on because they "don't do anything." They are eager to avoid what they perceive to be roadblocks to play.

Our study participants could best be described as active and enthusiastic subjects, eager to collect, bowl, earn money, decorate an igloo, fly a dinosaur or take care of a virtual pet. While most of the 15 children could not read menus or banner ads, the concept of "sponsored" versus "un-sponsored" content still eludes many children until age 10 or older, when they are better able

to better understand the concepts of advertising. It's important to remember that to a young child, a computer consists only of a screen and a mouse (and occasionally a keyboard, with a seemingly endless supply of letters and numeral symbols). They don't yet understand where the content comes from—whether it is from a disk, the hard drive or from somewhere outside the house. And they don't really care. They just want to play.

VIGNETTES: WHAT HAPPENS WHEN YOUNG CHILDREN GO ONLINE

The following vignettes were transcribed from the video footage we collected.

How Do Young Children Find Sites? The Same Way We Do

On several occasions we observed children carefully typing the name of a toy or game into Google, and then clicking on the first result, without being able to read.

A Mom notices her six-year-old son has switched sites, to Littlest Pet Shop, a toy she had purchased for his birthday a week before. "How did you find it?" The boy, not knowing he had even used Google, said, "I spelled 'Littlest' space 'Pet.' "Oh, you spelled it out in Google? You Googled it?" His mother laughs. "I didn't know you knew how to spell 'Littlest.' Honey. I'm very impressed. How old are you? What grade are you in?" "Kindergarten, 6," he replies.

Watch the Video: You Googled It?

Later, he wants to visit M&M's.com, a tricky URL because the "&" character confuses both search engines and children. The URL is www.m-ms.com, although Mars, Inc., also controls many similar URLs. But not "mams," which the boy typed, as he said "I'm looking for M and Ms dot com." When that didn't work, he searched his browser's recent history by clicking the drop-down box next to the search window, a technique used by a six-yearold girl as well. That doesn't work either, because of all the activity in the past few hours. Finally, he tried typing "m and ms" into Google. The first link was a sponsored link for "custom chocolates," but below that is another one that leads to the site he was searching for. "Honey, why do you think they made up a video game for M&M's?" "I don't know," he replies. "I want to make my own M&M's."

Watch the Video: Using Google to find M&M's.com

AddictingGames: Where a 7-Year Old Boy Can Toss Meat at Paris Hilton

In his search for action games, a 7-year-old-boy goes to a Nickelodeon Kids and Family site (a division of MTV/Viacom) called <u>AddictingGames</u>. He likes the wide range of games – more than 200 – especially action-oriented fare like "Indestructo Tank," because the games are "awesome." He then visits <u>Free Online Games.com</u>, and plays "Alien Hunter." His mother is taping.

"What do you do in this game?" Mom asks about Indestructo Tank. "You just drive and jump up and hit helicopters," he answers. "There's all different games. Adventure games, sports and skill games, action games, RPG Games." As the seven-year-old boy plays, he seems to get lost, saying "yes-yes-yes! I beat my record for combos!" When he starts playing Alien Hunter, his mother expresses concern. "I don't think I like this game. Is there anything you can play that doesn't involve shooting?" He replies, "Not that I like. This game is just awesome." After questioning him about this fondness for shooting games, she says, "I think you should try something else, 'cause you're not gonna sit on the computer for a half hour just playing shooting games. Why don't you go to Club Penguin and see if any of your friends are on."

Watch the Video: AddictingGames & Free Online Games.com

After this session, we conducted a review of AddictingGames, and found content inappropriate for young children his mother was not aware of. Some involve throwing "greasy meat at Paris Hilton to fatten her up," playing paparazzi by trying to snap compromising pictures of starlets, or teasing a seductively dressed teacher with spitballs in the "Naughty Classroom." All these games were featured on the home page, along with "Indestructo Tank."



His mother asked if he ever clicked on the many ads found on the site, or felt pressure to buy something.

He said "no," but then added, "oh yeah, I forgot. There's one website called Free Online Games where things just randomly pop up that says you win something, like an Xbox 360." "What did you do?" she asked, to which he replied, "Nothing." "That's good, because you should just ignore those pop-ups," she said.

A later screening of <u>Free Online Games.com</u>, which contains ads from big-name companies such as Disney, verified the boy's observation. In that test, the site used a verbal prompt that said "Congratulations. You have been selected to receive a free iPod." These types of messages certainly capture a young child's interest.

Download at Your Own Risk

Parents in our study were all volunteers who aren't afraid of their children looking at Web sites. But two actions did cause them concern: giving out credit card information and downloading programs.

While at <u>M&Ms.com</u>, a five-year-old boy starts downloading a game before his mom can get to the mouse. "What are you downloading?" she asks. "An M&M game." "Oh, great," she say as she tries to stop him, but it's too late. "Fine, ok, go, download," she says resignedly. As he starts the download, she exclaims, "Here goes another virus on mommie's computer!" Her son asks, "Why do you want those?" "I don't," she replies, "I'm being facetious."

Watch the Video: Downloading an M&M's Game

A mother became very angry after being told she had downloaded a free game from Nick Arcade that changed her browser settings. "We use our computer for our business, and we don't need a bunch of stuff gunking it up." They Don't Sell Popcorn at the Millsberry.com Theatre, But You Can Buy Chex Mix A six-year-old girl goes to the virtual movie theater at <u>Millsberry.com</u> and tries to buy popcorn at the snack bar. She is disappointed to find they only sell snacks like veggie dogs and kiwi smoothies.

"No popcorn for movies? That's just not right!" she says to her 16-year-old sister holding the camera. But they do sell General Mill's brand Chex Mix, for 48 Millsbucks. "What's that?" She asks when she notices the attractively packaged Chex Mix (the other items look rather bland). Her sister explains the concept of Chex Mix. "It's a mixture of little pretzels, crackers and cereal." She ends up buying the cheaper bag of pretzels, and then clicks on the virtual theater to choose a movie, in order to earn more Millsbucks. The movie turns out to be a TV commercial for Reeses Pieces. "These are all just commercials," she says, choosing not to watch them. According to her older sister, she learned about Millsberry.com from the back of a cereal box. Millsberry.com is published by Mills Online, Inc., a subsidiary of General Mills.



Chex Mix® Snack Mix Chex Mix has something for everyone!



How Much For Your Mom's E-mail? A Chance at a Toy

A six-year-old boy clicks on an advertisement in Hasbro's <u>Littlest Pet Shop</u>, which leads to <u>MonkeyBar TV</u>. This highly commercialized site offers interactive versions of games like "Battleship," and other games that feature Hasbro toys, like "GI Joe Ninja Showdown."

As the boy clicks around, an advertisement pops up: "Play Games, Win Prizes. It's that easy! Sign up now for Monkeybar TVs weekly prizes." The boy starts to type his mother's e-mail address into the registration box, but his mother enters the room, and notices he's typing something. "What are you doing?" she asks. The boy says, "hmmm. Let's go back," thinking he's in trouble. Mom asks, "Do you know what that was? Do you know what you were signing up for?" He points at the prize, and says "What's this?" "That's a prize that you get if you win the game," Mom says. "Let's play. I want to get to play, I want to get to play, I want to win," he says quickly. "In order for you to win the prize, mommy is going to have to give her email address," she says. "Well, let's do a fake one," the boy says." Mom laughs. "OK. Mommy's favorite fake email address is nospam@hotmail.com." "That's a good one!" her son exclaims.



She enters the fake address, but encounters another form.¹³ "See now, they want your date of birth and e-mail address," she says. "Put in fake stuff," encourages her son. She continues, creating a screen name. "OK, it says that you've already registered here, but Mommy doesn't remember registering here. Do you know Mommy's email address?" The boy says her real e-mail address. "So have you been entering mommy's e-mail address to register for things on your own?" He nods yes. "You know I really wish you didn't do that. What's your password, do you think? She tries a few guesses and then gives up.

He says, "Click 'I forget my password."" "Oh, you're so much more clever than I am," she replies as she types her real e-mail address into the box. But a message informs her: "this e-mail is not on file." She takes a deep breath, starting to get discouraged. "You know what, it's not going to let us register. Mommy has enough spam. I just had to close an e-mail account because I get so much spam," she explains. "But what about nospam.com?" he persists. "There's no such thing as nospam.com," she says. Both mother and child leave the screen confused. But the boy sees the prize again, and asks "is that the prize?" "Honey, they try to lure you in by saying you're going to win a prize. But you know what? There's a million other kids playing them, probably older who played them a lot of times, and your chances of getting a prize.....".

Watch the Video: Trying to Enter a MonkeyBar TV Contest

Pay Up, Or Your Stuff Goes Into Storage

Adults are all too aware that if you miss payments on a loan, you might lose what you bought with it. Children don't understand that concept, however, so parents will find it difficult within some gaming environments to explain that their kids' toys and tokens, coins or "Kinz Cash" are gone because a payment wasn't made. That's what happens with subscription-based sites such as <u>Club Penguin</u> and <u>Webkinz</u>. The idea is to get children hooked on games in an environment they can customize. With Webkinz, once your account expires, you are given a 30-day grace period, after which you lose your money and stored items.¹⁴ Policies differ among sites, but they all present parents with a potential problem when subscriptions expire. A six-year-old girl explained how it works to her mother while playing Club Penguin.

¹³ It would be helpful to busy parents for publishers to provide a preview of the number of screens or fields that need to be filled out at the start of the registration process. To a parent, time is the greatest asset.

¹⁴ We recommend these sites notify parents and children in clear language at the start of the transaction, and that children are provided a chance to save a special storage file onto a local disk of choice, for permanent storage of earned materials.

"You can buy things all around town, but you have to be a member. But I'm not a member, so I just play games and get a lot of money. When you get your penguin, you have to say if you're going to be a member or not."

But Who'll Feed My Puffle?

To a young child, pretend pets are serious things. Think back to your own childhood, and you might recall a stuffed animal or toy in which you had a particular bond. Sites like <u>Webkinz</u> and <u>Club Penguin</u> let children experience this notion cleverly, with meters that indicate if a pet is happy, sad, hungry, or wants to play. It's possible to personalize pets with different costumes and names. One six-year-old girl named her two Puffles after her parents.

