

*Neopoints, and Neo Economies:  
Emergent Regimes of Value in Kids Peer-to-Peer Networks*

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**Introduction**

One of the hallmarks of modern childhood, at least in places like Japan and the middle-class US where we have been doing our research, is the insulation of children from the adult cycle of labor and commodity relations. Instead of navigating the workplace or helping out in their family shop or vending stall as children do in other parts of the world, the appropriate social roles for children revolve around schooling and play, domains that are considered primarily sites of cultural consumption and reception rather than sites of productive labor. The 'work' of childhood in such contexts involves kids gradually and receptively absorbing the culture and values of adulthood, carefree and relieved from the worries of labor and economic relations.

But our suspicion, and one that we expect is shared by many people who spend time with kids is that they have never been terribly passive, innocent, or carefree and often thwart our best efforts at being sheltered. They, as much as adults, plot how to get by day to day with limited resources in a complicated social world dense in cultural meanings. Kids, in the age stratified ghettos of schooling and kids' media culture, have created alternative economies of status and value, trafficking in culture and knowledge that is often invisible and undecipherable by adults. Neopets makes visible the everyday activism and entrepreneurialism of kids in their everyday life, as they jockey for wealth, status, and visibility in a complicated social and cultural universe (see [www.neopets.com](http://www.neopets.com)).

While kids have always industriously organized their local peer networks, the advent of interactive entertainment and widespread computer networking has provided new tools and cultural resources. For those lucky kids with computers in the home, the Internet places peer networks into easy and constant reach. We have called these digitally-enabled and media dependent forms of peer-to-peer social organization *hypersocial*, that is social exchange augmented by a dense system of signifiers embedded in new media objects such as trading cards, imaginary creatures, and other objects with different degrees of rarity and exchange value (Ito Forthcoming).

Neopets supports an alternative regime of value keyed to the peculiarly ghettoized but wired status of contemporary childhood in the US. Borrowing from Arjun Appadurai's (1998) framing in analyzing the flow of commodities in his introduction to *The Social Life of Things*, we argue that there are multiple structures of exchange that create value regimes for objects—whether that is mainstream retail, specialty art auctions, the used and garage sale market, or informal bartering with known others. In adult capitalist society, we translate labor into money, which we in turn mobilize in the dominant regimes of commodity value. The virtual economies of Neopets embody meanings and exchange values that are internally consistent and socially consequential but insulated and largely invisible to the regimes of value that adults traffic in.

### **Description of Neopets**

So what is Neopets? Neopets is a massively multiplayer web-based gaming site. Unlike games such as World of Warcraft and Second Life that are based on real time action rendered in 3D, Neopets is primarily based on navigating through static 2D web pages, and playing small self contained puzzle-type games.

Neopets.com was founded by two college students in Britain in 1999 and, shortly after, the current CEO, Doug Dohring, purchased it and developed it into a commercial site with over 30 million members around the world. Neopets rivals sites such as CNN, ABC, and Yahoo in terms of number of page views and is by far the most popular web site directed specifically towards children. Among children's websites, it is notable because it is the first website which did not emerge through a video, comic or television program (See Seiter 2005). By some measures, it is the stickiest site on the Internet – stickiness being a measure of how much time any given user spends on the site per month. In the case of Neopets, 2004 measures showed players *averages* a whopping 6 hours 42 minutes per month (Neopets Press Kit). In 2005, Neopets was sold to Viacom for \$160 million, ushering in a new era for the popular web gaming site. In terms of broad categories of use, Neopets players slightly favor girls over boys, and 80% of players are under 18. Neopets is clearly one of the biggest players on the Internet.

Despite a relatively simple technology backbone, Neopets weaves together a coherent fantasy narrative and social experience. Players take on the role of citizens of the world of Neopia. They can engage in a wide range of activities that are oriented towards producing their own unique personal identity by mobilizing the technical and cultural resources of Neopia.

- Players can train their pets and equip them with battle gear to compete in the Neopets Battle Dome.
- They can collect rare items by completing quests, gambling, and exploring Neopia.

- They can participate in guilds and discussion boards that range from discussion of Neopets strategy to idle chatter on boyfriends and popular music.
- They can also author their own web pages, the web pages of their pets, and elaborate galleries displaying their collections of rare items.
- And there remains a steady stream of new features, player spotlight sessions and other events which create excitement and variety throughout the course of their participation.

## **Neo-Economies**

While Neopets.com is a massive site that supports a wide range of engagement including different forms of gaming, collecting, authoring, and socializing, the underlying engine of Neopets engagement is economic activity. Just as in our capitalist real world, wealth is generated through labor, investment, and commerce. In turn, capitalist exchange drives endless diversity in consumption, identity production, and social distinction.

