

HOW TO LEVERAGE THE “POKEMON GO” PHENOMENON IN GRABBING BUSINESS OPPORTUNITIES

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Abstract - This study, through the investigation of Pokémon GO, aims to introduce how a social phenomenon could evoke business opportunities. It also illustrates how to manipulate social trends to carry out promotional activities through real-life cases in various industries.

Keywords - Mobile Apps, Business opportunities, gaming apps, retail management

I. INTRODUCTION

Pokémon GO's fantasy franchise has already shaken the global market within extremely short amount of time. The impact of Pokémon GO is not only seen in the app game business but also in other marketplaces such as the retail industry. As the game proceeds to surpass any previous mobile games yearly revenues with its initial launch, Pokémon GO is providing companies lucky enough to operate near pre-existing PokéStops and PokéGyms with business opportunities that has helped boost daily sales and profits. The only limitation is companies' imagination in creating Pokémon-centric promotions to attract additional customers.¹

This study aims to introduce how a social phenomenon from a mobile gaming app could evoke business opportunities. Through the investigation of Pokémon GO, it also illustrates how to manipulate social trends to carry out promotional activities through real-life cases in various industries.

II. HOW RETAILERS CAN MAKE USE OF POKÉMON GO TO CARRY OUT PROMOTIONS

2.1. Restaurants and Bars

Not every business could monetize the Pokémon GO fad, but food and drinks sales at restaurants and bars had definitely spiked. Specifically, by 30 percent compared to a typical weekend at L'inizio Pizza Bar in New York, “people are coming out of the woodwork because of this game”, claimed manager Sean Benedetti. With only about \$10 to purchase “Lure Modules”, a special kind of lure that attracts Pokémon to Pokéstops, L'inizio had successfully retained Pokémon players by this location-based advertising.² Pokéstop is a feature in the game that requires players to physically walk around a town's landmarks to receive items; manipulating the use of the fantasy landmark is key.

Though L'inizio had no affiliation with the Pokémon company, but because of the physical energy drained

from walking long distances, the craze for catching them all had encouraged players to purchase food and drinks to replenish their energy. The creation of needs and wants for refreshments had then turned into a demand, making it easy for bars and burger restaurants in America to be the supply. And by investing only a small amount of money into in-app purchases, restaurants like L'inizio has been able to achieve obvious results in gaining popularity and profits. It is likely that most businesses want to have a low budget promotional campaign but with super-effective results.

Similarly, Persona Pizzeria located in Santa Rosa, created a Pokémon Battle Royale in attracting Pokémon GO players. As the game incorporates a small competition factor, where players of three teams (Instinct Yellow, Valor Red, and Mystic Blue), fight for control over Pokémon Gyms (Locations of these gyms are located at local landmarks, just like Pokéstops). Persona Pizzeria had a Pokémon Gym nearby, and claimed that the top three trainers of the Pokémon Gym would be awarded “free pizza for a year”. This appealed to and captured the attention of pedestrians, and to give them more time that might visit the restaurant. Persona Pizza is another example to show how to successfully use mobile-location virtual game into bringing offline customers into their shop. Other than spending money directly into advertising promotional incentives, offering innovative and constructive competitions seemed to appeal to Pokémon GO players as well. The cost in creating such an event would only be marginal for Persona Pizzeria as only time and the store's assets were being used. This converted resources to other uses; in this example, a year of free pizza for a loyal customer, would ensure free advertising on social media as well as local residents spreading information about the restaurant by word of mouth, which are beneficial to smaller sized restaurants. Competition did not stop at Cap'n Jaspers, located at Plymouth of United Kingdom next to Whitehouse Pier, created smoothies of colours of the three teams in Pokémon GO. The vibrant colours would be eye-

catching to tourists during summer. While supporting the team, players could appeal to the special team drink in order to raise popularity of the team. This sense of competition could be put more to use in different campaign strategies to increase the number of business transactions. While adding a customization, smaller businesses are not restricted to maintain its brand image and reputation, and hence they can be bolder in trying out unusual strategies. On the other hand, big corporate concerns and franchises could work in cooperation or collaboration in building prestige products that smaller enterprises cannot afford.

Other than the competition factor, La Vieja Toscana in Mexico designed specialized Pokéball pizzas. As a local pizza maker, they were able to offer special customized pizzas to its customers by offering non-standard pizzas against major competitor giant Domino's Pizza in the region. This gave a competitive advantage in the customization and variety La Vieja Toscana can offer. By playing with not only the ingredients of the pizza, they could also offer different designed pizzas to draw in customers so they would choose them over Domino's Pizza.

In order for a smaller-sized pizza restaurant to maintain a healthy flow of customers, it is important to create uniqueness, so they could obtain a part of the market share. As Pokémon has been a great hit since the late 1990s, the collective memory that children who had grown up during this time will be reignited. The creative design would also allow small children to recognize the pizza as a Pokéball, an item used in Pokémon to capture Pokémon.

2.2. Zoos

Other than purely consumables, Pokémon GO has also infiltrated areas of a similar nature: zoos. While the world of Pokémon and its unique creatures do not exist in the real world, zoos that own real-life creatures still want to get into the "virtual animal" game. Lehigh Valley zoo in Pennsylvania in America and Paignton Zoo Environmental Park in United Kingdom are opening after hours for Pokémon trainers to visit their Pokéstops and gyms. Because of the feature that requires players to walk around physically, people are beginning to explore new places in their familiar town.