"It's a Puffle," a six-year-old girl tells her mother. "Is that yours now?" the mother asks. "I bought it," she replies. "How did you buy it?" asks the mother. "With money. You have to have a lot of money to buy it," she replies. "Is it your own money, or you mean money that you earned in the game?" "In the game. You can only get red and blue. If you want to get another kind, you have to pay the people who make Club Penguin," she explains. "You mean like subscribe or become a member?" "Yes. You have to like put it in an envelope and give it to them." Her mother then asks, "What are you doing now?" "I'm fishing," she replies. "If we fish, then we get money and I want to buy a puff ball for my pet. Those are the only pets you can get, so I want to get one, so I have to get a lot of money."

Watch the Video: Caring for a Puffle

These virtual bonds play on real child emotions. Children think of their poor puppy, alone inside some cold computer server perhaps starving to death, which, of course, keeps them coming back. Club Penguin's pet Puffles need to be fed, rested and played with in order to stay happy. The food and toys must be purchased, with coins earned by playing the games. If a subscription lapses, however, this message is displayed:

"Your Penguin's belongings will go into storage and will be automatically retrieved when you re-subscribe."

One mother expressed concern when she realized it was the end of the month and she hadn't renewed her son's Club Penguin subscription.

"Oh my God, today is the end of the month and I forget to renew. My son's going to kill me if I lose all his stuff." She was referring to her son's multi-room Club Penguin igloo, which had taken him hours—if not days— to construct, and fill with all his hard-earned trophies.

Risk-Free Gift Card or Parental Time Bomb?

One family purchased monthly <u>Club Penguin</u> accounts to avoid recurring credit card charges and the possibility of accidental overcharges. But at the end of 30 days, when one seven-year old child logged in, he was greeted with the following message:

"Your membership has ended. You can continue to play Club Penguin. All your items have been moved into storage until you become a member again. Would you like to renew your membership?"



The boy clicked "No Thanks," after which he was shown an empty igloo and a bored Puffle. All collected items—representing hours of play—were gone.

When the boy clicked on a chair or a lamp, the following message was displayed: "Oops! This feature is only available to member of Club Penguin. We would love to have you join. If you would like to see more, please click the button below. "



The large "Become a Member" button is hard to miss, whereas the small icon used to close the window is hard to spot and unlabeled. Clicking "Become a Member" teases children with a picture of a happy penguin family and Puffles sitting on top of the order form.

Two six-year-old girls, from different homes, were very sly about asking their parents to subscribe. One girl was answering a question about her favorite game in Club Penguin.

"I like the sledding game because you win money that you can use to buy things. But to buy things you have to be a member. When you get your penguin you have to say if you're going to be a member or not. Wow, I see." She reminds her mom, "I'm not a member."

In another home, a father asks his daughter to leave Club Penguin in order to show him another site. But before they leave, the daughter has something else in mind.

"OK, but first maybe we can take care of getting to be a member? Oh...." The girl continues, seeing that her mother has just entered the room. "I think we should be a member, mom." The father asks, "Do you have to pay money to be a member?" "I don't know... let's just try it." The girl clicks on the "become a member" link and three options are shown: Monthly for \$5.95, 6 months for \$29.95 and 12 months for \$57.95, all accompanied by the image of a happy penguin family. "Uh-oh," the father says, "What do these mean?" "These are the prices," she says. "I would do the \$5.95 one." Her father, starting to feel the pressure, says "but that's \$5.95 a month for real. We don't have the money to do that, honey. How about we go onto Webkinz, and maybe we'll sign up for this later." "OK," she says.

Watch the Video: Club Penguin Membership has its Privileges

When is an Advertisement a Menu Item?

Webkinz and many other sites contain a confusing mixture of sponsored and un-sponsored content. Telling the two apart isn't always easy, especially when they're labeled as news, or when activities are labeled as advertisements, such as the "Earn Your Badges" message below.



Concerns raised by groups like the Campaign for a Commercial-Free Childhood over Webkinz' advertising practices were not shared by the families in this study.¹⁵ Parents were more interested in getting the games to work and ensuring they were free of violence or junk food ads. When a child is on Webkinz or Club Penguin, parents may believe children are walled off from the rest of the Internet, tucked safely into a controlled world. For the most part, they are—providing they don't open a search engine and start wandering around the Web.

Is Webkinz a Kindergarten Casino?

In two cases, parents took an active role in their child's <u>Webkinz</u> accounts in an effort to help earn more Kinz cash. "I'm a bit embarrassed to say that I play Webkinz," said one mom. "I even know one of the technicians at Ganz on a first-name basis." What is it about Webkinz that keeps children and their parents so engaged?

As B.F. Skinner documented, intermittent reinforcement can be a powerful tool for shaping behavior, and is a psychological technique applied masterfully in casinos to keep people playing slot machines.¹⁶ The idea is to reward a behavior at a random interval. Similar game-of-chance techniques are frequently used in Webkinz, where children can spin a roulette wheel just once every six hours to win an undetermined amount of "Kinz Cash."

¹⁵ On Dec. 13, 2007, the Campaign for a Commercial-Free Childhood <u>issued a challenge</u> to Ganz, the publisher of Webkinz, to stop promoting movies by, among other things, encouraging purchase of chipmunk costumes and food for virtual pets tied to film characters. The site promoted "Bee Movie," with tie-ins to McDonald's, General Mills and Brachs that spawned dozens of licensed products, in a similar way. The center points out the "Parents Area" of Webkinz.com does not mention the site includes advertising. ¹⁶ Skinner, B.F. (1974). Behavior modification. Science (New York, N.Y.). 185 (4154).

These techniques may be one reason Webkinz was the most-used site in our sample. When a six-year-old girl tried to visit a mine to find gems she could sell for "Kinz Cash," we heard the following:

Webkinz narrator: "Sorry, you already had a turn searching for gems today. Come back tomorrow."

Later, she visited the Webkinz employment office to look for a job, but it was closed:

"Oh sorry, you're early. You can only do one job every eight hours. Look at the clock to see how much longer it will be before you can do your next job. Bye for now!"

In another Webkinz scenario, a six-year-old boy is in the "Magical Charm Forest," when

...he discovers a Comet charm, along with the message, "Sorry, you already have a Comet in your collection. Duplicate charms are automatically converted into 100 KinzCash." His mom sees the new charm, but his son delivers the disappointing news. "We already have it." She responds, "Oh well, nice job getting a charm."

Said one mother: "Before you start criticizing Webkinz, don't forget how many thousands of dollars people spent on Beanie Babies before the Internet even existed." Indeed, some families have invested small fortunes in their child's collecting habits, be they Barbies, Breyer Horses or Thomas the Tank Engine train sets. But that Webkinz uses very clever techniques can't be disputed. For instance, children are teased children with options they need to return again and again to the game for. Items are offered that are being sold on eBay¹⁷. At least one family in New Jersey spent approximately \$83.35 a month during the past year.

"Forty dollars and three months later, we still haven't unlocked one of the gift boxes," says one mother. "Still haven't done it." She suggests to her son, "Let's count our pets, just for fun." He scrolls through a list of 77 Webkinz, purchased for \$12.99 each, not including tax. That, plus the \$40 in virtual charms means the family has spent over \$1,000 on Webkinz or Webkinz-related products in the past 12 months.

Egocentric Children See Sites Differently

It's normal to be self-centered during childhood. The younger the child, the harder it is for him or her to see how others might perceive actions. This can have implications online, particularly when meeting other children. Consider a father shocked to learn his son named his Webkinz bullfrog, "Bully."

"You're bully?" "Yes." "Bully!? Why did you name yourself Bully?" "Because I'm a bullfrog." "Oh," says the father, making a motion to the camera that implies the social implication is over his child's head.

"Bully" might seem a natural name for a bullfrog, but it can obviously have a very different meaning as an avatar in any social space. Children in this study first were able to figure out the concept of an avatar (a person or object that represents you online) starting at about age five.

"Mommy I'm playing with someone," says one child excitedly in the Webkinz bowling game, noticing another Webkinz has joined the game. "She's not a very good bowler."

¹⁷ Search eBay with the terms "Webkinz POTM," (stands for Pet of the Month) or visit sites like <u>www.webkinzinsider.com</u> to see the current cash value of Webkinz items.

Mommy, It Crashed!

Most services observed in this study were created using Flash technology, a multimedia programming language for Internet content. Since its introduction in 1996, Flash has become the industry standard for creating and delivering children's online content. In addition, Flash-based sites use narration and music often essential for a game to work, which in turn requires speakers. On two occasions, a sound system wasn't working, and children were observed struggling with the computer's volume settings or with the speakers themselves. As one mother noted, things don't always work as planned, and the reasons aren't always clear:

"Sometimes these online games are a bit resource-intensive and they crash the computer," said one mom, after the computer went down during a session with the NOGGIN site that required five minutes of waiting. Her two-year-old crawled under the desk during the wait.

The Buddy List: A Social Marketing Strategy That Works

Some children we observed started playing Club Penguin and Webkinz so they could be on their friends' or relatives' buddy lists.

"For just \$12 (the price of one Webkinz), my daughter can play with her cousin across the country for an entire year," said one mother. "Now, that's a pretty good deal."

Another child was given a Webkinz at a birthday party. Her collection has since grown.

"I have three Webkinz: Jacqueline, Kitty and Crystal," explained a six-year-old girl. "I got one for my birthday, another one for my birthday, and another one at a sleepover. One friend has six Webkinz. You have your own house but I'm kind of low down on money right now. You have money on Webkinz, you buy things and they come out down here and you can dress your pet and do a lot of others."

It was interesting to note, throughout our observations, the extent to which the parents seemed unaware of the sites their children were visiting, or what they did there. A six-year-old-girl told her big sister she heard about <u>Millsberry.com</u> from an ad on a cereal box.



Toy Catalogs 2.0, with Some Games, to Boot

One of the most commercialized sites we observed was <u>EverythingGirl.com</u>, a Mattel-owned portal with links to a half-dozen sister sites like Barbie.com, and to dozens of toy-themed games. The site is bursting with promotions, product placements and ads for external products and related media events.

"Now, when you play these games, does it make you want to buy more of that stuff?" a mother asks her six-year-old daughter, as she plays on a Polly Pocket Web site. She answers "Um no, cause you can play it right here. Sometimes it does." The mother probes a little further: "Wasn't there something you wanted to buy for your Polly Pocket, right?" "Yeah."



Another highly commercialized site, <u>Jetix</u>, captured a young boy's interest in a new movie.

A five-year-old boy and his three-year-old brother are on Disney's Jetix site, where he's struggling to get a game working. He soon gives up and just clicks on the different menu options. While he clicks, he's hit with a barrage of advertising pop-ups about toys, movies and snack food. "Do you ever click on those advertisements?" his mother asks. "No, we don't." "Why not?" "I don't know." His mother suggests, "It takes you away from the game?" "Yeah," he replies. "Are there always this many pop-ups on Jetix?" she asks. "Yeah." "Oh, I've never noticed them before."

