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## Internet Research in Online Environments for Children: Readability of *Privacy* and *Terms of Use* Policies; The Uses of (Non)Personal Data by Online Environments and Third- Party Advertisers

Olesya Venger

University of Nevada, Las Vegas

### Abstract

Online environments encourage their prospects, including children and teens, to register and provide information about themselves in order to participate in online activities. Many sites' *privacy* and *terms of use* policies tend to provide hard-to-understand explanations about their data-using practices, contributing to a widespread confusion regarding the differences between what counts as non-personal versus personal data, and whether this data could be used for behavioral targeting or selling. Little research has been done on online advertising self-regulations and repercussions stemming from privacy-related dilemmas associated with them (Markham & Buchanan, 2012). Given the push of advertising networks to substantiate self-regulatory policies regarding online advertising (Luft, 2008; Lal Bhasin, 2008), this study investigates how *privacy* and *terms of use* policies reflect media self-regulations and privacy-related dilemmas worldwide (Federal Trade Commission, 2000; European Commission, 2012). Addressing self-regulatory practices of online media entities and their implications, this study also conducts the readability tests of *privacy* and *terms of use*-related policies of *Neopets* as an example of a popular virtual environment. Finally, it discusses the use of (non)personal data provided by children and teens, while evaluating how marketers' promotional initiatives operate online, and how marketers self-regulate across the United States and the European Union. Implications are discussed and recommendations regarding how marketers in online environments may enhance their reputation by being responsible given their promotional activities in online environments are offered.

## 1. Introduction

Mattel Corporation, Nickelodeon, Ganz, and many other international and national companies are in the business of attracting young consumers to play with their toys in online environments. BarbieGirls, Mattel's online environment for children, supplies players with multiple Barbie dolls. Pending players' registration, the online environment offers two types of membership — common and premium — allowing players to use different scenarios in a Barbie-saturated environment, where users can buy accessories for their dolls. In an effort of cross-promotion, Nickelodeon opened Nicktropolis, a virtual community for children, featuring the company's characters, familiar to its target audiences via multiple TV shows available on the company-sponsored TV channel. Apart from international corporations, national and local companies also rely on the internet to promote their toys (e.g., *Webkinz* online environment, a creative endeavor of Ganz, a Canadian-based company that produces toys).

Despite some differences in products and services offered online as well as promotional approaches to raising awareness about online environments, all virtual environments feature somewhat similar scenarios for target audiences' participation. First and foremost, they require prospective users and players to register. That is why, the overarching purpose of this paper is to investigate how the process of registration and play operates through Neopets, one of the most popular and long-lived online environments for youths. This will contribute to an understanding of virtual environments' marketing and educational approaches to inform their target audiences.

Launched as a site for children and their online pets in 1999, the Neopets online environment became popular among children and teens globally, and was recognized as the most visited site that provides space for children and marketers to play and market products (Clark, 2007). Neopets allowed its users to create an account, own, and take care of pets in the online country of *Neopia*; it also provided games and prizes. Neopets represents an online environment created to attract children and teens to play online, while buying goods and services necessary for play. By 2005, the site became so popular that Viacom bought it; and, capitalizing on its popularity, Viacom sold it to Knowledge Adventure in 2014.

The purpose of this paper is three-fold. As a result of virtual environments' popularity, marketers implemented multiple endeavors to use these platforms for promotional purposes (Miyazaki et al., 2009; Grimes, 2015; Grimes, 2016). The controversial practice of online environments featuring games and asking prospective users to provide their information is ubiquitous. Not only can online environments be vague about information selling practices (Federal Trade Commission, 2000), but their privacy-related policies can be hard to follow, especially for children and teens. Exploring an example of Neopets virtual environment, the first goal of this study is to conduct readability tests of the privacy and terms of use policies to see if the content of the online environment may be easily understood by its target audience.

It is important to note that an understanding of privacy or terms of use policies without understanding how both work with personal and non-personal data is incomplete. Since there is a widespread disagreement as to what kind of data is considered non-personal versus personal, the second goal of this study is to explore these definitions. The distinctions between them are important because the use of users' personal data by online marketers to children and teens carries more legal and ethical implications than that of non-personal data. This paper will do so against the background of regulatory and self-regulatory practices employed in the European Union and the United States.