The event created by both zoos has led to increases in visitor traffic each day. Although Pokémon's appearance seemed to have been randomly generated by Niantic (Pokémon GO's creator), players are beginning to recognize patterns in where rare Pokémon may appear. This causes players to visit different landmarks in order to complete their collection in the Pokédex, an encyclopedia of the Pokémon world. Regional Pokémon are also in the game, located in North America, Europe, Australia,

and Asia, forcing players to have to travel across the world in order to "catch them all".

2.3. Shopping Malls in Asia

While with Pokémon, zoos had additional incentives to attract customers to their business, it was still more profitable to place Pokémon on a better B2C medium. A mall in the Philippines has created a giant Pokéball within their vicinity to follow the trend. The iconic globe of SM Mall was turned into a giant Pokéball and the Pokémon universe seemed to increasingly intersect between the fantasy world and the real world on much higher intensity than could ever have been imagined.³ Luckily, the SM malls were filled with Pokéstops at the different landmarks, allowing the mall's marketing team to invest in filling up the mall with "lure parties", which happens when Pokéstops are refilled with Lure modules, and therefore attracting large amounts of Pokémon to fill in at the location. An unconfirmed fact that the more populated an area is, the more special Pokémon and amount of Pokémon will "spawn" within the vicinity, ensuring customers would repeatedly revisit SM malls. Inside the SM malls, retailers filled their special areas with Pokémon-related products, thus boosting customer flow within the mall. The collective synergy required for Pokémon GO players to gather together created means that they invite other friends to join in these parties, giving the mall free advertising by word of mouth.

Another example proving the success of this strategy, Q Square shopping mall and Miramar Entertainment Park located in Taiwan claimed to have growth in profits by 50% and 2.5 times as many usual visitors compared to weekends before Pokémon GO's release. Events created to play within the vicinity included catching the required amount of Pokémon to redeem virtual currency of up to \$2000 TWD (~\$500 HKD), allowing participants to redeem rewards online for Pokécoins. On top of the special Pokémon events, small vendors were invited to operate pop-up stores, selling Pokémon-related items such as smart phone Anti-Blue light screen protectors, external battery smart phone chargers, and Pokémon plushies, as well as providing users with stations to charge their phones.⁴ The two factors pointed out here are that adults who grew up in the Pokémon era had a good amount of spending power, and that Pokémon GO had created different needs and wants. As a player that grew up in the Pokémon era, it is inevitable that they would want to purchase Pokémon merchandise.

III. VR NEW BUSINESS OPPORTUNITIES

With the aid of Pokémon GO's heat, local businesses working around VR also gained popularity. Taking it up a step, different business entrepreneurs tried to persuade clients on a B2B level with reference to Pokémon GO. A small enterprise in Hong Kong,

Room3, claimed to have been unsuccessful over the past year in negotiating business with its clients as they speculated the potential in VR real estate visits to attract customers. But because of Pokémon GO, Room3 had over 35,000 likes on Facebook, and clients became more open to their innovative product. Using Google Cardboard as VR equipment, Room3 was able to present VR of the exact replication of rooms recorded at high resolution using GoPro. A 360 degree representation allowed clients to visit the location without physically having to visit. Room3 also believed that VR technology will not be limited to just what they were doing now, but would expand to become its own industry, offering services to hotels, shopping malls, and amusement parks with featured VR recordings. They believed that this would become a new promotional channel and would break the misconception that VR was just a gimmick.⁵

IV. POKÉMON GO'S EFFECT ON PRODUCTS AND SERVICES

On the B2C level, Pokémon GO's global phenomenon had also boosted sales in services regarding to selling overseas unlimited mobile data plans and renting WiFi eggs (mobile WiFi devices), especially within the Japan region. With doubling sales in selling unlimited mobile data plans and WiFi eggs, the company's creator Michael Lee observed that there has been an increase in profit of 20% compared with the previous month sales of July. He believed that around 8% - 10% of his company's clients were attracted because of Pokémon GO. Additionally, compared with June, an increase of 20% - 30% of its clients inquired about the WiFi egg's speed, capacity, and unlimited data, simply because clients were more concerned about whether they are able to catch Pokémons while overseas. As Pokémon GO requires heavy battery consumption, Hong Kong retailers also claimed to have increased sales in mobile charging devices, 15 times more than usual.⁶ This was another example showing how external battery retailers act as suppliers to Pokémon GO players' demand for extra battery life to extend their playtime.

CONCLUSIONS

Only time can tell which companies' promotions will be effective in line with Pokémon GO. Nevertheless,

one thing for sure is that it can be observed that companies ranging from small to large enterprises were all affected by Pokémon GO. The depth of market penetration will be measured by how deep the market is. From purchasing food and beverages to incorporating VR technology to different business opportunities, Pokémon GO had successfully revolutionized the world once again, 20 years later. As other augmented reality games will soon begin to emerge, it will be interesting to observe the different challenges that different mobile applications will bring and what other products and services the market is able to surface from its recoil. Similar to Pokémon GO, the next big business to take the world by storm would have to be another ground-breaking technology gadget that blurs the definition between the online and the offline world.

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