Watch the Video: <u>Navigating Pop-Up Ads on Jetix</u>

When Can I Type My Real Name?

At one point on <u>Barbie.com</u>, a six-year-old girl alarmed her mother when she typed her first and last name into a pet-decorating activity. The girl, who was just learning how to find all the letters on the computer keyboard, wanted to practice.

*"It asks us to type my name....I'm going to put in [child says her last name]. The Mom, very nervous about identity theft, nervously says, "just type your first name." But the child persists, and mom gives in. She's left wondering how this information is being used, and by whom.*¹⁸

Don't Come Between Children and Their Intentions

Many parents were on the lookout for advertising, and when they pointed out banner ads, some children said, "You shouldn't click on that." While starting an activity at <u>M&Ms.com</u>, where you can design your own customized M&M (with hair, body, color, etc.), a three-year-old boy encountered a pop-up box his mother read to him.

¹⁸ Barbie.com's Privacy Policy states: "Mattel, Inc. and its family of companies ("Mattel") are committed to protecting your online privacy when visiting a website operated by us. We do not collect and keep any personal information online from you unless you volunteer it and you are 13 or older. We also do not collect and keep personal information online from children under the age of 13 without consent of a parent or legal guardian, except in limited circumstances authorized by law and described in this policy."

"Would you be willing to take a survey on how to make M&Ms more fun?" "NOOOOO! No! No! No!" screams the boy. "No?" asks mom. "Why don't you want to take a survey?" "I don't want to!"

They Sell This Stuff at Target

When parents sometimes asked their kids what banner ads are, the most common response was either "I don't know," or "that doesn't do anything." One six-year-old girl offered the following response when her father asked her about a banner on <u>NickJr.com</u> for Target stores:

"Alrighty, so this is NickJr.com? What's this up here?" he asks while motioning to the Target banner. She said, "It just shows Target because Target has most of the PBS Kids things." (Note: She is confusing PBS KIDS with NickJr.com) "Do you ever click on those? What happens if you click on it? Do you go to Target?" "I don't know," she said. "Do you ever see anything on the Web site and want to go buy it in the store?" "Yes, like Holly Hobby stuff." "So you just play the game, you don't do anything up here?" "No." "But you knew that was Target. How did you know that was Target?" "Because I know how to spell Target, and I know the sign on the front of the place." "What's the sign look like?" "It's a big circle with the dots."

Watch the Video: They Sell This Stuff at Target

"Mom, what does that say?" asks a six-year-old boy. Mom reads aloud: "'It says Advertisement. Take time to read. Webkinz cares.' Why do you think they have that there?" she asks. "I don't know," he says. "It means take care of your Webkinz." "Take care of your Webkinz?"

Watch the Video: Mom, What Does That Say?

An Introduction to Shopping Carts, Real and Virtual

In watching the video journals, coders were surprised by the amount of time children spent shopping. One parent categorized the time her child spent as "blatant consumerism." The idea of letting children manage a budget is hardly new to computer games, going back as far as "Lemonade Stand," "Oregon Trail" or "Sim City." Webkinz or Everything Girls take the shopping idea to a new level by mixing real items with virtual ones. In addition, the similarity of the virtual shopping cart to real ones led one parent to refer to Webkinz as "e-commerce training wheels."

There are benefits to this, such as developing math skills when calculating prices as well as balancing a budget. But one parent complained upon seeing the nature of things to buy in <u>Webkinz</u>. Instead of everyday goods, her son's house included luxury items like large-screen TVs, swimming pools and giant fish tanks. In the <u>Barbie</u> and <u>Bratz</u> sites, there's a heavy emphasis on makeup and expensive fashions. Although buying these items is a pretend exercise, real e-commerce avenues sometimes lurk quite close to a child's play space.

A father is watching his six-year-old daughter playing Webkinz, and notices an ad alongside Webkinz activities. "So if you click this thing that says 'backpacks' over here, it doesn't do anything? What's that?" he asks. "I have no idea," she says. "I think it's how you can order a bag." "Order a bag for real?" She nods yes. "Are you allowed to order a bag for real?" he says, as they wait for the page to load. "How would you do that?" "I don't know. What's this?" she says as a Webkinz store locator materializes and prompts her to choose a bag. "Let's X out of it," she says. "Yeah, just X out of it."

Watch the Video: Clicking the Ads in Webkinz

In the previous <u>Webkinz</u> example, the look and feel of the store locator closely resembles the game, perhaps to fool children into thinking shopping is part of the game. On <u>Barbie.com</u>, it's

possible to create customized wish lists for toys that can be e-mailed to a parent. These, in turn, contain links to Barbie shopping sites.



MyePets.com features direct links to retail partners selling toys.



The Hit-or-Miss Nature of Free Online Games

Children were observed playing games far too difficult, or sometimes incredibly easy, just to earn fast money or to kill time. Many games are based on tried-and-true formats: Hit moving targets, move through a maze, sort colored patterns. Unfortunately, many games lack levels, and don't include sophisticated features that can track a child's progress and provide support. Some require reading, while others use clunky control schemes that frustrate adults as well as children.

While at Disney's Jetix, a three-year-old boy is trying to navigate a maze. But he can't find his way out. His mother tries to help, but the boy stubbornly persists. Finally, he says to his older brother, who is playing nearby. "Help, I'm trapped." His brother is busy with his own game, and his mother says, "Honey, I really think Jetix is a little hard for you and I don't think it is for three-year-olds. Why don't you find a game that's a little closer to your age level?" He replied, "Because you just get stuck over and over again." He finally gave up and watched movies.

IMPLICATIONS FOR PARENTS, PUBLISHERS AND POLICY MAKERS

Parents should consider a site or game's origins in making decisions about whether it's a worthwhile place for children. If a toy company is behind the site, it shouldn't be surprising if educational value takes a back seat to the introduction of a new product line. If a non-profit media group such as Sesame Workshop designs the site, the online experience tends to reflect the TV experience of Sesame Street, i.e. less commercial, more educational.

The chart below organizes some of the sites reviewed in this study by type of publisher, and assesses motives, marketing techniques, education value, etc. for each category:

	The Food Industry	The Toy Industry	Commercial Television Studios	Non-Profit Content Providers	Subscription-based educational sites	Casual Gaming Services	Social Gaming Sites
Examples	Millsberry.com M&Ms.com	Webkinz, Barbiegirls, Beanie Babies 2.0, MyePets.com	NickJr.com, Cartoon Network, NOGGIN, JETIX	PBS KIDS, Sesame Workshop	Nick Arcade, PBS KIDS PLAY, myNOGGIN, Playhouse Disney Preschool Online	Addicting- Games Free Online Games.com	Club Penguin
Objective	To keep children logged on, exposing them to a brand or set of related brands, such as cereal or candy	To sell toys or related accessories	To increase familiarity with licensed characters that appear in TV programming	To attract traffic and funding from foundations or corporations. To provide exposure to underwriters. To establish familiarity with licensed characters that appear in TV programming, books or toys	To provide a richer, more integrated experience for children	To attract large numbers of viewers by any means possible, who will view and click on ads sold to other sites	To sell subscriptions, using attractive free-trial experiences. To get children to become familiar and comfortable with the experience
How they market themselves	On cereal boxes, candy wrappers	Word of mouth	Programming self-promotion	Programming self-promotion	Advertising on their free sites, ads in parenting magazines	Buying ads on other sites	Viral marketing, word of mouth
Educational Value	Varies, but generally low	Varies, but generally low	Medium to high	Medium to high	Can be very high	Varies, but can be very low	Varies
Quality of Play	Varies, but generally low	Medium to high. A very competitive market	Medium to high	Low to high	Medium to High	Very low to high. Requires a wide variety, with continually updated content	High. Strives to be better than the competition
How they make money	Indirectly, through brand association and familiarity	Selling toys, online or at retail	Selling ads	Getting funding, licensing fees for brands (from toy companies).	Selling subscriptions	Selling ads	Selling subscriptions
How they view their audience	Children are not the buyers, but they do influence parents to buy brands	Children ask their parents for toys. There is no limit to the number of toys a child will want	As page views to help maintain online advertising rates	Like students in a school, and also in terms of more page views and higher ratings than the competition	Like students in a classroom	As page views, whether from children or adults. They just want the traffic	As sophisticated users who want to build things and develop a long-term relationship with characters by making a personalized experience

CONCLUSION

When German theologian Dietrich Bonhoeffer¹⁹ wrote, "the test of the morality of a society is what it does for its children," he could not have envisioned the online world in the 21st century. Today a child can play a game of checkers with a parent on a business trip hundreds of miles away or enjoy a virtual snowball fight with an online friend on the other side of the world. "Smart" online puzzles become harder as players' skills improve. Coloring books come with endless pages, crayons range the visual spectrum and finger paints never dry up.

But just as real world playgrounds have risks and hazards, so does the virtual playground. In our small sample of 10 families, we found enough examples of children being bombarded with advertising and manipulated for profit to provoke our concern.

Internet-based activities for children are still at an early stage of evolution. Parents, publishers and policy makers all have a role to play to ensure the environment develops into something enjoyable, educational, enriching and redeeming.

What follows are recommendations for each group:

For Parents

Flash animation-based activities provide a responsive, engaging experience on par with yesterday's CD-ROMs. But the economics are different. CD-ROMs came at a purchase price, like buying a book. Online games and community environments, on the other hand, at worst are used as hooks to expose children to advertising, branding, consumption behaviors, and pay-to-play enticements.

