Virtual Worlds for Kids, Tweens & Teens:
7 Must-Have Features

A Special Report for Marketers

interFUEL

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EXECUTIVE SUMMARY

Today's kids and tweens all over the globe are growing up with virtual worlds. And if your company doesn't start using this new medium to enrich your brand, your competition will.

But any company trying to reach a younger audience through a virtual world faces many pitfalls. No world is guaranteed to attract a community. Creating a poor user experience can even damage your brand. And there are next to no resources to turn to for advice. So how do you know you're on the right path?

This special report fills that gap. Based on the hands-on experience of an interactive agency that specializes in creating websites and online content for children, it presents seven emerging best practices for creating a virtual world that will truly engage younger visitors.

Here are the seven must-have features for kids, tweens, and teens:

1. The virtual world must have **Mom's approval**.
2. The world must be **safe**, under the law, and in the eyes of parents and children.
3. It must be **fun, fun, fun**!
4. It must provide **fresh content** so it becomes part of a child's regular routine.
5. It must provide **ways to socialize** with other kids.
6. It must provide the child with **a feeling of control**.
7. The virtual world must encourage **creative self-expression**.

This special report describes each must-have feature in detail, with screen shots from half a dozen successful virtual worlds. It also links each must-have feature to a human need within Abraham Maslow's well-known hierarchy, and describes four possible business models for virtual worlds.

INTRODUCTION

While present-day teens grew up with the Web, today's kids and tweens are growing up with the immersive experience of virtual worlds.

A virtual world can be defined as "a shared, multi-sensory, 3D, electronically generated visual environment in which users, presented by avatars, can act, create, and communicate at will."[1]

There are dozens of new virtual worlds being developed for kids now, by everyone from well-known firms like Disney and Lego to unknown upstarts.

And kids all over the globe are excited to explore these worlds.

A recent report from eMarketer found about 1 in 4 of the 34.3 million children and teens online in the US visited virtual worlds in 2007. And they expect this number to increase to 1 in 3 in 2008, and 1 in 2 by 2011.[2]

Google says two of the fastest-rising search terms for 2007 were for the kid's virtual worlds Webkinz and Club Penguin.[3] All this points to what the New York Times recently called "a virtual gold rush."[4]

If your company does not take advantage of this new way to enrich your brand, your competition just might.

1: David Burden, "Virtual Worlds — A New Medium," Daden Limited, 2007, page 3
2: "Kids and Teens Online," Virtual Worlds Open New Universe," eMarketer, September 2007
3: "2007 Year-End Zeitgeist," Google, retrieved January 8, 2008 from http://www.google.com/intl/en/press/zeitgeist2007/
4: Brooks Barnes, "Web Playgrounds of the Very Young," New York Times, December 31, 2007

But any company trying to reach a younger audience through this new type of social network faces many pitfalls. The fact is, no new world is guaranteed to attract and retain a community. While structuring an online experience properly can reinforce your brand, creating a poor user experience can bore visitors and even damage your brand.[5]

Executives and clients may be clamoring for virtual worlds, but it's still risky to build one. And with next to no relevant studies, resources, or books for advice, how do you know you are on the right path?

This special report is intended to fill that void. Based on the hands-on experience of an interactive agency that specializes in creating websites and online content for children, it presents seven emerging best practices for creating a virtual world that will truly engage younger consumers.

The rest of this special report describes seven must-have features for virtual worlds for kids, tweens, and teens, with concrete examples drawn from successful worlds now in existence. This report also links each must-have feature to a primary human need within Abraham Maslow's well-known hierarchy.

For more background, Appendix A describes four possible business models for virtual worlds, and how best to promote each one. Appendix B sums up the six virtual worlds mentioned in this special report.

5: Frank Rose, "How Madison Avenue is Wasting Millions on a Deserted Second Life," Wired, July 24 2007

Must-Have Feature #1:

MOM'S APPROVAL

The prime directive of any parent is to ensure their child's safety and well-being. And the ultimate decision to admit a child to a virtual world rests with the parents, most often the mother.

Therefore, any effective virtual world must provide ample information for parents. Ideally this information is positioned front and center on the home page, with buttons clearly marked "For Parents…"

This information should answer the questions that naturally occur to any parent:

- Why should I give my child permission to come here?
- Will they be safe here? Safe from hurtful experiences? From adult predators?
- Who will be looking out for them while they're online?
- What will they do here? What will they learn here?
- How much time should they spend here? How can I control that?
- Why should I buy the toy, or pay the subscription fees, or transfer money into this world for my child to use?

Most parents will assume that a world operated by some household name like Disney will offer wholesome activities and a safe space. Any smaller company with no brand recognition will face more scrutiny from parents.

Example of Mom's Approval: Club Penguin

Club Penguin provides a great example of a virtual world that goes all-out to reassure parents and secure Mom's approval.

