

# Four lessons learned from Pokémon Go

 By Lee Naik

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The global phenomenon that is Pokémon Go has taken over America. The augmented reality (AR) based smartphone game is now making waves in Europe. But Pokémon Go is much more than just a game. It demonstrates a future in which we start to understand and experiment with different ways to interact with people, and for businesses, their customers.



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If you've been living under a rock and have no idea what Pokémon Go is all about, allow me to bring you up to speed. Two weeks ago, Niantic Labs partnered with gaming company Nintendo and Pokémon Co, and released Pokémon Go. The new smartphone game that has fans chasing virtual monsters through actual city streets has boosted the market value of Nintendo by \$9 billion.

Just one day after launching in the US, Pokémon Go was making more money than any other gaming app. According to analytics firm AppAnnie, the game was making \$1 million a day, and could make a billion dollars a year once it launches in more territories, adds more features, and irons out server kinks.

What the triumph by Pokémon Go does is raise a few questions about the possibilities of AR and whether this is the future of customer engagement and consumption. Bear in mind that not only has [Nintendo risen from near obscurity](#) and become relevant once again, but the overnight success of its new smartphone game shows just how technology such as AR is changing the way we interact. What lessons can we learn from all of this?

## 1. Know what your customers want

We often talk about the best ways to get into the heart of the customer, but Pokémon Go creates a new path for how to get customers to come to you. It helps to give us a broader view of what AR can do, and what it means for the customer experience and for service delivery. The modern era of what we call living services uses analytics to crunch customer or product usage data, harvested by devices, to better understand customers' behaviour and their personal preferences. Living services have come about as a result of the world becoming increasingly more digitized, with sensors in virtually every device, and people's agile, changing expectations.

Pokémon Go has been a success thus far because it takes users beyond the VR suit, and gives them something different – perhaps rekindling a childhood memory – through a digitally-augmented experience. Living services inject life with the instant gratification and richness of digital. This may include an AR experience to ultimately improve the overall customer experience while creating a new service or improving the retail experience.

Living services speak specifically to an organisation's ability to respond to customer behaviour dynamically, while allowing that company to tailor the delivery of its services to suit individual customer behaviour. This may be through incentivising customers to increase their physical activity, for example, or to reach a certain goal or use a particular rewards partner.

With all this personal, multi-channel, real-time data flying around, there are the inevitable questions we need to ask about privacy and ethics. Who will own and have access to all this highly sensitive data? And what are the ethical implications for individuals and brands of our increasingly connected, trackable digital lifestyles?

## **2. Provide a consistent experience**

People often talk about the consistency of an experience with a brand. Pokémon Go again raises the question for businesses to identify the correct channels to go to market, while providing a consistent omni-channel experience for customers.

Augmented reality is going to change the way people relate to one another. Most new technologies find useful applications. While most AR lives on smartphones like apps, the biggest difference with Pokémon Go is that its AR gameplay requires you to be outside, which means it's far more social than sitting in your living room.

## **3. It's not just a game**

The gamification of services can simply be identified as design elements borrowed from video games that make a user interface more engaging. However, gamification can encompass an entire behavioural design framework that makes experiences more enjoyable.

As Pokémon Go has shown, AR can be great fun from a gaming perspective, but it also presents numerous business opportunities, including industrial maintenance (allowing fieldworkers to access instructions and information), education and training facilitation, elevating location-based services with mobile AR systems, stimulating brand recognition with social-augmented reality games, and uplifting product and brand communication to consumers.

The takeaway here is that the success of Pokémon Go has resulted in the provision all kinds of peripheral services from individuals who see the opportunity to monetise their ideas. This simply shows that there are use cases for immersive experiences presented by AR and VR technologies. For Nintendo to monetise Pokémon Go is clearly through paid advertising or paid deals that encourage players to converge on a particular physical location. Sponsored locations also allow retailers and brands to tap into the phenomenal success of the mobile game.

## **4. AR is the future**

In situations where the real world has a role to play, for example in the physical retail environment, AR is currently the most effective technology choice. As we become increasingly digitized consumers, we find ourselves firmly in the era of living services mentioned earlier. While it is possible to imagine strong business scenarios where people will interact solely with digital constructs in a virtual setting, AR is of much more use in a typical customer scenario such as retail where it can assist sales staff with proactive prompts and on-demand information that will aid the sales process.

What Pokémon Go shows us here is that real and virtual worlds are increasingly converging. The lesson then is that organisations should be actively tinkering with AR and VR to uncover their true potential. If you're not experimenting with these technologies yet, you risk being left behind. Don't be afraid to try new things, but understand that if you fail you need to fail fast.

IDC predicts that by 2018, the number of IoT devices will hit 22 billion, which is expected to drive the development of 200,000 new apps and solutions. As sensor, tracking and data processing technologies improve, wearable devices will be able to offer serious AR and VR applications.

In such situations, the value of digital is not to disconnect the customer from the activity, but to enhance it. In my opinion, this is why AR is the future technology to adopt. For the first time in history, mobile devices offer enough grunt to deliver the living services we've all been waiting for.

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Lee Naik is the CEO of TransUnion Africa.

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