Like our real world economy, Neopia relies on a standard currency. Labor and investment is rewarded by Neopoints, and they can be used to purchase most commodities on the site. For poor newcomers, you can go to the soup kitchen for food handouts, or to the Money Tree to pick up items discarded by wealthier Neopians. The dominant source of working class capital, however, is ongoing labor. Players earn Neopoints every time they play one of the hundreds of mini games on the site. Sometimes this involves gambling, by buying lottery cards or spinning various wheels of chance, but my own experience taking this road has been that it lands you right back into the rote labor of gaming to feed the gambling habit.

For middle-class Neopians trying to achieve financial independence, a number of options are available for escaping the cycle of salaried labor or the downward mobility of gambling. You can open a shop and work the system of auctioning and sales to acquire a positive flow of capital. You can track recent price changes on the Shop Wizard Average index, or run your own searches to see what prices your competitors are offering items. If you see yourself as more of an investor than a small business owner, you can try your hand at the Neodaq and research promising Neopian stocks. But as the fan-run site neodaq.com warns, “you must have patience and a decent ‘nest egg’ to play stocks and actually make a lot of money. In order to make big bucks you must buy between 500 and 1000 shares a company and be willing to leave all of that money in there for weeks if necessary.” Yes, capital begets more capital.

But what if you are risk adverse or low in capital? The alternative to entrepreneurship and investment, is to work hard and to put your nest egg in the Neopian bank. A 17 year-old player, Sobek, described to us how she earned almost all of her Neopoints through “hard gaming,” by which she means repetitive play of the mini games on Neopets. She does not play the stock market or gamble, but rather puts her hard-earned money into the bank.

*Mimi: So now you'd had something like three thousand points? Where do you keep your money?*

*Sobek: You keep your money in the bank.*

*Mimi: You have to use the bank?*

*Sobek: Yeah, because once a day you can get interest on that... I have more than 500,000 Neopoints so I'm on diamond deposit gold or something and that gives you a better percentage than the lower types of accounts.*

*Mimi: So you actually get a reasonable amount?*

*Sobek: Yeah, but you have to wait for awhile to get a reasonable amount.*

But leaving one's Neopoints in the bank does not seem to provide an easy pathway to the good life unless you are resolutely hard-working. The interest rates start off at a piddly 1 np a day, which the player must manually collect. Rich Dad, Poor Dad, navigating the Neopian economy is a lesson in how the rich get richer in a capitalist system.

The wealth generated through these different economic activities fuels the consumer culture of Neopets that centers on the buying, selling, and exchange of Neopian items; Neopets has created thousands of items that have a recommended Neopets value. Most of these items have some kind of use value such as pet food and toys, swords and armor for battle, medicines and healing potions, and furniture to decorate one's Neo Home. But these items are not all utilitarian and their exchange value – what they sell for on the open market, is not directly tied to their use value. Each item has a rarity score, and in general, items with a higher rarity score sell for more in the Neopian shops and auctions. For example, all different kinds of food can satiate a Neopet, but eating certain kinds of rare foods (with rarity index between 90-100) might qualify your pet for the ruling class status economy of the gourmet club. Yes, economic capital can translate into cultural capital and there are many sources of cultural distinction.

In Sobek's case, she spends her hard-earned Neopoints on amassing an impressive collection of paintbrushes, items that allow you to paint your Neopets in different colors. The most coveted paintbrushes are among the most expensive collectors items on the site, and players can use them to transform one's Neopet into a ghost, pirate, rainbow and other holiday themes. While Sobek has used some of her paintbrushes on her Neopets, she displays many others in a gallery that other can view and attributes their value to being "something of a status symbol."

*Who doesn't want to have some random pet which they can paint? Painting pets is fun. I don't know why but it's something of a status symbol. It's like yeah, I have a fire Neopet, back off. Not exactly like that, but anyway. The whole system of earning points through simple games, that's fun. And you can buy things and there's really no point to it but*

*that's also appealing, that it's just frivolous and you can do whatever you want and yet do so much.*

Paintbrushes are just one among many items that enables players to customize their pets and their online Neopian identities. Another player we interviewed, Akmalia, describes her particular fascination with the dark Darigan themed characters and style. When we spoke to her she was coveting the Darigan paintbrush to customize her Neopet, and had a large picture of the malevolent looking Lord Darigan as her computer's screen saver.