The basic description of the site includes this sentiment: "As parents of young children we wanted to create a fun online world we'd be comfortable letting our own kids visit."[6] Our own kids play here; what more powerful guarantee can anyone give?
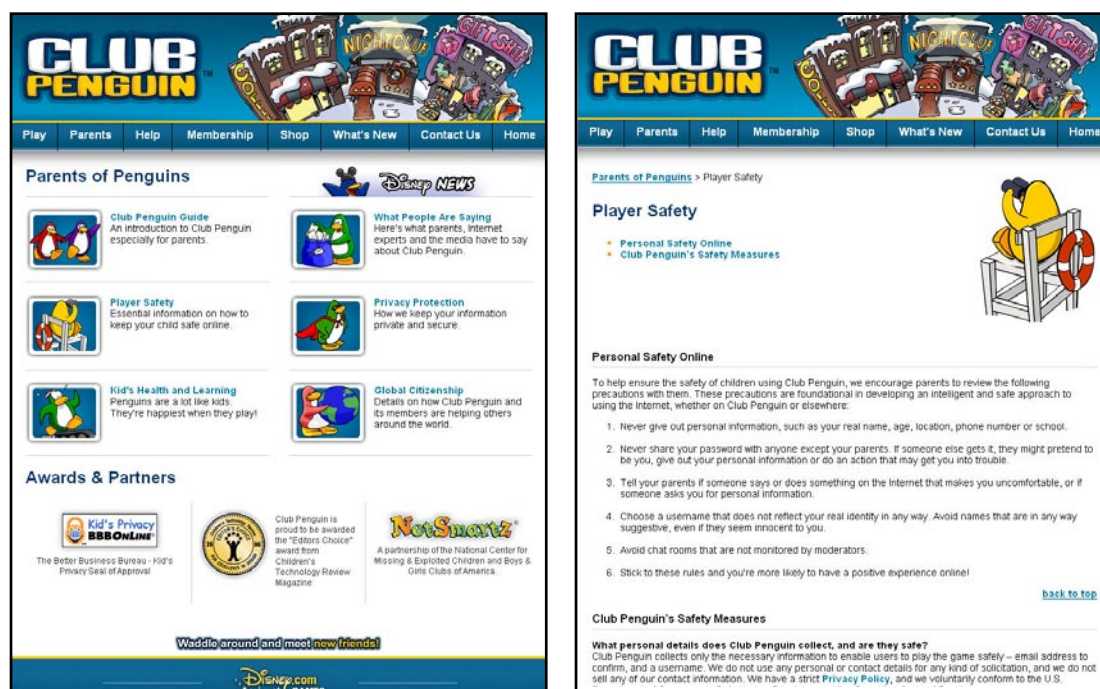

Figure 1: Information for Parents in Club Penguin

The very first link on the Club Penguin home page is labeled "Parents Guide." This leads to the screen shown on the left in Figure 1, providing four further links to information for parents:

- **Club Penguin Guide**: An introduction to Club Penguin especially for parents.
- **Player Safety**: Essential information on how to keep your child safe online (with details shown on the right in Figure 1).
- **Kid's Health and Learning** which leads to a page that states, "Club Penguin is a great place for kids to have fun online, and while we are happy to provide this safe environment, it is not intended to replace fun physical activities."[7] In other words, kick your kid off the computer and outside to play once in a while.
- **Privacy Protection**: How we keep your information private and secure.

6: *"Club Penguin Guide," Club Penguin web site, retrieved January 8, 2008 from*
       http://clubpenguin.com/parents/club-penguin-guide.htm
7: *"Kid's Health and Learning," Club Penguin web site, retrieved January 8, 2008 from*
       http://clubpenguin.com/parents/kids-health.htm

Beyond all this information, several further elements of the first page provide a higher comfort level for parents.

What People are Saying leads to testimonials from a police officer, a grandmother, and some parents, as well as positive stories in major publications such as Business Week, Newsweek, and The New York Times. The message: The site has the seal of approval from outside experts.

Global Citizenship describes the philanthropic activities of the company. "At Club Penguin, we're committed to improving the lives of children everywhere… A portion of the proceeds from every Club Penguin membership is used to support specific local and global projects."[8] There are details about projects for children underway in Uganda and Romania. The message: The company is doing good in the world.

Finally, there are **logos from noteworthy organizations**, including the Better Business Bureau, the Editor's Choice award from an education magazine, and two occurrences of the Disney logo… probably the world's most trusted logo for children's entertainment. The message: You can trust us.

By providing all this material for parents, Club Penguin does an excellent job of securing Mom's approval.

8: *"Global Citizenship," Club Penguin web site, retrieved January 8, 2008 from*
 http://clubpenguin.com/parents/global-citizenship.htm

Must-Have Feature #2:
SAFETY

A virtual world absolutely must be safe, in the eyes of the law, in the eyes of parents, and in the eyes of children who visit it.

It's no wonder. There are plenty of places kids can go on the web, but not all of them are safe. Many sites provide one button to click to claim you are 18 years old. A well-meaning grandparent could send a child a VISA gift card or telephone calling card they could easily use to start an account or draw out currency in a virtual world.

In terms of the law, the world must comply with the Children's Online Privacy Protection Act (COPPA), which lays down out the legal parameters for operating a web site in the United States aimed at children.

