

"Pokémon Go" Opens Up Mass Market for AR

Written by Bob Snyder
15. July 2016

It's only been a week since its release, but even New York City is rocked by a new and "wildly popular augmented reality game."

For CE dealers, this marks two trends: **it will accelerate interest in other AR and VR products**, so it's a good time to increase familiarity with the category. And it marks a big shift for a CE giant as its success means the penny has dropped for **Nintendo: they will now aggressively enter the mobile gaming industry with all their resources** (probably even developing their own brand of mobile device accessories).



Nintendo's **Pokémon Go** is so popular it will soon overtake Twitter and other famous social media in numbers of daily active users (according to Android statistics).

It's so popular in just a week that NYC police have felt compelled to issue warnings, some tongue-in-cheek, but nonetheless urging Pokémon Go players "to be aware of their surroundings at all times, particularly when using any hand-held electronic device." The 19th Precinct of Manhattan added a Twitter message: "Don't let us catch you catching #Pokemon while driving, you can't do both!"

According to The New York Times, "Pokémon Go" is "on nearly every New York City sidewalk" as an increasing number of New Yorkers have been chasing virtual creatures since Pokémon Go came out last week.

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Nintendo's AR game sends players out into the real world to catch about 250 virtual Pokémon via a smartphone "grab" (when Pokémon appears on the screen, the user flicks Pokéballs--collected earlier from blue Pokéstops on route-- to capture them.)

Niantic, the company which developed Pokémon Go, wanted to get people out and active so the game uses augmented reality to get users out and about. It requires users to walk around and uses a pedometer to track users. Your smartphone's GPS and clock detects where and when you are in the game and make Pokémon "appear" (on the phone screen), encouraging you to go and catch them. As the user moves around, different and more types of Pokémon appear depending on where you are and what time it is-- all designed to encourage you to travel around in the real world to catch Pokémon in a virtual game.

Players ("trainers" in Pokémon parlance) can even battle their Pokémon catches against other players at "gyms," a Pokémon Go term for locations like The World Trade Center or St. Patrick's Cathedral (although a church seems a somewhat ironic place as a designated site for virtual fights).



There is also an optional game device coming soon: Nintendo's **Pokemon Go Plus**, the game's \$35 wearable add-on, already commanding a 3X higher resell price on eBay. Like a smartwatch, the Plus can be worn on the wrist and used to execute in-game actions such as catching a Pokemon. The device can be connected to smartphones using Bluetooth, and will flash its LED and vibrate to notify players about nearby Pokemon.

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Pokemon Go Plus will most likely be the hottest wearable product of the year. Despite recent brouhaha about privacy issues, the game only captures similar data that should stop people from using Google or Facebook. (Yes, more serious types might see security issues as a deal-killer but they are not the likely target market anyways.)

The original Nintendo game became an impressive fad called "**Pokémania**" in the late 1990s. But few realize it is based on a popular hobby in Japan: bug collecting!

The Pokémon games take place in a world of powerful creatures (made more exotic in the West by their Asian design) who look like rats, snakes, dragons, dinosaurs-- even like trees and swords. Pokémon "trainers" travel around the globe to tame these creatures and even fight them against each other.

After the games from Nintendo's handheld consoles came spinoffs: a popular TV show, movies, trading cards, and the usual merchandising. The franchise has continued to be popular since then, but not in fad-like proportions.

Now Pokémon is back with "**Pokémania Go**"-- and if you remember the Pokémon impact on Nintendo HH console sales-- you will understand why Nintendo now must instead leverage the ubiquity of the smartphone, and change its business model to make money in new ways. Mobile phone owners eschew handheld consoles, but their passion for games still remains.

This leaves Nintendo figuring out how to monetize their gaming platforms in a mobile phone world-- and it will lead them down different roads, including (in our view) with a high probability Nintendo will soon be knocking on CE dealers' doors with other Nintendo branded mobile device accessories. And if they have even half the appeal of the Pokémon Go, these accessories will be flying out of retail doors and retail windows.

Go [Check out the **Pokémon Go** impact in one city, New York](#)

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