Even though a lot of research has been done on online advertising, including advertising toward children (Nelson & McLeod, 2005; Kaiser Family Foundation, 2006) the practice of online advertising self-regulation is more prominent and developed in Europe than in the United States. In comparison to the European Union, media of the United States mostly rely on self-regulation rather

than regulation. From this standpoint, very few studies have been conducted on marketing to children and teens in online environments. Our understanding of how online advertising operates and self-regulates is limited. It took several decades for policy makers to pass online self-regulation: After multiple attempts of non-government groups, the "Children's Online Privacy Protection Act" enacted the protection of children under 13 years of age from unfair and deceptive practices of online marketers in the United States (COPPA, 1998).

Given the push of advertising networks to substantiate self-regulatory policies regarding online advertising (Luft, 2008; Lal Bhasin, 2008), the third goal of this study is to investigate how the informed consent and (non)personal data within online environments' privacy and terms of use policies reflect media self-regulations and ethical dilemmas in the United States and the European Union. Evaluating mechanisms of advertising in online environments and their self-regulations, this paper discusses approaches to the use of personal versus non-personal data in the United States and the European Union.

Addressing self-regulatory and ethical practices of online media entities, such as Neopets, this paper provides a baseline for the discussion of the opportunities associated with self-regulations for the online advertising industry and youths as its target audience. First, it contextualizes the dilemmas of Internet research, youths, and online advertising via the issues of promotional tie-ins inside the online environment. One example of such a tie-in could be represented by what Neopets offers to children online (e.g., to choose toys and play with them) and what it offers to them offline (e.g., to buy products and services that can be "consumed" online with *Neopoints* – Neopets' currency).

Next, it proceeds by comparing media self-regulations for online advertising in the United States to similar media regulations of the English-speaking countries in the European Union; this comparison is relevant since many English-speaking children in Europe participate in the U.S.-associated online environments. Investigating different scenarios of play in online environments and conducting readability tests of online environments' registration-related content, this paper highlights privacy and terms of use policies as lenses for exploring the role of online advertising and children. Specifically, it investigates how advertising operates on a site as opposed to how the site's audience may interpret how advertising operates on a site, given its privacy policy and the terms of use policy. Honing in on how advertisers in online virtual environments are collecting data for market research on the youth, the paper concludes with recommendations centered on clarifying media self-regulations to children and teens regarding their (non)personal data dissemination, which may enhance the public's understanding of online advertising and how it operates worldwide. Finally, it offers directions for future research that involve the use of readability tests that may be helpful to marketers who would like to conduct marketing initiatives ethically and in a socially responsible manner.

## **2. Trends in Research on Marketing to Children: 1950s-2010s**

Only a few scholars published on brand loyalty and conspicuous consumption of children in the 1950s (Guest, 1955; Reisman & Roseborough, 1955). However, as the influence of children on household expenditures in the late 1960s grew (Berey & Pollay, 1968), it paved the way to Roedder's (1999) introducing the concept of marketing to children. Treating children as emerging consumers and objects for advertising (McNeal, 1964, 1969, 1979), further research demonstrated their susceptibility to marketing initiatives (Resnik & Stern, 1977; Resnik, Stern, & Alberty, 1979), which led to Barry (1980)'s development of a framework for identifying deception in children's advertising and Enis, Spencer and Webb (1980)'s investigation of regulatory issues related to television advertising to children.

Targeting youths in the era of online technologies, multiple companies used video games to stand out from the advertising clutter. Offering to play video games for free as a reward for watching

commercials, marketers adjusted their strategies of getting children's attention. Before the Internet, marketers learned to emphasize distribution, because putting toys and sweets on the lower shelves at supermarkets was more effective than showing TV advertisements to children (Jennings & Wartella, 2006). In the Internet era, marketers not only treated children as consumers by telling them stories about products in interactive ways (Fattah, 2001; Cook, 2004; Fonnesbaek & Andersen, 2005), but they also encouraged children to buy products locally to play with them in such online environments as Webkinz and Neopets.