We encourage parents to:

- Keep an eye on the screen. Set up the home computer in a central location so you can see what your child is doing. Lend a hand or suggest an activity that matches your child's interests or abilities and pay attention to the directions his or her activities take.
- Be suspicious of "free" offers. As in the real world, free lunches are rare, and this is a concept children can't understand. Don't expect young children (and many adults) to understand the well-worn caution: "If something looks too good to be true, it probably is."
- Read before you click. Before you or your children click on the "I agree" button, scour terms-of-use agreements and privacy policies to make sure you aren't agreeing to share information you don't want known. At worst, publishers make such disclosures inconvenient to read and awkward, so you are tempted to click an agreement and move on. Those emotions can be amplified when you have an anxious toddler pressing you. Also, don't download software before verifying it won't alter your computer's settings.
- Set search engine preferences. By default, most search engines are designed to filter out pornographic results. Google's default setting is "moderate." By clicking Google's preferences link, you can select "SafeSearch," which blocks Web pages containing explicit sexual images and text. The "moderate" setting only filters images.
- **Check browser histories.** Browsers keep track of the Web site pages visited on your computer, making them excellent tools to monitor your child's, or, for that matter, your

¹⁹ Dietrich Bonhoeffer (1906-1945) was a German Theologian and author who was a central figure in the Protestant church struggle against Nazism. <u>http://www.arts.uwaterloo.ca/~diebon06/index.html</u>

spouse's online activities. Bookmark your child's favorite sites, making it that much harder for them to end up on the wrong one. In a Web universe of 120,000,000 domains, 27,000,000 are some form of moneymaking scheme – "parked" domains with pages intended to capitalize on misspellings or other incorrect addresses you or your child type into a browser. Type <u>www.doratheexplorer.com</u> and you get redirected, appropriately, to <u>www.nickjr.com</u>, Dora and her friends' true online home, surrounded by advertising targeted mostly to parents (Kia cars, Ragu spaghetti sauce) and to children (family Nickelodeon cruise vacations). Type <u>www.dora.com</u> and you'll wind up on a "link farm" intended solely to generate revenue from click-through advertising – which, on this page, happens to be generally harmless, but more often than not is questionable.

- **Consider switching to Mozilla's Firefox browser.** Although Microsoft's Internet Explorer still dominates the browser market, <u>Firefox</u> is easy to use, easy to customize, and widely considered safer.
- Get a free e-mail account. Create a free e-mail account via Yahoo or Hotmail to use when registering for sites, rather than your personal or business e-mail address. If you find yourself being inundated with promotional offers, simply cancel the account.
- Keep plug-ins up to date. Children's online sites typically use Adobe Shockwave or Adobe Flash, both available as free downloads. For Shockwave, visit: <u>www.adobe.com/shockwave/download/</u> For Flash, visit: <u>www.adobe.com/products/flashplayer/</u>

For Publishers

We believe children deserve well-designed virtual playgrounds, run by companies whose intentions are transparent. Many of these recommendations are derived from Consumer Reports WebWatch's <u>guidelines</u> for Web site credibility and transparency (Appendix 2), established in 2002 and subscribed to by more than 300 Web publishers large and small, from household names and brands, to leading U.S. media companies, to the smallest online stores. Our observations found many examples of Web sites in which good intentions, content and successful business models coexist.

- **Disclose the publisher, author and studio information.** It's hard to imagine buying a children's book without being able to find out who's the publisher, author or illustrator. Yet many children's Web sites bury this information or don't list it. Sites should clearly disclose identity (name, address, ownership).
- **Clearly disclose costs and time limits.** Prices for services should be displayed at the start of a transaction, not the end. The premium games at Lego.com are a good example of the best way. Time remaining in a game should be displayed on all main screens.
- Keep free trials free. Publishers shouldn't require a credit card for a free trial. If there are "hidden" fees, don't hide them. Disclose them clearly.
- **Don't use free trials to entice children into buying subscriptions.** Club Penguin regularly displays subscription-only items to children playing on free accounts. Our observations demonstrated an instance in which a child clicked on a common object in the game environment which led to the following message: "Oops, you're not a member, but we'd love to have you become one." Sites should only display "free" options in free trials.
- **Don't try to cover up or play sleight-of-hand with junk food ads.** Our observations noted pictures or graphics proclaiming healthy themes like "get exercise," or "eat healthy foods," juxtaposed with junk food ads. This tactic, probably designed to neutralize

concerns of parents, is confusing and misleading. Child obesity is a serious health concern in the United States and other countries. Be open about junk food ads, avoid manipulation and disclose nutritional value of advertised foods—don't dress them up with pictures of broccoli stalks.

• Make site information and policies easy to find and read. Privacy policies, terms of use and other important information should be clearly written and shown in full. Policies (such as the one illustrated below) that ask users to read 3,500-word documents in a tiny font, four lines at a time, are designed not to be read. Virtual real estate is cheap. Skip scrolling policies and display them in full. Hire freelance writers to translate legalese into language a 21-year-old with a high-school education or less can understand.



- Standardize sponsored content on children's sites. Parents should easily be able to tell the difference between content, sponsored content and advertising. Also, our observations show children are more likely to understand the word "ad" rather than "advertisement."
- **Don't try to sell a child's own creations back.** Sites should allow children to save online creations free of charge to a hard drive or portable flash drive. Such a file could include creations, virtual money and points earned.
- Make it as easy to quit as it is to join. Sites should make the process of unsubscribing to a site as easy as it is to subscribe, with fair and hassle-free refund policies for unused time.
- Create virtual fences around children's sites. Sites should be designed to make it clear to children and parents exactly where they are. Links to other sites should be disclosed with a pop-up (interstitial) warning to users they are about to leave the site and thereby are subject to its terms, conditions and policies.

For Policy Makers

"There is a young and impressionable mind out there that is hungry for information," author Joan Ganz Cooney wrote in the 1960s. "It has latched on to an electronic tube as its main source of nourishment." Then, she was talking about children's television. Today, she writes, "Technology is everywhere children turn. However, finding the positive potential of new media to accelerate children's learning is not yet part of our national conversation. If we can harness media as a powerful teaching tool, we can help children grow-up as literate, responsible global citizens. Now is the time to turn the new media that children have a natural attraction to into learning tools that will build their knowledge and broaden their perspectives."²⁰ Although Cooney and the Kaiser

²⁰ In October 2006, the Joan Ganz Cooney Center at Sesame Workshop was established, 40 years after the founding of Children's Television Workshop, to focus new resources on challenges children face today, asking the 21st century equivalent of her original question, "How can emerging media help children learn?" (from http://www.joanganzcooneycenter.org/)

Family Foundation have acknowledged the potential of new media for the delight and education of young children, this medium is still emerging and remains unregulated.

Policy makers should consider:

- Creating a voluntary, standardized, icon-based label system for children's online content providers. Such a system would help parents identify online content at a glance without burdening publishers with expensive or onerous obligations. Such a system might identify the following:
- a) Percentage of sponsored content.
- b) Presence of "free" trials with a catch.
- c) An estimated cost-per-minute to play.
- d) The kind of information captured.
- e) The social features of a game (free chat, filtered chat, constructed chat, or all three).
- Providing funding for more research on the characteristics of new media and its long and short-term effects on young children.

APPENDIX 1: PROPOSED CODE OF ETHICS FOR CHILDREN'S INTERACTIVE MEDIA PUBLISHERS

Publishers should:

- Abide by the Consumer Reports WebWatch guidelines for Web credibility.
- Disclose any costs in clear language at the very start of the consumer/publisher relationship.
- Refrain from marketing developmental software promising results such as "smarter, brainy kids" without valid research supporting claims.
- Allow children to save work they've created online free of charge.
- Make a clear distinction between informing or educating, and selling.
- Have mercy on tired, flustered parents and resist exploiting them for profit. Some grocery stores refuse to line aisles next to checkout counters with candy and toys. Learn from that example.
- Identify, by name and affiliation, the authors, writers and developers who create products so parents can, too.
- Treat every child the way as if he or she were their own.
- Make it as easy to un-register, un-signup, and un-pay as it is to register, signup, and pay.

APPENDIX II: A Closer Look at Children's Online Destinations

What follows is a closer examination of the 21 sites visited by children in this study or mentioned by their parents. Internet sites are dynamic, so some details mentioned may no longer apply. Each site was reviewed by Warren Buckleitner and Debbie O'Grady in late 2007, and again in February 2008. The commercial context of the site was rated using a Likert scale, as follows:

- **5 = Extremely high.** A mixture of three (or more) types of sponsored activity was observed.
- 4 = High. A mixture of two or more types of sponsored activity was observed.
- **3 = Medium**. No more than one types of advertising is used, in moderation, and there is a clear distinction between sponsored content or images and/or licensed characters.
- 2 = Low. There are no banners or subscription prompts. There may be an underwriters logo at the bottom of the page, or the use of licensed characters, but not at the expense of the child's play.
- 1 = Not Present. No presence of branded characters, use of brand names, links or banners.

The mean rating of the 21 sites was 3.47, which can be characterized as medium to highly commercial.

AddictingGames

URL: www.addictinggames.com

Parent company: Nickelodeon, MTV Games and Viacom.

Site Traffic: 6,221,000 unique visitors in March, 2008, according to Nielsen//NetRatings.

Ages: 12-up (some content not appropriate for young children).

Cost: Free.

Commercialism level: Medium (3).

Commercial content: Contains banner advertisements and pop-ups. Promotes related Viacom properties like NeoPets, or third parties, i.e., banner ads for Denny's.



This site's name says it all. A collection of more than 300 games, or in some cases, movie clips designed for mass appeal. The site contains a wide assortment of advertising, and in some cases, content not appropriate for children.

BarbieGirls.com

URL: www.barbiegirls.com
Parent company: Mattel, Inc. Site design by Studiocom.
Site Traffic: 1,033,000 unique visitors in March, 2008, according to Nielsen//NetRatings.
Ages: 7-12.
Cost: Some portions free, with exclusive content and chat options offered to those who own a \$40 MP3 player that is plugged into a PC's USB port.
Commercialism level: High (4)
Commercial content: Embedded messages in chat, shows items being sold, promotes overall brand both directly and indirectly.

BarbieGirls.com is an online community where children can design their own Barbie avatar and virtual room, then chat with other avatars. The site uses a "velvet-rope" approach, letting anyone in for free, but reserving exclusive content for those how have a special \$40 MP3 player plugged into the USB port of their Windows computer. Called the "Barbie Device," the player is also a sort of electronic doll, with snap-on clothes; ear buds have snap-on beads and earrings.



BarbieGirls.com uses proven features similar to other sites such as <u>Webkinz</u> (buy a toy to get online access) and <u>Club Penguin</u> (free to enter, pay for additional content), but most closely resembles <u>Ty Girlz</u>. Each account includes a room kids can decorate with a variety of items they purchase with "B Bucks." For example, in B Chic Boutique, children can purchase new clothes, and in Furni Fever, a pink sofa or a fish tank goes for \$120 "B Bucks."

Club Penguin-seasoned testers had to be convinced to take a second look at Barbiegirls.com. There's simply not that much to do. Kids can watch Barbie commercials, paint their nails or create the perfect outfit for Ken—each of which awards users with B Bucks. While there's a chat option, heavy filtering makes it cumbersome. The sentence, "I like to eat pizza," for instance, shows up as unreadable characters ("I like to ## ##").

