

# How Neopets' nostalgic revival tripled users in six months

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Author: Kari Paul

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In the early 2000s, Olivia Packenham would get home from school, listen to the familiar sound of the dial up tone as her family computer connected to the internet, and navigate her AOL browser to the virtual gaming world of Neopets. Starting at the age of eight, Packenham played for years before losing interest when she was in high school. But in December 2023, after a nearly 15-year hiatus, she logged back on to neopets.com – and found the pets she had raised as a child waiting for her. Her favorite, a “Bruce” (the Neopets version of a penguin) is more than 21 years old now. Opening Neopets today feels like stepping back into that time of her life, Packenham says – this time without her mother yelling at her for clogging up the family phone line. “It was like walking into a museum of the early 2000s internet,” said Packenham, 32, one of thousands of players returning to Neopets in the past year. It was no accident that Packenham returned. Neopets, which announced a bold rebrand in 2023, has been consciously courting its former fans with promises of reuniting them with old digital companions that have remained largely unchanged. Returning Neopians – the community name for users – cite a number of reasons for their returns. One going by the username of Solabee said she had started playing at age nine, and after returning had begun to play almost daily. Neopets’ resurgence felt very specific to millennials, she said. Indeed, 40% of users are between the ages of 25 and 34, and the next largest demographic – 18-24 years old – is 26%. Revisiting the site recalls a more hopeful time in internet history – when logging online was still unfamiliar and exciting. Many of the Neopians interviewed for this story asked to be quoted by username, preferring to keep their online personas separate from their real lives. “We’re the most nostalgic generation, so when there are big world events and crises happening, we all want to revert back to the safest time of our lives – our childhoods,” Solabee said. Neopets’ strong start and long decline Neopets was launched in 1999 as an early internet universe where users could care for a variety of virtual pets and play mini games. A crude social network that predated Facebook, the site allowed users to add friends, message one another, trade resources or virtual currency, and battle. It peaked at more than 25 million active users in the mid-2000s before seeing a steep decline in popularity as competing gaming and social sites exploded across the internet. The platform has changed hands a number of times since its inception, and amid the acquisitions, it languished, reporting just 100,000 users when it was purchased by the Chinese firm NetDragon in 2017. Deepening its decay was the decline of Adobe’s Flash Player – the software used to power much of the site – which browsers began to phase out around 2017 before the company officially killed it off in 2020. Neopets fell by the wayside, receiving little attention or updates to its interface. That was until the entrepreneur and investing consultant Dominic Law, who joined NetDragon in 2020 as director of new markets, launched an internal campaign to revive the Neopets brand, which he called “a major leap of faith”. Law, 36, remembered using Neopets to keep in touch with

friends in Canada after moving to Hong Kong as a child. As NetDragon shut down a handful of under-performing sites it had acquired, he saw that Neopets was at risk. "Even through the last decade of its downfall – the lack of updates, the death of flash leaving half the site non-playable – a quarter of our remaining users log on every day," he said. "I saw how tight-knit the remaining community was, and as a player myself I resonated with the emotional attachment that led these core users to stand by Neopets. I realized this is probably the most sticky customer base you could find." Law convinced the higher-ups at NetDragon to give him "one last shot" to save Neopets, orchestrating a management buyout deal that spun Neopets out into an independently owned company of which he is now CEO. The move was backed by an undisclosed amount of outside investments. Under a group known as the Neopets Team (TNT), the company has begun restoring the site's functionality, updating its design and improving its best-known classic games. Next, TNT hopes to enable more mobile capability. Though much of the site is still limping along with some glitches, Law said that its failure to change with the times had ironically become an asset. "Because of the lack of updates, we basically preserved early internet culture in its purest form," he said. "When people log on, the game still looks 99% the same, and their pets are still there. It's like meeting back up with an old friend. There are not many experiences in life where you can revisit your childhood exactly as it was." The difficulty of reviving Neopia With efforts to resuscitate Neopets ramping up, monthly users have nearly tripled to 300,000 in the past six months, and the company is on track to be profitable by the end of 2024, Law said. "I believe this is the beginning of the revival. But there is a lot more work to do," Law said. In addition to prioritizing drawing lapsed users back to the site, Neopets is flirting with licensing its intellectual property for a trading card game and a branded Monopoly board. "We are already on track to be profitable, but we want to make sure that is sustainable, and that we future-proof the IP and make sure we can survive for many more years to come," Law said. Amid continuing pressure to make Neopets financially viable in the real world, new leadership at the company also has to contend with the digital financial components of the site – which runs on the virtual currency of "Neopoints". With few updates to the site over time, a vast black market has emerged for certain pets, and the site's virtual economy has struggled with hyperinflation. Neopets runs on a complex economy made up of two main components: items and Neopoints. Throughout its years of disrepair, Neopets has continued to issue Neopoints into the virtual economy, causing the value of individual Neopoints to fall. Resellers have taken advantage of the volatility, selling rare items at inflated prices that few users can afford. Some lapsed users have returned to Neopets find that some of their assets have become extremely valuable. Others haven't been so lucky. With longtime Neopians sitting on stockpiles of appreciated resources, new players are at a major disadvantage. The company has sought to remedy the inflation by offering random rewards to all players and is developing other ways to level the playing field. "It's like total free capitalism without any restraints or laws," said Pakenham. "It kind of reflects some of the real-world divides. I feel like I am a middle-class Neopian, and I am never going to be able to achieve what people who have stockpiles of Neopoints can achieve." Law said rebalancing the Neopets economy was a top priority for the company, and acknowledged that many hackers and black market traders had emerged because the site was neglected for so long. In 2022, Neopets revealed that it had discovered hackers had obtained access to its databases for 18 months, exposing the personal information of more than 69 million members. The breach was discovered when a hacker attempted to sell a Neopets database for bitcoin. Healing the rift with Neopets fans In the absence of upkeep on the official Neopets site, fans have made their own offshoots in the past decade, including fan fiction, puzzles and minigames. Law said that rather than cracking down on fan-created components, the company is embracing them. It launched a "Neopass" login system that allows users to access games across the Neopets system, including third-party and fan-made games. "We're probably one of the first gaming companies to open up our system to community projects," he said. "There are so many fans who have been pouring their love and passion into creating these sites and we wanted to build a pathway for them to co-create with Neopets." Those projects are part of an "ongoing dialogue" with Neopets users that Law has sought to foster since he took the helm of the company. He hosts a monthly "Ask Me Anything" thread on Reddit, where there is a very active Neopian community, taking questions and suggestions about the future of the site. Neopets has also created an ambassador program, which chose a handful of accounts from dozens of applications to work directly with Neopets teams to improve the site and the user experience. Similar to Reddit's volunteer moderator system, the ambassador program is an unpaid opportunity for super-users to have a bigger say in how the site is run. Such efforts to connect with Neopians have given many users hope that their experiences will be considered, particularly after the parent company experienced major backlash over a 2021 attempt to dive into NFTs and cryptocurrency. One user who goes by evilfaerie said the dialogue with fans had course-corrected that debacle. "The new owners seem to be actively engaging with the community," they said. "Because they are millennials who grew up on the site, you can see that their efforts are a labor of love – it makes it more meaningful."