As the culture of consumerism has moved online, children and teens have represented the majority of the online worlds' population. Youths contributed to marketing of online games by emailing them to friends (Nelson & McLeod, 2005; Kaiser Family Foundation, 2006). In fact, children began spending a lot of time online in comparison to other activities (Digital Future Report; 2007). As the online avatar service industry was booming (Hemp, 2006), sites had to rely on games to be profitable and popular among youths (Moore, 2006; Wu, 2007); hence, online metrics and market segmentation became essential to calculating return on investments. Most companies operating online learned to target specific segments of the public in their promotional activities (Wind, 1995). As shares of online advertising grew, data-driven decisions relying on personalized databases became valuable. These databases for online consumers, regardless of age, offered opportunities for data-gathering, such as *behavioral targeting* and *behavioral selling*.

Both approaches to online marketing have become established practices of online advertisers in the United States and the European Union. Sites relying on behavioral targeting as a business model for online advertising require users to share data with them from the moment of registration; however, they enable players to opt out from this practice later. For instance, Internet users in the United States can deny third-party advertisers any access to their data by opting out from sharing data. In contrast, the sites in the European Union use behavioral selling and do not require users to share data. Instead, they enable users to subscribe to sharing data with online marketers later, depending upon users' inclinations to receive promotional messages tailored to their needs (McStay, 2013). The difference in the language (*opt in* as opposed to *opt out*) and procedures of participating (or not) in the personified online marketing is at the core of debates about children's privacy online worldwide.

### 3. Marketing to Children in Online Environments

Promotion-wise, Neopets and *Nickropolis* are online environments relying on video games (Virtual Worlds News, 2008). For instance, in a mutual promotional initiative online, Nickelodeon and Viacom created a line of toys based on the Neopets. Targeting children and teens aged from 8 to 17, Neopets teaches users to take care of online pets, earn online currency, and pay for pets' upkeep by participating in contests and games. Acknowledging success of online environments-associated marketing, *Hasbro* invented *Littlest Pet Shop*, an online environment where players create their own pet collections and supply them with accessories that companies offer for a competitive price (Littlest Pet Shop, 2008). *Cartoon Network* developed *Fusion Fall*, a multi-player online game for 9 to 14 year olds, featuring top Cartoon Network characters. It uses the same business model as Webkinz and Neopets, exposing children to products and services that could be bought to enhance their gaming experiences (Kaplan, 2008). *Warner Bros.* developed *T-Works*, an online animation environment, populated by classic *Termite Terrace* characters (Littleton & Fritz, 2008). Overall, the introduction of online environments allowed corporations associated with popular cartoons and movies "to build out the world to connect to each of the DVD movies" (Littleton & Fritz, 2008).

#### 4. Analyzing Privacy Policy and the Terms of Use in the Neopets Online Environment

Analyzing the content of Neopets' privacy policy and California privacy rights (2014) and Neopets' terms of use (2015), two documents essential to how Neopets' online environment operates, this study investigated the accessibility and ease of understanding regarding the sites' content and how the content corresponded to online media's self-regulation related to online marketing to children and teens. The analysis indicated that documents demonstrated a variety of scenarios in which users' information provided to an online environment may have been used for promotional purposes. Given the business models for online environments, including self-regulation and data-gathering policies, the following highlights based on the content of Neopets' privacy and terms of use policies were outlined:

- The sign up process for Neopets precedes every user's registration, offering two options: logging in with a Facebook account or registering with the Neopets online environment to create an account on the site of the online environment.
- The registration pages for the players who do not log in via social media ask new players to choose usernames and passwords; they contain links to the terms of use and privacy policies, which are located near the box that prospective players must select to complete their registration and to be able to play online games, agreeing to the terms of use and privacy policies. When it comes to size of privacy policies and the terms of use, the latter is twice as the former.
- Since the Neopets online environment is based on the behavioral targeting model, adopted by the U.S. based online media, all players agree to share their registration data with the online environment by default. Everything related to the data collected by the site and the rules of the site's and third-party advertisers' operation is described in a complex language, using legal terms.
- Even though Neopets provides information about how to delete/reject tracking devices, neither the privacy nor the terms of use policies provide a detailed explanation about a comprehensive opting out procedure that leads to keeping users from sharing all their data.
- The Neopets online environment does offer an option of disabling cookies, which prevents online marketers from using some of the players' data. It explains this procedure in the addendums to the terms of use; there are a total of eight addendums, ranging from two to 48 pages that explain how to disable cookies using special software.
- Some information provided in the privacy and the terms of use policies could be interpreted as unclear or too general. In contrast, the information related to online environment justifying its right to use players' information is clear and specific. For example, the privacy policy explicitly states that the online environment has a right of using information of its players "for any other purpose disclosed to you at the time" of collecting the information or "pursuant to your consent" (Neopets privacy policy, 2014, L. Other data collection and use).
- Even though Neopets privacy policy provides information about entities that are "collecting information" about Neopets players, the content of this statement includes almost any entity that could be relevant to the company's promotion and exonerates Neopets from any responsibility regarding the use of players' data by these promotional entities or third-party advertisers, since Neopets: "may use a number of advertising networks, analytics service providers, and other such companies, to...serve targeted advertisements or analyze the performance of the Neopet Sites. These companies may use their own unique identifiers, and

their use of these technologies is within the control and not ours" (Neopets privacy policy, 2014, Who else is collecting information).

- A general rule regarding online marketing in virtual environments for children and teens is that online environments' players cannot escape in-game ads even if they opt out from receiving tailored advertisements from the online environment, since: "opting-out of, deleting, rejecting, disabling or turning off Third party advertising service providers' tracking technologies does not mean that you will ... [not] receive online ads ... [it] ... means that such ads will ... [not] be tailored to your specific viewing habits or interests" (Neopets privacy policy, 2014, I. Information collection and Use., D. Computer information collected by others).
- Safeguarding themselves from any lawsuit related to data, online environments for children and teens supply their privacy policies with various ways of explaining any personal data-related issue. For instance, Neopets claims no responsibility for third-party content or links "that take you outside of Neopets to sites that are beyond our control" (Neopets terms of use, 2015, C. Links and advertisements, 1).
- Neopets employs the argument of the Internet Service Providers regarding the content posted online by Neopets players or the content provided by other third parties, claiming that the online environment is not responsible for any third-party content. At the same time, Neopets indicates that any content posted publicly on the message boards or in chatrooms of this online environment could be used by the company, including for the purposes of advertising "until the end of time" (Neopets' terms of use, 2015, Rules of conduct, para. A.7).
- In addition to the rules outlined in the privacy and terms of use policies, other policies exist for "certain other services offered on Neopets" (terms of use, 2015, D. Communication, E. Rules applicable to certain other services offered on Neopets). Neither links nor descriptions of these policies were available on the site of the online environment at the time of this study.
- To ensure legality of its operations, Neopets terms of use policy indicates the global scope of this online environment, the site's compliance with the laws of the U.S., and the site's processing of personally-identifiable information about its players on the servers in the United States and not in any other country, which carries the implications for privacy and behavioral targeting as well. This statement outlines the legal jurisdiction of Neopets as an online environment based in the United States, which implies that even if its users reside in any other country, they have to abide by the site's procedural requirements as outlined on the site, in addition to the procedures required by its host country (if there are any).

Since the majority of Neopets' users are children and teens, this study investigated whether marketers provide clarifications that enhance children's and teens' understanding of privacy-related policies. To do so, it applied readability formulas (e.g., Flesch, SMOG) to the contents of privacy and terms of use policies of the online environment. Given that the purpose of readability formulas is to establish the text's complexity of comprehension, these formulas seemed to be good tools for investigating if the content of the documents that clarify the use of (non)personal data of online environments' users is written in a manner amiable to children's and teens' capacities to understand them. These formulas determine the level of education required for the intended recipients to understand the contents of the messages. Note, that per privacy and terms of use policies of the online environment, teens who are above 13 years of age are not required to ask their parent's consent to register. Since both documents contain essential information regarding the storage and use of (non)personal data, their non-comprehension could potentially result in readers' misunderstanding the purpose of the agreement, their rights regarding participation, and their data dissemination in the online environment.