*Akmalia: Let me show you the Darigan paintbrush. [you go through] Explore, Meridell, Darigan citadel. This is, like, the plot that happened a long time ago, this guy versus Meridell. His name is Darigan, the Darigan paintbrush....*

*Mimi: So you're saving up for that?*

*Akmalia: Oh, yeah. Oh, yeah. 'Cause he just looks so evil.*

*Mimi: Now, where do you get one? You have to get one through the auctions?*

*Akmalia: I should show you. I think I'm, like, one of the five people that knows about this place. Fairy World – Fairy Land, Fairy City. Now, here it is. That's the portal to Altador, the new land. See, they have the arrows over nothing. It's the hidden door...*

*Mimi: You can just buy it?*

*Akmalia: If you have -*

*Mimi: Oh, it's 'only' 1.4 million Neopoints.*

*Akmalia: This is, like, the really rare stuff. This is, like, retired stuff and stuff that's – and look how expensive some of this stuff is.*

Other players will invest their Neopoints into developing their galleries, shops, and homes to sell and display their collections. For example, Creolegyrl, who won the Neohome spotlight in December 2005, built an impressive 45 room home with heating, security, wallpaper, insurance and has multiple stories. The interior walls were filled with pictures, flowers and other accessories such as chandeliers and marble floors and she has multiple bedrooms, bathrooms, a kitchen, library and even a guest house. Like other collectors, Creolegyrl has built up an extensive knowledge of the furniture and other objects which she wants to acquire for her expanding home especially using the Neohome Spotlight boards where she and other players exchange decorating tips, arrange trades and exchange knowledge about the intricacies of homesteading in Neopia.

The engine of wealth production and a differentiated consumer choice drives an entrepreneurial player engagement which produces one of the most successful and active gaming communities on the net. A net native media corporation, Neopets has a

relationship with their player communities that differ substantially from traditional children's media and the structure of schooling. Rather than spoon feed stabilized narratives, standardized facts, good guys and bad guys to a passive mass of eyeballs, Neopets, much like Pokemon, produces a pantheon of hundreds of characters amenable to player customization. They provide the freedom and tools for players to author their own narratives, publish fan art and fiction, play and communicate with one another. The company not only tolerates, but actively supports players creating derivative works based on their copyrighted material, building fan sites, and negotiating the economic value of different Neopian items.

In other words, Neopets has tapped into the golden formula of media success for the digital age. Deep identification with media content is generated through player level customization, remix, and amateur cultural production—handing players the means of cultural and economic production to make the content their own. Astronomic stickiness scores are but the grossest measure of the depth of investments that players build into their Neopian portfolios.

## **Conclusions**

In this brief presentation, we have tried to illustrate a kid's eye view of what motivates ongoing engagement with Neopets as an environment for ongoing, everyday labor, investment, and consumer activity. We haven't had the chance to even begin to describe other modes of engagement such as authoring or socializing. We've chosen to focus here on economic activity in part because one of the dominant critiques of the site has been in Neopets' business model that relies on advertising and mechanisms for generating large numbers of repeated visits and page views. In contrast to sites that rely on a membership model for access, Neopets is a free site that embeds traditional banner type ads as well as what they call immersive advertising – product placement that integrates real world commercial products into the Neopets environment. The most notable of these includes a McDonalds stand which sells shakes and other fast food items cheaply.

When we delve a bit into kids' actual engagement with Neopets, however, it is clear that for players, commercial advertising is a peripheral dimension of their engagement in their site. Engagement with consumer culture on Neopets is more central to the play mechanic than exposure to ads, even of the immersive variety. On Neopets, consumer products are not simply something that is generated by adults and “marketed” to gullible children. Kids participate *themselves* in the construction of capitalist and consumer activity. The public outcry of whether Neopets is engaging in problematic marketing to children seems to miss the point of the deeper sets of investments in capitalist systems that are modeled by the central game mechanic of the site.

So one story we could tell about Neopets is about how it is a world structured by the relentless logic of individual acquisitiveness in a post-industrial economy of networked value. Kids are being inducted into consumer culture both online and off. But in this, kids are not mere dupes or passive victims of corporate interests. To fail to acknowledge how

Neopets is a venue for kids' mobilization and productive activity would risk missing what makes kids pour their energies into this site.

We could also tell a very different story about Neopets that concerns the empowerment of children through new digital networking and remix tools which allow them to produce socially interactive and richly contextualized imaginative narratives. They are learning complex skills of social and economic negotiation, exchange, leadership and achievement outside the narrowly predetermined structures of achievement set up by formal educational contexts.

Like most interesting cultural artifacts, Neopets embodies contradictory tendencies. While Neopets may reinforce the macro-economic tendencies of information age capitalism, in the local lifeworlds of kids it seems to have transformative effects in the micropolitics of intergenerational relations. Neopets brings to kids the motivations and social machinations that we bring to our adult lives: the accumulation of power, wealth, status and knowledge. It is small wonder that for many kids the life of Neopia has a certain social reality to it that their academic exercises lack, a space of authorship and activism for self-made Neopians in a networked economy.

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