There's another form of chat ("Secret B Chat") available only to those who own the MP3 player and physically plug it into a computer. This innovative lock-and key-approach allows for a more trusted chat level. The ability to adopt and care for a pet is nice, and the idea that creations can be shared with others from anywhere in the world is powerful. But the site also encourages children to ask parents for an MP3 player that only works with Windows-based PCs. Some parents may not care for the emphasis on boys, fashion, thin girls (there is no option for body type), make-up and "packaged in pink" messages that saturate this site.

Beanie Babies 2.0

URL: www.beaniebabies20.com
Parent company: Ty, Inc.
Site Traffic: 195,000 unique visitors in March 2008, according to Nielsen//NetRatings.
Ages: 3 and up.
Cost: Starts at \$7 (the cost of one Beanie Baby).
Commercialism level: (3) medium.
Commercial content: Promotes purchase of additional toys that are necessary to "build your Beanie family," which will promote the "happiness" of child's toy and provide access to additional games.

The Beanie Babies 2.0 site features a clean, friendly look, but a clunky and sometimes frustrating design. Compared to Webkinz, testers were less impressed by this interactive counterpart to

Beanie Babies. Each of the Beanie Babies 2.0 is marked with a tag that includes a scratch-off secret code needed to gain access to the site.



Once registered, the site presents an online version of the stuffed animal. Unlike Webkinz, the virtual pet's house is pre-decorated, and there's no expiration date. But there's also less to do. There are games, but they're locked, and can only be opened by purchasing yet another Beanie Baby with the appropriate secret code.

So, though Beanie Babies stuffed animals cost less than their Webkinz counterparts, there's far less to do if you own just one. Gaining access to all features on the site entails purchasing all 13 stuffed animals at a cost of \$91. This fact is not disclosed either on the animal or on the site.

Parents can set up a child's account with two chat options: "Basic Chat," with pre-selected phrases, or "Freestyle Chat," where members can type their own messages by selecting words from a restricted dictionary.

Bratz.com

URL: <u>www.bratz.com</u> Parent company: MGA Entertainment Site Traffic: 348,000 unique visitors in March, 2008, according to Nielsen//NetRatings. Ages: 5 and up.

Cost: Free for general access, \$20 for a toy to access a site that includes chat features. Commercialism level: High (4).

Commercial content: Embedded ads in chat, displays items for sale with links to an online store, promotion of overall brand both directly and indirectly.

Bratz.com is a highly commercialized hub for MGA Entertainment toys for girls featuring the Bratz line of dolls and related accessories. Individual sites listed on the bottom of Bratz.com include <u>www.bratzpetz.com</u>, <u>www.yummi-land.com</u>, <u>www.rescue-pets.com</u>, <u>www.littletikes.com</u>, <u>www.miuchiz.com</u>, <u>www.zapfcreation.com</u>, <u>www.mgae.com</u>, <u>www.be-bratz.com</u> and <u>www.MyePets.com</u>. These are also promoted via banner and streaming ads.

Each site freely mixes games with promotional materials designed for kids. "Bling," fashion, cute guys, big houses and sports cars inspire content. Some games are free, others require registration in order to become a "fan club member," but there's there's no way to tell one from the other without clicking first.



The most sophisticated offering is <u>www.be-bratz.com</u>, a community site that includes chat and a customizable home. The price of admission is a \$20 Be-Bratz doll, which comes with a USB plugenabled "glam-necklace" that works with Windows-based PCs. Once inserted in the USB drive, it "unlocks" the Be-Bratz.com website, where children can play games to earn points needed to buy Bratz virtual accessories. Social features include the ability to send "eCards" to friends, and multiple-choice chat options to comment on fashions.

This site can be classified as an interactive commercial, with an emphasis on products that can be purchased. A "where to purchase" section of the site lists existing Bratz toys and computer accessories, including a webcam, keyboard and speakers.

Bratz have been the subject of controversy due to their suggestive clothing. A report published by the American Psychological Association to establish their "<u>Task Force on the Sexualization of</u> <u>Girls</u>" in February, 2007, said the following: "Bratz dolls come dressed in sexualized clothing such as miniskirts, fishnet stockings, and feather boas. Although these dolls may present no more sexualization of girls or women than is seen in MTV videos, it is worrisome when dolls designed specifically for 4- to 8-year-olds are associated with an objectified adult sexuality."

Club Penguin

URL: www.clubpenguin.com

Parent company: Created by New Horizon Interactive, purchased by Walt Disney in 2007. Site Traffic: 4,623,000 unique visitors in March, 2008, according to Nielsen//NetRatings. Ages: 6 and up.

Cost: Free for basic mode, or \$6 a month/\$58 a year.

Commercialism level: Medium (3).

Commercial content: Teases children on free section by showing features that require a subscription. Offers virtual pets that must be cared for, playing on children's emotions. Places virtual items into storage when subscription lapses.

Club Penguin is a Flash-based MMO (massive multiplayer online game). The free trial mode is easy to play, and offers many options. In the August 2007, Club Penguin was purchased by The Walt Disney company for \$350 Million. Although there is no advertising, children in three of the ten families that used Club Penguin begged their parents for subscriptions that cost real money.

Club Penguin loads quickly, is user-friendly and remarkably free of clutter compared to Webkinz, Be-Bratz or EverythingGirl.com, which front-load a great deal of animation and streaming video. After registering, which requires a valid e-mail, and logging in, children are asked to choose one of several penguin worlds to join. Each world offers the same activities, but some fill up faster than others. A child wanting to meet up with a friend can choose to wait for an opening, or go to a less popular world to kill time or meet new friends. From the main screen, children can click to move their penguin to a variety of dynamic places. There's a pizza shop, a disco, a sledding race, a hockey game, a fishing game and a dance club. Players can also click on another penguin to invite him or her back to an igloo, throw a snowball or add to a buddy list. The games are not unique or new, but when placed in a social setting, can be very interesting and competitive. For example, in the sledding game, kids can race against each other kids as soon as four players fill the spots on the top of the hill. Children can jump in or out of games or visit their igloo, which serves as a home base for awards, games, and decorations. Over time, children can earn money to purchase more decorations.

Below is what an expired Club Penguin account looks like. Faded items will remain off-limits to a player until the subscription is renewed.



Of all social sites reviewed, Club Penguin offers the least restrictive, most intelligent chat options. Ultimate Safe Chat lets kids use a defined list of greetings, questions and statements. Standard Safe Chat allows players to type their own messages, but every message uses filtering software to block inappropriate words. In addition, the site claims human moderators monitor chat sessions as well.

While there is no advertising, children who aren't subscribers are frequently reminded to become full members in order to enjoy features they see being used by other penguins, like hats or igloo decorations. Subscribers also receive access to exclusive areas of the site. Judging from the number of snazzy penguins our testers spotted, the business model is a successful one.

A non-paying member's penguin and igloo look plain by comparison. Children might be lured into clicking on an attractive accessory, only to be told they need subscription. When subscriptions expire, "stuff" (including furnished igloo) is put into "storage." The only way to get everything back is to pay.

EverythingGirl.com

URL: www.everythinggirl.com Parent company: Mattel, Inc. Site Traffic: 3,173,000 unique visitors in March, 2008, according to Nielsen//NetRatings. Ages: 6 and up. Cost: Free. Commercialism level: Extremely high (5) Commercial content: Embedded messages in chat; shows items being sold with links to a "wish list" promotion of brands and related licensed characters; promotes overall brand directly and indirectly.

Designed specifically to promote toys for girls, everythinggirl.com is a collection of six sites under one URL. Each site promotes the others via a common menu, in addition to advertisements (marked with the word "Ad") for specific toys. As of January 2008, the sites are: <u>BarbieGirls.com</u>,

<u>PixelChix.com</u>, <u>MyScene.com</u>, <u>Barbie.com</u>, <u>High School Musical</u> and <u>Polly Pocket</u>. Because different studios make each site, features and quality of play differ.

But the sites all have one thing in common: a "find online" feature that uses a service called "Channel Intelligence" to tell which stores have a particular toy in stock, with one-click access to the store's catalog page. According to the <u>Channel Intelligence</u> site, the service claims to "turn online browsers into buyers." Each of the member sites also includes a collection of "movies" sometimes labeled "watch TV," or TV spots that can include TV commercials for a particular toy.



Activities vary in quality, but deal with the main theme of the toy. So children can dress Barbie, or take care of a pet at the Polly Pocket site, or go on a shopping spree where they can buy virtual accessories for the virtual versions of their toys. One gets a sense from these sites that every pixel is strategically placed to leverage participants toward a shopping cart of some kind. Ascertaining the amount of advertising on EverythingGirl.com is difficult, since the entire site functions as one sophisticated interactive advertisement.

Hasbro MonkeyBar TV

URL: www.hasbro.com/monkeybartv/ Parent company: Hasbro, Inc. Site Traffic: N/A. Ages: 6 and up. Cost: Free. Commercialism: High (4). Commercial content: Games feature toys in close proximity to a shopping cart, along with stories and videos that feature the toys.

Hasbro's Monkeybar TV is a well-designed, highly commercialized Internet site designed to lure young boys into a collection of more than 160 arcade-style games. The site also features comics and videos, the latter consisting of Hasbro-sponsored cartoons like the Transformers, or repurposed TV commercials for Hasbro toys.

Many of the games are based on branded characters such as Spider Man and GI Joe, and opportunities to purchase toys and related accessories are prevalent throughout the site. The games load quickly and are generally hard to stop playing. They may have levels or are timed. Typical "high score" contests are combined with a weekly Top 100 tournament that teases kids with the line "someone's going to win. Why not you?" Those who make it into the top 10 list could win a Hasbro toy. But in the prize showcase, each "prize" also includes a "buy it" button.



Because scores range high, to the tens of thousands, children may think they have a best score, and therefore want to enter the tournament. Other games include assembling jigsaw puzzles from photos of toys (with three levels), or playing a computer in a game of Battleship. The Super Soaker Tag Elite game consists of a virtual shooting gallery with choice of types of Super Soakers (canon-sized squirt guns). The goal is to shoot other computer-controlled kids before they soak you, and players lose points if they shoot other kids in the face. At the bottom of the screen are the TV commercials, toy demos, and a "Buy Now" link to a wish list and shopping cart, where a "Super Soaker AquaShock Secret Strike" can be ordered for \$15.