After its application, the *Flesch Readability Index* scored *Privacy policy* of Neopets with 14.5 points—that is, very difficult to read—whereas the *Automated Readability Index* scored it at 21 points, and the *SMOG Index* awarded it 15.4 points, which identifies it as a text that would be appropriate for a college graduate (Flesch, 1948; Senter & Smith, 1967; McLaughlin, 1969). For the *terms and conditions* policy, *Flesch Readability Index* scored it with 24.6 points or as very difficult to read, *Automated Readability Index* scored it with 15.6 points or as a text appropriate for a college graduate, and *SMOG Index* of 14.1 or college level as well (Flesch, 1948; Senter & Smith, 1967; McLaughlin, 1969). Therefore, children and teens could not easily understand the contents of either document (for a complete breakdown of readability scores, see Table 1).

**Table 1: Readability Indices: How easy/difficult is it to understand media content?**

**Flesch Readability Index (Flesch, 1948)**

Score	Grade Level	Notes
90.0–100.0	5th grade	Very easy to read. Easily understood by an average 11-year-old student.
80.0–90.0	6th grade	Easy to read. Conversational English for consumers.
70.0–80.0	7th grade	Fairly easy to read.
60.0–70.0	8th & 9th grade	Plain English. Easily understood by 13- to 15-year-old students.
50.0–60.0	10th to 12th grade	Fairly difficult to read.
30.0–50.0	College	Difficult to read.
0.0–30.0	college graduate	Very difficult to read. Best understood by university graduates.

**Automated Readability Index (Senter & Smith, 1967)**

Score	Age	Grade Level
1	5-6	Kindergarten
2	6-7	First Grade
3	7-8	Second Grade
4	8-9	Third Grade
5	9-10	Fourth Grade
6	10-11	Fifth Grade
7	11-12	Sixth Grade
8	12-13	Seventh Grade
9	13-14	Eighth Grade
10	14-15	Ninth Grade
11	15-16	Tenth Grade
12	16-17	Eleventh grade
13	17-18	Twelfth grade
14 and above	18-22	College

These observations raise questions about players' inability to grasp the essential rules of online marketing offered by online environments, which could lead to complications, including violations of players' rights and players lacking understanding when it comes to what they have agreed to when they register for an account they thought would only allow them to play games and participate in contests without being subjected to marketing initiatives, including behavioral targeting.

Given that slightly more than half of Pew Survey respondents held wrong assumptions about the purpose of privacy policy – e.g., if a company has a privacy policy, it would keep their information confidential (Smith, 2014), – the clarity of the language in privacy policies becomes vital for the public to understand how behavioral targeting operates in an online environment that provides games for children and teens. If it takes a college graduate to comprehend the contents of online environments' privacy and terms of use policies, how easy would it be for children and teens to do the same when it comes to the dissemination, storage, and selling of personal data?

## **5. The Uses of (Non)Personal Data by Online Environments and Third-Party Advertisers**

The paper discussed the data-related policies employed by Neopets online environment within its self-regulatory notes, the U.S. Federal Trade Commission's recommendations (Federal Trade Commission, 2000), and the European Commission's media policy-related initiatives (European Commission, 2012). Behavioral marketing makes static banners, rich media, and online videos or ads-supported experiences relevant personally to users online. Unlike contextual advertising, which serves ads to the viewers based on the content they have been exposed to, behavioral targeting aims at individuals, tracing their actions online. If done effectively, "behavioral targeting leads to ad campaigns that are more likely to sway the audience" (eMarketer, 2008, para. 1). Moreover, behaviorally targeted ads can convert prospects to customers better than non-targeted ads (eMarketer, 2014), despite the fact that the former can cost six times more than the latter. Data gathering, data mining, audience segmentation, page analysis, and predictive modeling that employ cookies, log files, IP addresses, web cookies, flash cookies, and beacons are the tactics and tools of behavioral targeting that generate data for personal profiling (Article 29 Data Protection Working Party, 2008, pp. 9-10). On a macro level, these behavioral targeting elements are essential to online marketing strategies of ten biggest advertising servers worldwide. Owned by major corporations that control most of online advertising activities, they have an obligation to society to act ethically, even though they often fail to do so, as noted by public interest groups. In contrast to behavioral targeting, behavioral selling focuses on detecting product interest expressed by consumers with the help of click-stream data, which makes the latter less invasive than the former.