"The Children's Online Privacy Protection Act, effective April 21, 2000, applies to the online collection of personal information from children under 13. The new rules spell out what a web site operator must include in a privacy policy, when and how to seek verifiable consent from a parent, and what responsibilities an operator has to protect children's privacy and safety online."[9]

Anyone planning a virtual world aimed at children must inform themselves about COPPA, and follow its prescriptions.

In terms of the parents, we have already discussed providing them with ample information. This information must stress the safety provisions of the virtual world.

9: "How to Comply With The Children's Online Privacy Protection Rule," Federal Trade Commission, retrieved January 8, 2008 from http://www.ftc.gov/bcp/conline/pubs/buspubs/coppa.shtm

In Abraham Maslow's hierarchy of human needs, shown in Figure 2,[10] the most fundamental physiological needs are for air, water, food, and sleep. (Sex is not relevant for children.)
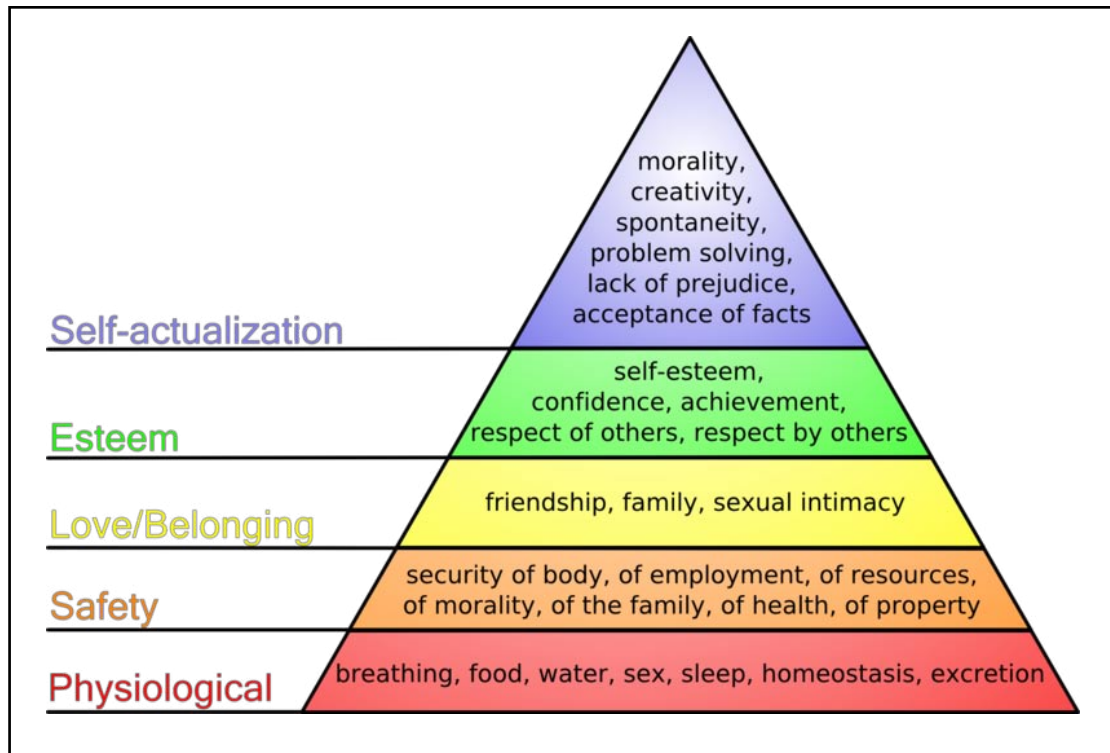
Figure 2: Maslow's Hierarchy of Needs Is Useful for Virtual World Designers

The next most basic human need is for safety, including security of body, family, health, and property.

Any responsible parent wants to be sure all these elements of their child's well-being will be safeguarded in any virtual world they visit.

In terms of the child, the world must feel safe but not stifling. The virtual world must have boundaries and safeguards that a child can accept, but nothing that unduly limits their creativity or self-expression.

Finding this balance, and communicating it in simple terms, can be challenging.

10: J. Finkelstein, "Maslow's Hierarchy of Needs," Wikipedia.com, retrieved January 8, 2008 from
    http://en.wikipedia.org/wiki/Image:Maslow%27s_hierarchy_of_needs.png

Example of safety: Two levels of chat and parental controls in Webkinz

The Webkinz world offers two levels of chat, both designed to promote safety by preventing any inappropriate exchanges.

The basic level is called KinzChat, in which the chat is entirely "constructed" from a pre-existing set of stock phrases.

Figure 3: Safe Chat in Webkinz

"There is no way for a user to type what they want, nor ask or say anything inappropriate to any other user. We control everything the users are able to say. We have designed our chat menu of choices of sentences and phrases to put safety first. There is no way to exchange any personal information of any sort."[11]

Figure 3 shows how a child uses the sliding menus to construct the simple message, "You are so much fun!"

11: *"Is KinzChat Safe?" FAQ: For Parents, Webkinz web site, retrieved January 8, 2008 from http://www.webkinz.com/faq_parents.html*

This certainly meets the safety requirements of the law and of parents. Yet it could seem restrictive to any older or more literate child, who wants to express more personal or nuanced ideas.