This site also includes a downloadable program called the MonkeyBar TV Communicator, advertised prominently in the upper-left-hand corner of the homepage with animated graphics and the tag line: "Get the Latest Games and Videos On Your Desktop." Clicking on this link takes players to a page highlighting the joys of MonkeyBar TV without any disclosure about the nature of the download, beyond the fact it's compatible only with PCs.

Clicking "Download Now" downloads a 1.2 MB file called the MonkeyBar TV Communicator to the desktop. Once the program was installed and the computer rebooted, we observed a new pop-up in the toolbar, informing us of the "feature of the week" and a prompt to "Watch this week's line-up!" Uninstalling the program, however, was a straightforward process.

Whether MonkeyBar TV is a more accurately characterized as a toy catalog 2.0 or merely a collection of fun games depends on whether you take the perspective of the publisher or the child. But there's no doubt the games are fun, and although the toys aren't free, we watched kids who really wanted to win a toy.

JETIX

Parent company: Disney. URL: <u>http://tv.disney.go.com/jetix/</u> Site Traffic: 890,000 unique visitors in March, 2008, according to Nielsen//NetRatings. Ages: 5 and up. Cost: Free. Commercialism level: Extremely high (5). Commercial content: Entire site is cluttered with contests, ads and previews for Disney's Jetix TV programming: Power Rangers, Batman and Captain Flamingo. Each page contains short video clips from forthcoming episodes, mixed with banner ads and a few well-designed games. A menu of options includes games, movie and TV listings, music, travel, shopping, live events, mobile (cell phones), characters and a "for you" (arranged into age groups/interests). With this many

categories, there should be something for every Disney fan. The problem is accessing it.

Clicking on the "games" tab on the homepage spawns a pop-up box that displays this message: "Hey Kids! You are about to go to a page that may have ads for Disney products or services." That's an understatement. In the "Streets of Justice" game, for example, players steer a Batmobile through a maze to avoid damage, while shooting at bad guys. Banners for Frosted Flakes, Burger King, Fruit Loops, and the chance to win a mountain bike flash over the screen.

The site bombards users with non-stop audiovisual advertisements. Clicking on the "Live Events" tab opens a page full of promotions for Broadway shows, Disney on Ice, touring Disney Shows, DVDs, and more. It's extremely difficult to monitor this site, since every click takes you to another page full of dozens of links, making it very easy to stray from a specific topic.



Every page features advertisements for brands such as Burger King, Fruit Loops, Build A Bear, and, of course, Disney. And though the advertisements are labeled, either with the word "advertisement" or "ad," the graphic style is confusingly similar to that used for the activities, which may confuse young children who are not proficient readers.

Clicking on the "games" link also leads to Disney's recent acquisition, Club Penguin, which proudly boasts being 100% ad free—but the path to this commercial-free zone was literally overgrown with ads.

This site touches on everything Disney, which is a plus and a minus. On the plus side, there's a wide range of activities for a wide range of ages. On the minus side, the ads are constantly in your face. It was a difficult site to navigate, and young children may become frustrated.

LEGO.com

URL: www.lego.com
Parent company: The Lego Group.
Site Traffic: 1,596,000 unique visitors in March, 2008, according to Nielsen//NetRatings.
Ages: 6 and up.
Cost: Free, although four premium games are available for \$19.95 per download.
Commercialism level: Low (2).
Commercial Content: Lego.com is designed to promote Lego products, and combines an online catalog and store with free games. The site contains no third-party advertising, and it's is easy to tell the difference between free and premium content.
The official site for Lego toys is organized into three sections, "products," "play," and "shop," all clearly marked and easily accessed from the main menu. The products section lists bundreds of

clearly marked and easily accessed from the main menu. The products," "play," and "shop," all clearly marked and easily accessed from the main menu. The products section lists hundreds of Lego toys, information, reviews and links to the store. Testers headed straight for the "play" option, where they found 50 free games organized by category (action, puzzle, exclusive, preschool and creative), as well as a few "premium" games.

The products section is like an online catalog, featuring specific Lego toys or Lego-related licensed characters such as Lego Indiana Jones. The section also features the "Lego Factory," where kids can design, share and buy their own customized toys after downloading free Lego

software. The shop section highlights new items, current sales and offers a store locator.



The play section offers a generous amount of Lego-themed games. Legos appeal to a wide range of ages, as do the games on the site. Younger children may require a parent nearby to help them avoid more complicated games aimed at older children. Free subscriptions to Lego magazine are also available.

This site is noteworthy for its efforts to avoid teasing children with pay-to-play content, which comes in the form of Lego Premium Games, four 15MB downloads that cost \$19.95 each. Clicking on the Premium Games button launches the following pop-up: "Warning! You are going to a section of LEGO.com that offers games for sale. Remember to ALWAYS get your parent's permission to purchase products on this or any other Internet site! Never give out your personal information like your name, email, IM handle or address without your parent's permission."



Also praiseworthy is the display of the price for each game over the graphic promoting each one. Premium games only run on Windows, a detail provided only when clicking a "more info" button. Because this information is not clearly shown on the order form, it is possible Macintosh users will miss it.

There are no third-party advertisements. In-house promotion includes a link to the Lego theme park ("although the banner is away from games," noted our reviewer). The site includes a "Parents" page that reminds parents to tell their children not to give out real names or phone numbers. When we entered a birth date for a free magazine subscription, we were asked for a parent's e-mail address for approval, though it should be noted a child could enter any valid e-mail address to get around this. An Educator's Page includes activities and lesson plans.

Littlest Pet Shop VIPs

URL: <u>www.hasbro.com/littlestpetshop/default.cfm?page=Entertainment/onlinegames/virtual-world/virtual-interactive-pets</u>

Parent company: Hasbro, Inc.

Site Traffic: 415,000 unique visitors in March, 2008, according to Nielsen//NetRatings. Ages: 5 and up. Cost: \$15. One toy equals 12 months of access.

Commercialism level: Medium (3).

Commercial content: Promotes additional toys, and offers exclusive membership to members who purchase additional pets.

Littlest Pet Shop VIPs (Virtual Interactive Pets) are a series of big-headed, large-eyed, stuffed animals. Each \$15 toy comes with a sealed secret code that lets the owner register at the Littlest Pet Shop site to gain access to a virtual world.

After typing in a code and choosing a screen name, a simple 3D town appears that can be explored using the arrow keys. There are many similarities to Webkinz, but there are also design problems, given the fact young children are likely to be attracted to this service.



Besides dressing up a pet, children can choose from 16 addicting mini-games to earn "Kibble points" in different areas of the town, including a beach, playground and an adoption center. There's a hang-gliding game, a bejeweled-like puzzle called Water Balloon Garden, a jigsaw puzzle and a dress-up game. Some games are clunky and crudely designed. After ten minutes or so, games are abruptly ended with a "time to take a break" message. While this makes sense from a child-development perspective, a visible timer should be used to help children know how much time is left. Other design issues include an over-stylized interface with arrows that don't always line up, a menu of activities that requires reading, and an abstract scoring system that uses big numbers.

There are no chat features, but it is possible to invite other players to enter a player's house, or to visit theirs. These features are limited, though. By playing games, children can earn Kibble points that can be used at the "Get Better Center" to keep animals happy and healthy. A "Breaking News" prompt alerts children to new activities and, predictably, which new pets are available to buy.

Under the "What's New" section, players are reminded that "if you adopt 4 or more pets, you will become a Gold Member of Littlest Pet Shops VIPs! This will give you access to special places and more over time!" These exclusive access features are not defined for the extra investment of \$45. Although one might expect buying more pets will add more time to accounts, registration periods are not cumulative, a fact disclosed several screens into the User Agreement rather than

on the FAQ page. It is also not obvious to children what happens when the registration period expires, although a login date is easy to find under a "My Account" option.

Millsberry.com

URL: <u>www.millsberry.com</u> Parent company: Mills Online, Inc., a subsidiary of General Mills. Site Traffic: 1,064,000 unique visitors in March, 2008, according to Nielsen//NetRatings. Ages: 6 and up. Cost: Free. Commercialism level: Extremely high (5). Commercial content: Mixes news items with commercial content. Contains banner ads (both internal and third-party), promotional contests and "advergames" (designed to promote a brand).

Look on the back or the side panel of a General Mills cereal box, like Cinnamon Toast Crunch, and there's likely to be a promotion for Millsberry.com, a free online destination that serves up a buffet of "advergaming" activities²¹ along with banners promoting healthy foods and sugary breakfast cereals. Because the games look like a typical social gaming site, Millsberry.com looks like a safe, pleasant, child-friendly place (one mother confused the site as a virtual version of "Mayberry" of Andy Griffith Show fame). But the town designed with the sole purpose of promoting General Mills products.



For example, the Arcade contains 24 games that vary in quality, with generic names like Sudoku, Bumper Boats or Tricky Touchdown. But the game of Sudoku is based on Lucky Charms cereal pieces. The rafts in Bumper Boats are really giant Fruity Cheerios. These games are designed to be addicting rather than educational. The snack bar serves up healthy foods, like fruit smoothies, along with General Mills snacks like Chex Mix.

In the "News" on the front page current items appear, such as a bylined article on Martin Luther King Jr., along with a reminder to "get personal" with <u>MyFruitRollups.com</u> Valentines Day cards, available in the Millsberry.com Post Office. "There are two different cards that give you the choice of being flashy and animated, or a little more reserved and sophisticated. It's never too early to start spreading some MyFruitRollups.com love," says the reminder.

²¹ The term "advergames" as been attributed to Anthony Giallourakis who purchased the URLs Advergames.com along with Adverplay.com in 2000. The term Advergaming used later by the Kaiser Foundation in 2006, in the report *It's Child's Play: Advergaming and the Online Marketing of Food to Children.*

Millsberry.com does clearly disclose its use of advertising. Most of the pages in the site—including the homepage—contain the following disclaimer at the bottom:

THIS PAGE CONTAINS ADVERTISEMENTS. MILLSBERRY®, characters, logos, product names and all related indicia are trademarks of Mills Online, Inc., © 2004-2008. ® denotes Reg. US Pat. & TM Office. All rights reserved. Use of this site signifies your acceptance of the Terms and Conditions. Please view our Privacy Policy.

But to our child testers, Millsberry.com seems no different than PBS KIDS and Club Penguin. To them, it is merely another collection of games, some fun and others not. Whether they notice or understand the disclaimer is debatable.

MushABelly

URL: www.mushabelly.com

Parent company: Jay at Play International, an affiliated company of Jay Franco & Sons, Inc. Site Traffic: 74,000 unique visitors in March, 2008, according to Nielsen//NetRatings. Ages: 3 and up.