(1) **Cookies**: Supplied with unique identifiers, sent to the browser from a web site's computers and stored on the computer's hard drive, **cookies** are small portions of data, sent by a server to a user's browser and then sent back unchanged each time it accesses that server (Yahoo! Privacy, 2016). They are used for authenticating, session tracking, and maintaining specific information about users, such as site preferences, users' actions, and the contents of their electronic shopping carts.

(2) **Log files** are the most important personal data processed by the search engine providers; they are "Data outlining the use of the service...[such as] ... query logs (content of the search queries, the date and time, source (IP address and cookie), the preferences of the user, and data relating to the user's computer); data on the content offered (links and advertisements as a result of each query); and data on the subsequent user navigation (clicks)" (Article 29 Data Protection Working Party, 2008, p. 6).

(3) A **search engine provider** may link different requests and search sessions originating from a single IP address.

(4) **Cookies** deployed by search engines typically contain information about the user's operating system and browser, and a unique identification number for each user account; representing personally-identifiable information, they allow a more accurate identification of the user than the IP address (Article 29 Data Protection Working Party, 2008, p. 7).

(5) **Flash cookies** can be installed on the computer by some search engines; they cannot be erased via default deletion tools of web browsers (Article 29 Data Protection Working Party, 2008, p. 7).

(6) Invisible or hidden images on web pages, **web beacons** work together with cookies, tracking people's actions online without showing banner ads.

While enabling the advertising industry to tailor its messages to prospective customers by accounting for their personal preferences, behavioral targeting defaults online users into sharing data for advertising purposes. This is the first controversial point. As this study demonstrated, online marketers in the United States employ behavioral marketing without making an effort to explain it to its child and teen audiences in developmentally appropriate and easy-to-understand ways. This is the second problematic point of behavioral targeting. Learning about online worlds while developing technological competencies (Kafai & Fields, 2013), young consumers need supportive environment to succeed in the world of online marketing. The necessity to regulate online advertising emerged from an understanding that, even though "people like just vomiting their personal information online ... [such] ... digital data diarrhea does not have to justify the abuse of personal data provided by the public" (Polonetsky, 2007, session 2.4). The critics of online (self)regulations' enforcement argue that it's logical to exchange personal information for free use of social media. However, as the public grows more restless about privacy, it tends to share less personal information online, making advertisers invent new ways to collect data about prospective customers (Griffin, 2016). And sometimes marketers are not diligent enough about explaining to the public their methods' implications.

The need for more regulations to control the amount and quality of advertising to children is frequently juxtaposed with self-regulatory ability of online marketplace (Hite & Eck, 1987; Rotfeld & Reid, 1979; Bounds, 2008). However, as behavioral targeting became popular with online environments, concerns about online advertising and internet users' privacy, specifically children's privacy, became obvious when society realized the promotional potential of games (Fitzgerald, 1994; Grimes, 2013; Grimes, 2015a). Knowing the difference between non-personal and personal data, consumer rights in the age of online marketing, and how one can protect his or her data from being used by the third-party

advertisers is essential for consumers to make informed choices in a society that respects individuals. This understanding, however, is hard to obtain from *privacy* and *terms of use* policies, the essential documents assigned to this task, written for children and teens in a language that could fully be understood by a person with a college degree.

Marketers argue that behavioral targeting is effective due to the technology's ability to conduct the analysis of "nonpersonally identifiable data to detect patterns and people's interest and consumption habits and to allow the matching of advertisement to their need" (FTC, 2007, session 1.1). This is debatable since many online environments indicate that they own search history of users, despite its representing personal data if "the individual to which it relates, is identifiable" (Article 29 Data Protection Working Party, 2008, p. 8). This notion could invalidate the premise of the Article 29 Data Protection Working Party (2008), which obligates search engine providers and other similar entities, to "delete or irreversibly anonymize personal data once they no longer serve the specified and legitimate purpose they were collected for." Online environments' privacy and terms of use policies interpret this requirement differently, arguing, for instance, that search history data are property of the site and, hence, can be used by the site whenever it is appropriate (Neopets privacy policy, 2014).