To meet this need, Webkinz provides a more advanced level of chat, called KinzChat PLUS. This chat is somewhat more freeform, within a controlled vocabulary.

"In the restricted dictionary, we have eliminated numbers, most common names, many place names, and a variety of inappropriate words," explains the site.[12] This means children cannot easily exchange phone numbers or addresses. And if a child uses any word that's not in the dictionary, that word turns red and prevents the message from being sent.

What's more, a parent has to give explicit permission for their child to access the advanced level of chat in Webkinz. There is even a Parental Control Tool to deal with any attempt by a child to use the parent's e-mail to give themselves permission to access it.

These four measures taken together — constructed chat, restricted dictionary, parental permission, and an anti-tampering control — provide a very good example of how to design a safe system for younger children.

12: "Is KinzChat PLUS Safe?" ibid

Must-Have Feature #3:
FUN, FUN, FUN!

Being a kid means playing and having fun... and that means games, games, and more games. The number one thing kids like to do online is play games. Online games are a major attraction of every virtual world for kids and teens.

Engaging games will keep visitors coming back every day. And kids should be rewarded for completing certain tasks or reaching certain levels in these games. In several worlds, kids "earn" the currency they spend by playing games.

Playing games and having fun fit under two possible categories in Maslow's hierarchy: Love/Belonging or Esteem. Playing with others online seems to fit more with the human need for friendship and intimacy, but doing well in games can certainly help promote self-esteem, confidence, and a feeling of achievement.

Example of fun, fun, fun: Shining Stars

Yes, there are lots of captivating games in this virtual world, aimed at a target audience of younger children. You can pop balloons, collect stars in your spaceship, play a Pacman-like game called "Starchomp"; you can also watch cartoons, test your memory, set up your own Star Space, and so on. Fun suffuses the whole design of this world, through visual appeal, sound effects, and a consistent motif. And all these fun elements serve as integral parts of the interface.

Visual appeal: Shining Stars is as visually rich as the cereal aisle of a grocery store. And almost every screen features animations that add further visual appeal.

For example, on the login page shown in Figure 4, a stylized constellation based on the outline of a plush toy (left) "fills in" with full color and textures when the mouse passes over it (right). This visual feedback instantly conveys that the child has reached a clickable area of the screen with the mouse.
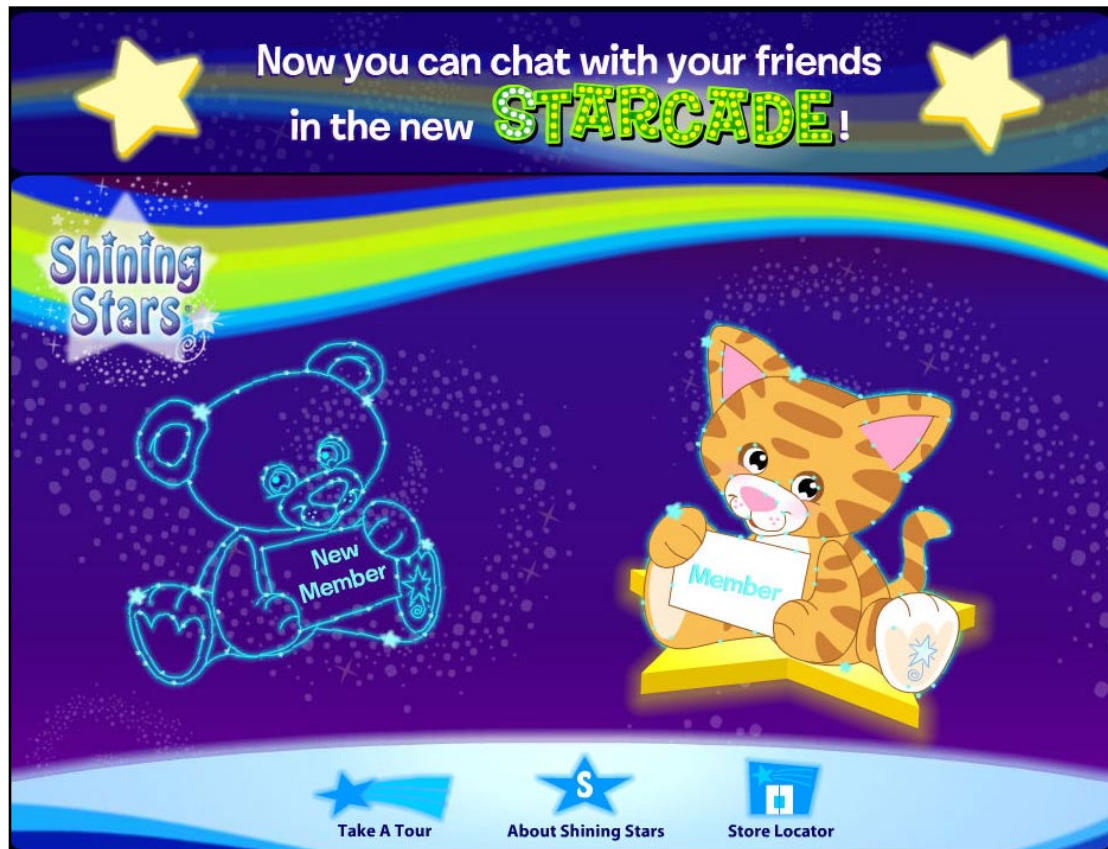
Figure 4: The Login Screen of Shining Stars Provides a Gateway to Fun

Sound effects: The site is filled with sound effects, which the producers call "ear candy." For example, logging in generates a giggle. Passing the mouse over a menu option or clickable graphic produces a "glittering" xylophone sound. "Circus music" plays when the child's avatar enters an arcade area. Almost every click has an associated sound. Completing a task or winning a game produces a round of cheers. All these effects make up a rich soundscape to enjoy in this world.