Cost: \$10 (small) and \$17 (big).

Commercialism level: Moderate (3).

Commercial content: While there is no external commercial content in the games, additional plush toys are featured, and the "movies" include commercial spots for MushABelly toys.

Like Webkinz, MushABellies are collectable plush animals that come with a code on a sealed tag that unlocks an online virtual world. But unlike Webkinz, there is no instant messaging, chat or social games on the site. Each toy contains a belch-like sound effect (called a "grumble") that's activated when the toy is squeezed, and an electronic sound when a button is pushed. They also come with a game card that tells their species, name, birthday, and the food they like to eat.



The MushABelly world contains four areas, MushABelly Commons, MushABelly Pond, MushABelly Village and MushABelly University. Our tester visited the latter, and enrolled their animal in the University, which includes a dorm room, a store, a hall for classes and a registrar's office. Each enrollment of a new toy is rewarded with additional dorm rooms, which can be placed next door or on another floor.

Mushkin Hall offers classes or a game to earn credits to spend in the store. Our testers took a typing class that let children practice typing by selecting the key on a keyboard that matched the letter shown in a box. The entire class has to be completed to earn credits. Testers also played a game called Crazy Keys, which required them to type the key of the displayed character. The game was fast-paced and engaging.

In the Theatre, children can choose from six MushABelly commercials, including a segment from the TV program "The View" featuring the MushABellies. (At the start of the segment, the TV Rating Symbol indicated the content is unsuitable for children under 14).

The MushAbelly concept is interesting, similar to Webkinz, but with a greater emphasis on learning. The online experience, however, is clunky and needs refinement before it can compete with similar sites. For instance, our tester's stuffed animal was a monkey. But when we entered the monkey code, it appeared as a dog on the screen, upsetting the tester.

MyePets.com

URL: <u>www.MyePets.com</u> Parent company: MGA Entertainment. Site Traffic: 646,000 unique visitors in March, 2008, according to Nielsen//NetRatings. Ages: 4 and up. Cost: \$20 for one year. Commercialism level: Moderate (3). Commercial content: The "news" includes new pets.

"Rescue Pets" are robotic stuffed animals with a "rescue" theme—provide a home for a loveable stray. This new line of stuffed animals includes a code that provides access to MyePets.com, where children can feed, entertain, house, and pamper their pets. The town square contains an arcade, vet, spa, post office, flea market and diner.



New registrants are given a house to decorate, using credits earned by playing games and sending e-cards to parent-approved pals. The virtual store is stocked with furniture, clothing and accessories. While items available for purchase and arcade games are limited, they seem appropriate for the target audience.

The sites promotes the stuffed animals on the site, and under pictures and descriptions of each currently available pet, a prominent "Where to buy Your MyePet" banner highlights hyperlinked logos for stores like Target, WalMart and Amazon. The site promotes forthcoming lines of pets on a "Gazette" page.

After 11 attempts to name her new pet, our 7-year-old tester gave up in desperation. Each name was already taken. Once an adult intervened, a suitable name was found. However, the child remembers the frustrating experience, and regrets using a name that she didn't create.

NickJr.com

URL: <u>www.nickjr.com</u> Parent company: Nickelodeon Kids and Family Group, a Division of Viacom. Site Traffic: 4,471,000 unique visitors in March, 2008, according to Nielsen//NetRatings. Ages: 6 and up. Cost: Free.

Commercialism level: Extremely high (5).

Commercial content: Site presents a mixture of familiar characters with advertising, both internal and third-party. Some of the banners change in size when moused over, which is confusing to children, and some games advertised are actually free trials, a fact not advertised up front. Designed for both parents and preschoolers, visitors to NickJr.com will notice ads, craft ideas, a TV schedule, activities and short promotional video clips that automatically stream in a postage-sized video player. There are also links to a variety of NickJr.-branded sites that include <u>NOGGIN</u>, myNOGGIN, the <u>NickArcade</u> and others.



The overall effect is a confusing mishmash of inter-linking brands and services -- some for sale and others free -- that feature characters best-known from the TV screen, such as Dora the Explorer, the Backyardigans, Yo Gabba Gabba, Blue's Clues, Max and Ruby and others.

External (non-Viacom) Advertisers on NickJr.com promote mouthwash, vacations, drugs, toys, phones, cars and fast food in varying-sized banner or display ads. One of these banners, for McDonalds restaurants, expands in size when moused-over, an effect particularly mystifying to our young testers with limited mouse control abilities. If the cursor passes over any part of the banner, even accidentally, it blows up in size, covering parts of the screen. When the mouse is moved away from the banner, the ad shrinks back to normal size, a control mechanism that requires some learning.

Because ads open new browser windows, the browser's back button doesn't work, so a child looking for a game may end up on <u>listerinekids.com</u> where they can zap food and germs in a Flash-based arcade game called "Mission Magnetizer," designed to highlight the importance of mouthwash.

Most of our testers visited NickJr. thinking they were going to find free games. In fact, most of these games are located in myNOGGIN or the Nick Arcade, a subscription-based service advertised in a billboard that alternates between free and for pay. For example, one message offers children a chance to "Play Bingo with Dora at the NickJr. Arcade." There is no mention that to actually play bingo with Dora, a parent will have to either download a free timed trial, which includes an installation that can alter browser settings, or purchase an Arcade Pass for \$20 per game.

NickJr.'s lure is the quality of the games featuring popular and familiar characters. The Flashbased programming is state-of-the-art, and effectively extends characters and concepts from the TV shows. This may explain why our very young testers came back so frequently, despite the advertising clutter.

NOGGIN

URL: www.noggin.com Parent company: Nickelodeon Kids and Family Group, a Division of Viacom. Site Traffic: 2,106,000 unique visitors in March, 2008, according to Nielsen//NetRatings. Ages: 3-6. Cost: Free. Commercialism level: Moderate (3). Commercial content: External and internal banner advertisements, plus content that leverages TV programming.

NOGGIN is one of several online services for families that carry the brand "Nickelodeon Kids and Family." Others include Addicting Games, Nickelodeon, Nick Jr., Nicktropolis, Neopets and most recently, a subscription site called myNOGGIN.



Families in this study frequently used NOGGIN, on par with Webkinz and Club Penguin. Contents include 20 sets of Flash-based activities, each with four to six games each, plus a video player, so children can watch excerpts of the TV channel's programming in their browser. This was a popular option for one of our testers, aged 2 ½.

The 20 clusters of games are each based on a TV show, including characters from Blue's Clues, Dora the Explorer, Little Bill and so on. Activities include games, videos and work sheets that can be printed and colored. There's plenty to do, and the activities are well designed and engaging. In Oobi's Rhyme, children are asked to click on the picture that rhymes with another picture. In Franklin's Scribblevision, several sizes of paint brushes and colors can be selected to paint a picture. All online work may be saved to a cubby.

While NOGGIN Television advertises itself as being "the only commercial-free educational channel dedicated to preschoolers 12 hours a day, 7 days a week," the NOGGIN Web site certainly isn't free of commercials. Rotating banner ads and smaller ads for cruises, cleaning products, appliances, cars, and special offers from retail outlets abound.

All ads are clearly marked with the word "Ad" or "Advertisement," though the banner ads for Nickelodeon-related content feature familiar characters that may prompt preschoolers to inadvertently click on a registration form. The site features an extensive amount of in-house promotion, with ads for Nick at Night, Flicks for Kids, myNOGGIN and a direct link to a catalog page for a SpongeBob SquarePants DVD Player. The amount of content on the site is impressive, but varies in quality and difficulty. This leads to a hit-or-miss experience, since there are nearly 100 different activities on the site. Any kindergarten teacher would appreciate the quantity and quality of school-readiness skills covered by many of the games, including matching, rhyming, and creative thinking. But the banner ads and commercial offerings clutter the site with distractions, which can frustrate younger children.

PBS KIDS

URL: www.pbskids.org
Parent company: Corporation for Public Broadcasting.
Site Traffic: 4,132,000 unique visitors in March, 2008, according to Nielsen//NetRatings.
Ages: 3-6
Cost: Free.
Commercialism level: Not present (1).
Commercial Content: None. A parent's page provides information about special programming.

This advertising-free site brings a variety of PBS programming to the online world with games, music, art, and stories. Each TV program's online equivalent offers activities suitable for the appropriate age level. Some games reinforce skills such as counting and patterning, while others include different levels for a broader audience. The site allows kids to print art pages and create and send e-cards to friends. There's also a well-designed parent/teacher page with helpful information, activities and lesson plans.



The games were numerous and varied in skill and content. Testers ran into trouble following directions while playing Inventor's Workshop. Although able to create an invention, we had difficulty getting it to the test course. At times, directions were missing with no way to decipher what the next move should be. This could easily frustrate a young child.

Teletubbies, Arthur and other familiar TV characters are here, but our testers were pleasantly surprised to see activities centering around Cyberchase, which would appeal to an older audience. PBS KIDS is a fun, safe site for a wide range of interests.

After we reviewed this site, PBS launched a subscription-only site called "PBS KIDS PLAY," which it promotes via a hyperlinked graphic at the bottom of its most popular sites. Clicking this link takes you to a warning screen ("You're Leaving PBS KIDS PLAY!") along with the following note: "PBS KIDS PLAY! is a personalized learning service that is designed to enhance school readiness skills through fun, educational games and activities that adjust in difficulty based on your child's skill level. PBS Kids Play! also features easy-to-use parental tools which enable you to track your child's learning progress - and more!" It's not until the "Visit PBS KIDS" link is actually clicked that the cost (\$9.95/month or \$79/year) is disclosed.

Sesame Workshop

URL: www.sesameworkshop.org Parent company: Sesame Workshop. Site Traffic: 930,000 unique visitors in March, 2008, according to Nielsen//NetRatings. Ages: 3-6. Cost: Free. Commercialism level: Low (2). Commercial content: Sponsors are listed via logos and banner ads. Clicking on banner ads leads to a pop-up warning that the user is about to leave the site. Online store links appear on every page.

Sesame Workshop was designed to entertain and teach preschoolers using characters and themes from Sesame Street television programming. Content includes games, stories, music, art, mail, and Elmo's World.



A variety of games are designed around concepts in the TV show. For example, in Elmo's Classroom children can practice counting and read a story with Elmo. Snuffy's Magic Garden lets children click on a watering can to create a garden. One game, "The Lemonade Stand, " allows interaction with Elmo and Zoe make lemonade by counting out lemons, sugar, and amounts of water.