The analysis of privacy-related policies conducted by this study revealed the complexity of the content of online environments' privacy and terms of use policies for youth. For instance, the definitions of (non)personal data are complicated not only because the convoluted language is difficult for children and teens to understand, but also because of its reliance on such terms as "cookies" and user "IDs" that could be relatively easily misunderstood by children and teens. When it comes to the issues related to (non)personal data online, simplicity is vital in getting the public, especially children and teens, to understand the process of how data are being used. Therefore, studies emphasized ethical threats presented by online advertising (Austin & Reed, 1999), highlighting the need for self-regulation and responsible marketing (Taylor & Cunningham, 1997; Lewis & Hill, 1998; Kurnit, 2005; Chan & McNeal, 2006; Rothenberg & Zaneis, 2008).

The issue at the core of the debate on media self-regulation as it relates to the practices of children and teens' data sharing is not only the necessity of implementing more stringent media self-regulation. Given the findings of this study, it is also about the need to acknowledge the importance of transparency and start acting on it by making privacy and terms of use policies committed to fostering understanding about how online marketing operates. Otherwise, online advertising practices are being (mis)communicated to children and teens, albeit indirectly and inadvertently, which could mislead these vulnerable emerging consumers into thinking that they are only playing games and their data are not collected for any other purpose.

This study's findings can be used to contribute to research on privacy in online environments: An understanding that virtual environments do not generally speak the language of young audiences they are targeting is key and merits research attention. Ethical marketers need to fine-tune their promotional tools to suit the needs and abilities of their audiences, specifically, children. In fact, the creation of a kids-friendly online environment that would allow children to understand the role of marketers online would allow marketers of goods and services to enhance their reputation and be responsible in their marketing efforts. This, in turn, may lead to increased consumers' loyalty and appreciation of marketers' efforts aimed at educating the youngest consumers about any information offered by virtual environments.

Investigating the reasons for possible young consumers' confusion regarding privacy policies and marketing of goods and services within virtual environments, this study explored possible consequences and their effect on society. Studying youth and Neopets virtual environment, this study outlined major issues that may arise when marketing goods and services to youth through online environments such as Neopets. Future research employing readability tests during experiments with

people of different age groups would reveal how people of different age interpret virtual environments' privacy policies and terms of use, marking the next logical step to determine how consumers perceive information online. Future studies on how these marketing techniques operate more specifically will be beneficial for an understanding of virtual environments' role in society generally and their specific contribution to the online marketing industry and young consumers specifically.

## 6. Conclusion

This paper sought to investigate the online environments for children and teens as spaces for play, marketing, and privacy-related politics in the United States and the European Union – countries where privacy of media users is influenced by two different business models. Online marketers rely on a business model of behavioral marketing in the United States and in the U.S.-associated media, whereas online marketers rely on a business model of behavioral selling in the European Union and in the E.U.-affiliated media. As the online environment of Neopets is affiliated with the United States, all players registered with it abide by the rules and conditions established by (non)personal data-gathering practices that employ behavioral targeting. In contrast, the media affiliated with the E.U. marketing practices that employ (non)personal data gathering abide by the behavioral selling policies.

The differences between the approaches of the United States and the European Union to online marketing to youths only begin with the business models for online advertising and their treatment of the public's choices regarding (non)personal data. As demonstrated by this study, the U.S. online marketers use complicated language to describe their marketing techniques that influence players' decisions regarding their actions online. Even though online environments are called to be more proactive in telling children what to expect after they submit their information to the sites (Luft, 2008), marketers' explanations tend to obfuscate the issues of data gathering and sharing due to their reliance on legal language; as a result, many users of online environments may not fully understand how their data are stored and used. This merits research/public policy attention, especially when children and teens are involved. After all, treatment of data obtained from the most vulnerable members of society is one of the indicators making some societies great (or not so great) when it comes to protecting the most vulnerable and, while doing so, display societal attitudes toward privacy as one of the most telling indicators of mature civic society.

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