Consistent motif: Shining Stars has two ongoing motifs: plush toys, and stars and constellations. Every screen has one or both of these elements, rendered and animated in a charming way. For example, the water around the beach and jungle island worlds has little stars twinkling in it. The games are called things like "Starburst," "Star Grab," and "Star Search." You can even listen to songs with a "star" theme on your star-shaped "Starpod." Sometimes both motifs come together: the child's avatar is a plush animal that glides around on a star-shaped platform over land and water.

All these elements make visiting the Shining Stars virtual world a delightfully fun experience, especially for younger children.

Must-Have Feature #4:
FRESH CONTENT

A n effective virtual world must deliver fresh content on a regular basis so that it becomes part of a child's routine. Kids need a reason to come back often, hopefully every day. Each time a child returns to a site, they invest a little more of their energy and attention into it. So it's best to incorporate this must-have feature into the basic design of a virtual world.

There are many possible ways to deliver fresh content:

- Roll out new images geared to seasons or major holidays: back-to-school, Halloween, Thanksgiving, and so on
- Add more contests or games
- Open up new areas, such as another arcade, park, mall, hotel, or whatever

You can even encourage visitors to generate their own content. For example, in Webkinz kids take care of a virtual pet, which requires daily attention, or its health and happiness fall on three visible meters, as shown in Figure 5. Keeping these meters high can become a daily preoccupation for a child.
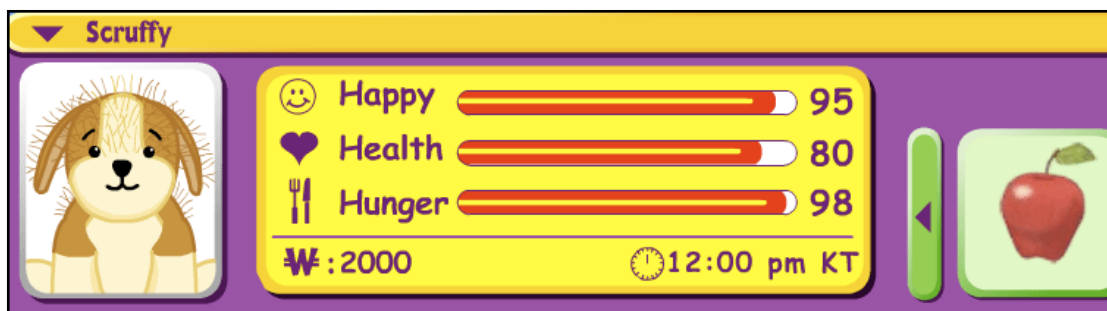
Figure 5: A Virtual Pet Gives Kids a Reason to Return Every Day

Example of fresh content: Nicktropolis

This virtual world is ideally suited to deliver fresh content, since it's sponsored by the Nickelodeon TV network. Naturally enough, one of the top-level sections of this world is devoted to its shows.

Every day the Schedule page changes to show the lineup of shows for that day, along with a program note on the particular episode to be broadcast. Another click shows all the times this episode will be repeated. This is an obvious example of fresh content, but unfortunately it's one that most other worlds cannot duplicate.

Figure 6 shows an example of a more conventional approach to fresh content from this world.

Using the visual metaphor of a teen's cluttered corkboard, this screen includes a host of time-sensitive information (clockwise from the bottom):

- This week's celebrity birthdays, which clearly rotate every week

- A bio of someone from behind the scenes at the virtual world, which changes to spotlight different people

- Weekend program notes, which reflect any changes to the lineup

- A "button" linking to the message boards, which change constantly as visitors post new messages

Figure 6: Fresh Content in Nicktropolis

- A "button" linking to a daily horoscope

- An ongoing rotation of promo clips in the top center

- A mini-screen showing what's currently on the network at the top right.

This screen is a tremendous example of fresh content provided to visitors by Nicktropolis. There are no less than seven sections here that change over time, either constantly, daily, weekly, or monthly.

Must-Have Feature #5:
WAYS TO SOCIALIZE

Social interaction is the "killer app" of virtual worlds.[13] An effective virtual world must provide ways to socialize with other kids. In fact, these applications are often considered part of the "social networking" category, where the name of the game is meeting and interacting with other people.

In Maslow's hierarchy of needs, the next most fundamental need after safety is for love and belonging, which includes friendship, family, and intimacy.[14] Human beings are innately tribal; this is clear to see in the behavior of children and teens. The groups and cliques that young people form are a basic part of the human condition.