Sesame Workshop is quick to remind visitors they are a non-profit and accept donations. The donation link is prominently displayed on the home page. On the footer of every page there's also a link to the "Sesame Store" where toys like Mattel's TMX: Tickle Me Elmo 10th Anniversary Edition can be purchased for \$39.99.

Cynics might look at content at SesameWorkshop.org as a vehicle to extend the Sesame Workshop brands, but after playing through the activities it seems characters such as Elmo were selected because they support an educational objective, not a monetary one. It should be said that throughout the site, there is a heavy emphasis on Elmo.

While the activities focus on age-appropriate skills, they vary widely in quality, and many are dated. The Lemonade Stand story went on too long. In Elmo's classroom, clicking on an abacus made it count to ten, but our child tester only watched and did not participate. Considering this site is designed for preschoolers, Sesame Workshop.org offers a nice selection of activities that support a child's school readiness in a setting that feels refreshingly free of manipulative advertising.

Shining Stars

URL: <u>www.shiningstars.com</u> Parent company: Russ Berrie, Inc. Site Traffic: 204,000 unique visitors in March, 2008, according to Nielsen//NetRatings. Ages: 6 and up. Cost: \$15 a year, including the plush toy. Commercialism level: Medium (3). Commercial content: Teases children by displaying content like the "Snow World" that can't be accessed unless you own the "Christmas plush." The "news" is really a set of product announcements and special promotions.

Like Webkinz, Shining Stars are a line of plush toys, each with a unique registration code that provides access to shiningstars.com, which contains some limited games and numerous opportunities to purchase more stuffed animals.



Children can also send e-cards or earn money in units of "glow points" by playing the games, sending wishes or buying more animals. Some of the glow points can be used to make contributions to a charity. But clicking on the "donate your points" button may also enter the user in a raffle to win a two-night trip to New York City to attend the 18th Annual Celebrity Sports Auction. Although the rules page says parental permission is required, our child testers were able to enter themselves.

Time and again throughout the site, children are exposed to items for sale. New toys are announced on the "News page," links to other available Shining Star toys are ever-present, and a "My Star Space" page contains the hyperlink "collect them all."

There are no chat or community features, so children expecting to find a virtual version of their toy were disappointed. While the \$15 plush toys are well-designed, the Web site is not, compared to Webkinz. (Note: The Shining Stars site was redesigned in April 2008. This summary refers to a version reviewed in February 2008).

Stardoll

URL: www.stardoll.com
Parent company: Paperdoll Heaven Inc.
Site Traffic: 1,616,000 unique visitors in March, 2008, according to Nielsen//NetRatings.
Ages: 8 and up.
Cost: Free, although additional clothing or decorations can be purchased.
Commercialism level: high (4).
Commercial content: Banner ads (both internal and third-party), embedded commercial content, plus teasers for premium content.

Stardoll is a sophisticated and well-designed Swedish Web site that combines elements of MySpace.com with doll creation. Users can drag and drop clothing items onto paper doll templates. It's possible to make and save a personal look-alike doll (a "MeDoll") using a diverse number of hairstyles, skin tones, eye colors, noses and mouths. Users can also dress 400 celebrity doll templates, from Brad Pitt to Oprah and the Olson Twins, with related sets of clothing items and accessories.



The site makes money by mixing ads with designer labels and through additional features such as "star dollars" which can be used to buy items. One real dollar buys about 10 star dollars, with 25 free "Stardollars" for first sign-up. Registration is fast and easy. A chat room function allows users to enter dolls in fashion shows, or vote for other dolls. The chat is filtered, but not as restrictive as most typical children's sites.

Once registered, ten dolls can be stored and users can post a personal presentation page in a similar fashion to social networking sites. There is also a message center and a diary that can be public or private. Stardoll brims with commercial logos. While on pages customizing a virtual doll, we could see a sidebar picture of a trendy look complete with brand names. The virtual mall was full of well-known stores and brand names. Users are encouraged to buy a membership, but the variety of convenient payment offers was enough to make one parent tester nervous.

Ty Girlz

URL: www.tygirlz.com Parent company: Ty Inc. Site Traffic: 235,000 unique visitors in March 2008, according to Nielsen//NetRatings. Ages: 7 and up. Cost: \$15 (the cost of one doll). Commercialism level: 4 (high). Commercial content: Requires the purchase of one or more dolls with a password in order to access exclusive content.

Ty Girlz are plush dolls, similar in appearance to Bratz, that contain a secret code used to register and log onto Tygirlz.com, a virtual world centered around fashion and decorating.

By playing arcade and trivia games, users earn "Ty dollars" they can spend decorating their rooms, purchasing clothes, or pampering their virtual doll in a spa. The games offer a nice range of challenges, but few surprises, such as having to guide a trampoline over a pit to keep a doll aloft or identifying the capital of Colombia. The games reward players with varying amounts of money, capping at 100 Ty dollars per session.

The mall and the spa will grab young girls' attention for quite some time. The selections of clothing, make-up and home decor is generous. Once a selection is made, there are myriads of color choices to customize purchases and create a personal look.



As with all sites we tested that are built around code-based toys, Ty Girlz constantly reminds users that registering another doll results in rewards. Each receives an outfit, a hairstyle, a room and 1000 Ty dollars to spend on clothing and décor. The motto often seen was "More Girlz = More Stuff." Although there are no banner ads, Ty's logo is frequently displayed, and subtle messages encourage buying more dolls.

The site provides a range of games, but they are slow to load. Some games are challenging, others allow breezing through. Most involve clothing, make-up or decorating. Lack of success at a game can inspire some relatively nasty comments for other dolls. We received this comment: "Whatever?! Try Again!" along with a harsh frown. The site is well-designed and the games did occasionally rise above the superficial, but Ty Girlz' focus is solely on appearances.

Webkinz World

URL: www.webkinz.com

Site Traffic: 11,938,000 unique visitors in March, 2008, according to Nielsen//NetRatings. Ages: 6 and up.

Cost: \$8 or \$14 for a plush toy and one year of access.

Commercialism level: high (4).

Commercial content: Children are teased with the benefits of additional content in exchange for purchasing more toys or accessories. Ads are mixed with menu items for activities that are, for some reason, also labeled as ads. Few opportunities are missed to point out the benefits of buying additional pets and/or accessories. When a subscription lapses, a child risks losing all online work. Re-subscribing requires purchase of an additional toy, forcing parents to buy at least one new toy every year.

Webkinz, the most popular site among our ten families, combines a wide variety of responsive, cleverly designed games with manipulative marketing strategies. Webkinz are collectible plush animals, sold either as Webkinz (\$14) or as smaller Lil'Kinz (\$8), each of which comes with a special sealed tag containing a code that grants access to the site. While Webkinz was not the first site to use the "toy as a key" strategy, it was the first to achieve widespread success with it.

Once the code is recognized, children "adopt" a virtual version of their pet they can use to play games and chat with other Webkinz users. From this point, the experience is a bit like a MMOG (Massive Multiplayer Online Game), minus the ability to chat freely. Instead, users can send

messages to other animals using selected phrases, eliminating the possibility of worrisome contact with strangers.

The 32 addicting arcade games form the backbone of the site, and consist of mazes, scavenger hunts, sorting contests and trivia questions. Some are two-player games, allowing users to play against online friends. Good scores earn "Kinzcash," which can be spent on more clothing or furniture for a pet's house.



The site almost constantly promotes the benefits of additional pets and accessories, like lip gloss, body spritz and mouse pads. There's a homepage link to the Webkinz catalog, which features pets, accessories, wish lists and a store locator. The site also sells trading cards that unlock virtual prizes, and are, of course, collectable.

The site also encourages multiple adoptions, with perks like a new room with the 2nd through 10th adoption, and a super-bed with the 10th, 15th and 20th adoption. These prizes are visible to players but off-limits until the required amount of adoptions are made. Webkinz adoptions last one year. If a child becomes attached to his or her virtual pet and the room he or she worked so hard to create, parents must purchase another stuffed animal before the expiration date to renew the subscription for another year, and another for each subsequent year.

The site mixes poorly labeled in-house and third-party advertisements with responsive, addictive activities that appeal to a wide range of interests, abilities and ages. Any child can easily find enjoyable activities on this site, and an option is always provided to exit anything too hard or confusing. But they'll also be subject to manipulative marketing techniques, which could result in a parent spending far more than the minimum entry fee of \$8. One family in our study spent more than \$1,000 on Webkinz in a single year.

APPENDIX III: CONSUMER REPORTS WEBWATCH GUIDELINES

We believe Web sites will promote Web credibility if they adopt these basic policies:

Identity: Web sites should clearly disclose the physical location where they are produced, including an address, a telephone number or e-mail address. Sites should clearly disclose their ownership, private or public, naming their parent company. Sites should clearly disclose their purpose and mission.

Advertising and Sponsorships: Sites should clearly distinguish advertising from news and information, using labels or other visual means. This includes "in-house" advertising or cross-corporate ad sponsorships. Search engines, shopping tools and portals should clearly disclose paid result-placement advertising, so consumers may distinguish between objective search results and paid ads. Sites should clearly disclose relevant business relationships, including sponsored links to other sites. For example: A site that directs a reader to another site to buy a book should clearly disclose any financial relationship between the two sites. Sites should identify sponsors. The site's sponsorship policies should be clearly noted in accompanying text or on an "About Us" or "Site Center" page.

Customer Service: Sites engaged in consumer transactions should clearly disclose relevant financial relationships with other sites, particularly when these relationships affect the cost to a consumer. Sites should clearly disclose all fees charged, including service, transaction and handling fees, and shipping costs. This information should be disclosed before the ordering process begins. Sites should clearly state and enforce policies for returning unwanted items or canceling transactions or reservations.

Corrections: Sites should diligently seek to correct false, misleading or incorrect information. Sites should prominently display a page or section of the site where incorrect information is corrected or clarified. Sites should strive to mark content with its published date when failing to do so could mislead consumers. Sites should clearly state their policy on a consumer's rights if a purchase is made based on incorrect information on the site.

Privacy: Site privacy policies should be easy to find and clearly, simply stated. Sites should clearly disclose how personal data from site visitors and customers will be used. Personal data includes name, address, phone number and credit card number. Sites should disclose whether they use browser-tracking mechanisms such as "cookies," and other technologies such as Web beacons, bugs and robots. Sites should explain how data collected from them will be used. Sites should notify customers of changes to privacy policies, and provide an easy opt-out alternative.

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