To meet this essential need, virtual worlds must provide a way to chat and interact with other kids. We've seen how Webkinz provides restricted chat for younger children. Now let's look at how another world attracts teenagers with a vast assortment of much more wide-open forums.

Example of socializing: GaiaOnline

In GaiaOnline, many residents enjoy the daily interaction of chatting in forums.

In fact, this world hosts more than 30 major forums devoted to topics like art, comics, computers, entertainment, gaming, Harry Potter, lifestyles, pictures, polls, sports, and writers. As well, there are numerous forums for world-related announcements, contests, discussion, and questions.

For example, one busy forum is for music, as shown in Figure 7. The Music forum has eight subforums on everything from classical to rap, with more than 95,000 individual

13: *"Virtual Worlds — A New Medium,"* page 7
14: *Ibid*

topics. Some topics have dozens of thousands of postings. It's a wonderful place to talk and argue about music, a subject close to every teenager's heart. Recent studies confirm that more than 80% of tweens and teens listen to music during their free time.[15]

There are other levels of forums as well. Gaians can band together into guilds, and each guild can choose to have an open, private, or hidden message forum of its own.

The forum system is a breeze to use, and it's set up to encourage active participation. For instance, each post includes a mini-version of the poster's avatar, essentially a little ad for themselves. And the first screen of each forum includes a "Forum Pulse" rotating through the newest topics to catch the visitor's eye.
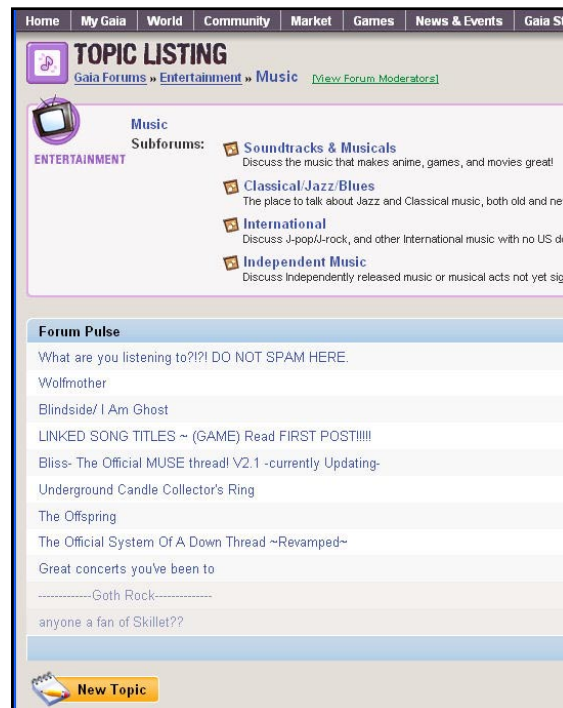

Figure 7: Socializing in Online Forums

The rules for posting are straightforward. Posts cannot contain anything "excessively vulgar, insulting, explicit, self-deprecating, or racial... Encouraging crime is not permitted... Sexually explicit posts may be deleted. Soliciting or engaging in cyber sex or mature content role play is not allowed."[16]

Despite these rules, teens clearly love to post messages in these forums. Many posts are short, like the barrage of IMs that teenagers exchange. Members can also send each other private messages.

By spring of 2007, the average visit to GaiaOnline lasted more than 44 minutes[17] — an enviable statistic for any marketer. By November 2007, this world claimed that visitors spend an average of two hours a day on the site, and to date have posted more than one billion messages.[18]

This is an excellent example of a virtual world that gains tremendous loyalty and "stickiness" by enabling visitors to socialize freely.

15: Karen Raugust et al, "Marketing to Tweens and Teens," EPM Communications Inc., 2007, page xi
16: "GaiaOnline Rules & Guidelines," GaigaOnline web site, retrieved January 8, 2008 from
    http://www.gaiaonline.com/info/index.php?mode=rules
17: LeeAnn Prescott, "Virtual Worlds Ranking," Hitwise Intelligence, retrieved January 8, 2008 from
    http://weblogs.hitwise.com/leeann-prescott/2007/04
18: "About Us", GaiaOnline web site, retrieved January 8, 2008 from http://www.gaiaonline.com/info/about.php

Must-Have Feature #6:

A FEELING OF CONTROL

A successful virtual world must allow kids to be the master of their own domain. This must-have feature corresponds to Maslow's need for esteem, confidence, and achievement, the second-highest level in his pyramid of needs.

This includes a feeling of control over all of the key elements of their online experience, including their:

- avatar
- movements
- "personal space"
- resources.

Avatar: This report has already discussed letting children customize their avatars. As well as enabling self-expression, this gives a child a feeling of control. In the virtual world, they can look however they want, and dress however they want.

Movements: Kids need to be able to navigate a virtual world quickly and easily. Moving around is likely one of the first things they will ever do. Basic functions like turning and walking must be simple to accomplish. Many worlds offer a "teleport" (TP) function that can "beam" an avatar to any desired point, with no delay for any travel time. Mastering these movements give a child a further sense of control.

Personal Space: Many virtual worlds have a personal space called something like My Room, which kids can decorate as they wish. They can acquire furnishings and bring them home to their room. My Room becomes a child's bedroom in the online world, a home away from home where they call the shots. And no one can tell them how their personal space should look, or order them to clean it up.

Resources: Many virtual worlds have their own currencies called something like coins, gold, or points. Kids can use this currency to acquire objects or experience other facets of the world. If a virtual world has a currency, it should provide kids with some way to earn it and some fun places to spend it.

Young visitors can then use their resources to create and personalize their online experience to suit their own preferences. This gives them the feeling sense that they control their own environment, and can reshape it at will.

Example of Control: Habbo Rooms

In Habbo Hotel, residents enjoy the capability of setting up and furnishing one or more rooms. As shown in Figure 8, there are many catalogues to shop from for "furni" such as tables, chairs, plants, rugs, beds, TVs, or anything else you could conceivably put in a room.
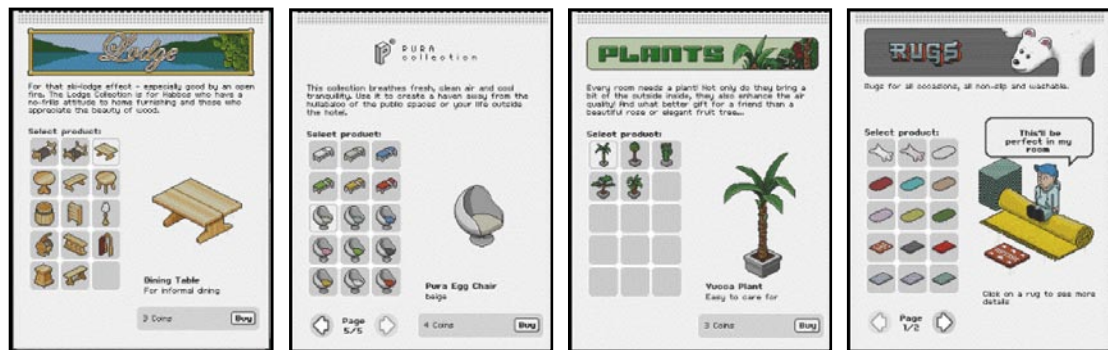
Figure 8: Decorating a Habbo Room Gives a Feeling of Control

Some items come in different colors, so you can choose the one that best matches your decor before you buy it. Each item has a cost, so the whole system is very much a simulation of what a young adult goes through when furnishing their first room or apartment.

Acquiring enough coins, shopping, and putting together a room you're proud to invite friends to can be a very empowering experience for any teenager. The Habbo virtual world gives them the scope to gain that feeling of control.

Must-Have Feature #7:
SELF-EXPRESSION

A virtual world must encourage self-expression, which meets Maslow's highest category of need: self-actualization. The most obvious forms of self-expression are a child's avatar, and any content they create.

Most virtual worlds offer customizable avatars, which transcend the limitations of real life in flexible ways that kids appreciate.

For instance, a child's avatar can have a "forbidden" appearance that their parents would never allow in real life. They can have blue spiky hair, get "tattoos", wear a skull and crossbones T-shirt. They can dress like their favorite celebrities, characters from TV shows or movies, or even "re-skin" themselves as fantasy beings like wizards or dragons.

Kids can even compensate for any perceived shortcomings in their own self-image, by making their avatars taller, thinner, more muscular, more mature, and so on.

In some worlds, an avatar is a profound personal statement in which kids invest many hours of shopping and tweaking. GaiaOnline is such a world, with a vast variety of avatars, as shown in Figure 9.

"Gaia revolves around creative customization. Every member can create their own virtual character and dress it up with over 5,000 items: clothes, accessories, pets, masks and just about anything else imaginable."[19]

A second aspect of this must-have feature is for a virtual world to provide ways for users to generate their own content. For example, if a virtual world provides a fun way to assemble music or video, many kids will use it to express themselves.

19: "About Us", GaiaOnline web site, ibid

Figure 9: Self-expression through Personalized Avatars in GaiaOnline

Example of self-expression: The Star Video Creator in Shining Stars

The Shining Stars virtual world provides a wonderfully simple Star Video Creator, as shown in Figure 10.

At the top, this online tool provides palettes of existing video clips, stills, transitions, graphics, and audio clips that a child can drag on to the timelines at the bottom of the screen. Then they click to preview the resulting video. With a little on-screen experimentation, a child can create and save a 60-second video.

The user interface is extremely simple and clear. No documentation is required. Each type of content can be dropped only at certain reserved spots on certain timelines, which are outlined in color.

There are only a handful of buttons, each with a clear-cut purpose and label.

The whole process is visual and interactive, and the results can be previewed and reworked quickly.

An interim version of a video can be saved for a child to continue working with another day.

This video-making tool provides powerful self-expression within a controlled environment that ensures success. And it seems that children are hungry for this self-expression. In the first few days after this tool went online, visitors to Shining Stars created an average of 4,375 videos per day.

This is a tribute both to the clear design of this tool, and to the pent-up demand among children for online tools for self-expression.

Figure 10: Self-Expression with the Star Video Creator in Shining Stars

CONCLUSIONS

This special report has described seven best practices in the emerging field of creating virtual worlds for kids, tweens, and teens.

We've seen how these must-have features map closely to Maslow's hierarchy of needs, as shown in Figure 11.

Maslow's Category	Must-Have Feature
Self-Actualization	#7 Self-Esteem
Esteem	#6: A Feeling of Control
Love/Belonging	#5: Ways to Socialize #4: Fresh Content #3: Fun, Fun, Fun!
Safety	#2: Safety #1: Mom's Approval
Physiological	

Figure 11: Must-Have Features for Virtual Worlds Align Well
with Maslow's Hierarchy of Needs

These seven must-have features are found to some degree in every successful virtual world aimed at children, tweens, or teens today.

For example, this statement from one of the most popular virtual worlds for children touches on three of these seven features in a few lines: "In light of Club Penguin's incredible success, its founders continue to maintain the company's focus on the three key areas of fun, safety, and service. Club Penguin is updated every week, and most of the company's resources go into its efforts to make the site as safe as possible." [20]

And in this context "service" includes delivering fresh content and fun to visitors, two more must-have features.

Of course, the sponsor of any virtual world should know how it stands to generate revenue. For more background, Appendix A describes four possible business models for virtual worlds, and how best to promote each one.

Appendix B sums up the six virtual worlds mentioned in this report. We invite interested readers to visit these six worlds for yourself.

To find out more about how to build
a virtual world that will successfully
engage kids, tweens, or teens, **contact
interFUEL today at (805) 642-2200 or
contact@interfuel.com.**

20: "About Club Penguin," Club Penguin web site, retrieved January 8, 2008 from
http://www.clubpenguin.com/company/about.html

Appendix A:
Four Possible Business Models for Virtual Worlds

Business Model	Description	Promotion
A: Buy the toy, get the world	A consumer buys some type of toy, card, or clothes bundled with a password to an associated online world. No one is admitted to the virtual world without owning the toy.	This model depends mainly on driving purchases of the toy through word-of-mouth, advertising, and retail channels.
B: Shop at the virtual mall	Admission to the world is open to anyone. Once there, residents are highly encouraged to buy clothes, furniture, a makeover, or extra experiences with some in-world currency, such as gold, coins, or points. This currency can be bought with real-world currency, or else earned in the virtual world by completing certain tasks or games.	This model depends mainly on word-of-mouth, PR, and advertising to build up the virtual world's population. In some worlds, residents can create, trade, or sell items, giving them motivation to do their own grassroots promotions.
C: Monthly subscription	Residents pay a monthly fee to belong to the virtual world, and use everything that it offers. This fee can usually be paid instantly through a credit card, gift card, PayPal, or mobile phone.	Same as B above, to build up paying subscribers.
B+C: Basic is free, pay for extras	Basic membership in the world is free. Paying a monthly fee entitles you to additional features and services such as "owning" space, having multiple avatars, and so on.	Same as B above.

Source: "Virtual Worlds for Kids, Tweens, and Teens: 7 Must-Have Features" interFUEL, 2007

Appendix B: Virtual Worlds Mentioned in this Report

	Club Penguin	Gaia Online	Habbo	Nicktropolis	Shining Stars	Webkinz
URL	ClubPenguin.com	GaiaOnline.com	Habbo.com	Nicktropolis.com	ShiningStars.com	Webkinz.com
Concept	A kid-friendly virtual world where children can play games, have fun, and interact with each other.	A place where teens can create their own space and express their individual style.	A virtual world where teenagers create their own virtual character and interact with other characters in the hotel.	A new 3D world where you can create, play online games, and connect safely with your Nicktropolis friends.	A virtual world where children can name a star of their very own, play games, have fun, and interact with each other.	The exciting online experience where your plush pet comes to life… a safe, educational, and fun online community.
Founded	2005	2003	2000	2007	2007	2005
No. of Residents	12 million user accounts & 700,000 paid subscribers	unknown, claims 2 million unique visitors a month	unknown, claims 80 million avatars created	5.36 million user accounts	1+ million registered users	1+ million registered users
Business Model (See Appendix A)	B+C	B	B+C	B	A	A
Owner	Walt Disney Company, USA	Gaia Interactive, Inc. USA	Sulake Corp., Finland	Nickelodeon (Viacom), USA	Russ Berrie and Company, USA	Ganz, Canada
Notes	In 2007, Disney bought Club Penguin for $700 million, creating huge publicity around virtual worlds.	Most activity takes place in forums, which can be considered "outside" the virtual world.	The oldest virtual world mentioned in this report, and the only one from Europe.	Has numerous tie-ins to kid's TV shows on the Nickelodeon network, such as SpongeBob SquarePants.	Each resident can claim an actual star through an exclusive deal with the International Star Registry.	The secret code sold with each plush toy entitles the buyer to one year of access to the virtual world. After that? Time to buy another.

Source: "Virtual Worlds for Kids, Tweens, and Teens: 7 Must-Have Features", interFUEL, 2007