

ARTILLY DATA BRIEFS

POKEMON GO USAGE STATS AND SUCCESS FACTORS

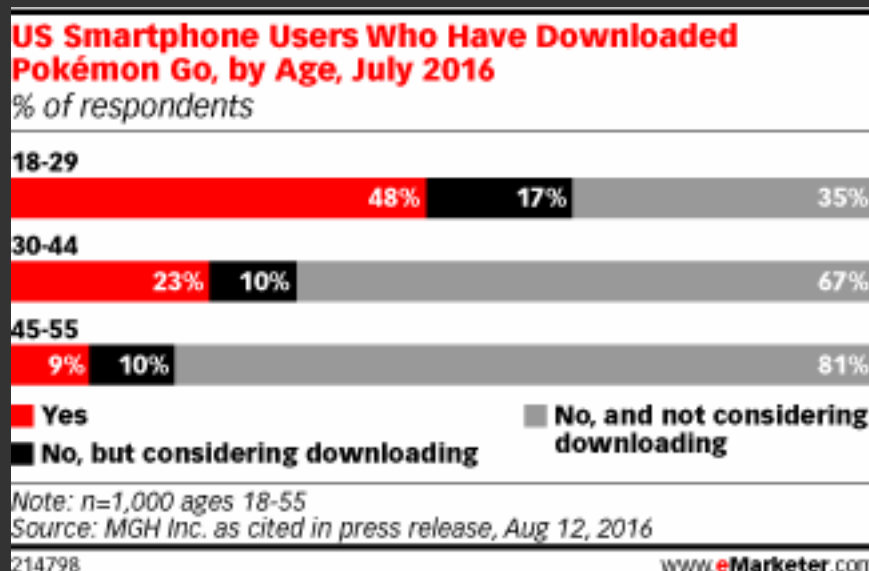
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What usage patterns are evident in Pokemon Go? This is important given that it's arguably AR's biggest success story so far, and can therefore have replicable tactics and best practices. Given AR's nascence and lack of benchmarks, data like this can be valuable in vetting product models.

Business of Apps recently aggregated Pokemon Go usage data, which we've combined with a few other sources and narrative insights peppered below. Starting with basic usage, there are about 65 million monthly active users (MAU), and the app has made about \$1.4 billion in revenue.

Quick stats

Monthly Active Users — 65 Million
 Total revenue to date — \$1.4 billion
 Average revenue per DAU — \$0.25
 Percentage of iOS users that do in-app purchases — 80%
 Time Android users spend with the game daily — 43 minutes
 Three day retention — more than 60%
 Gender female vs. men split percentage — 40/60
 The App Store rankings — 3 stars
 Google Play rankings — 3,2 stars

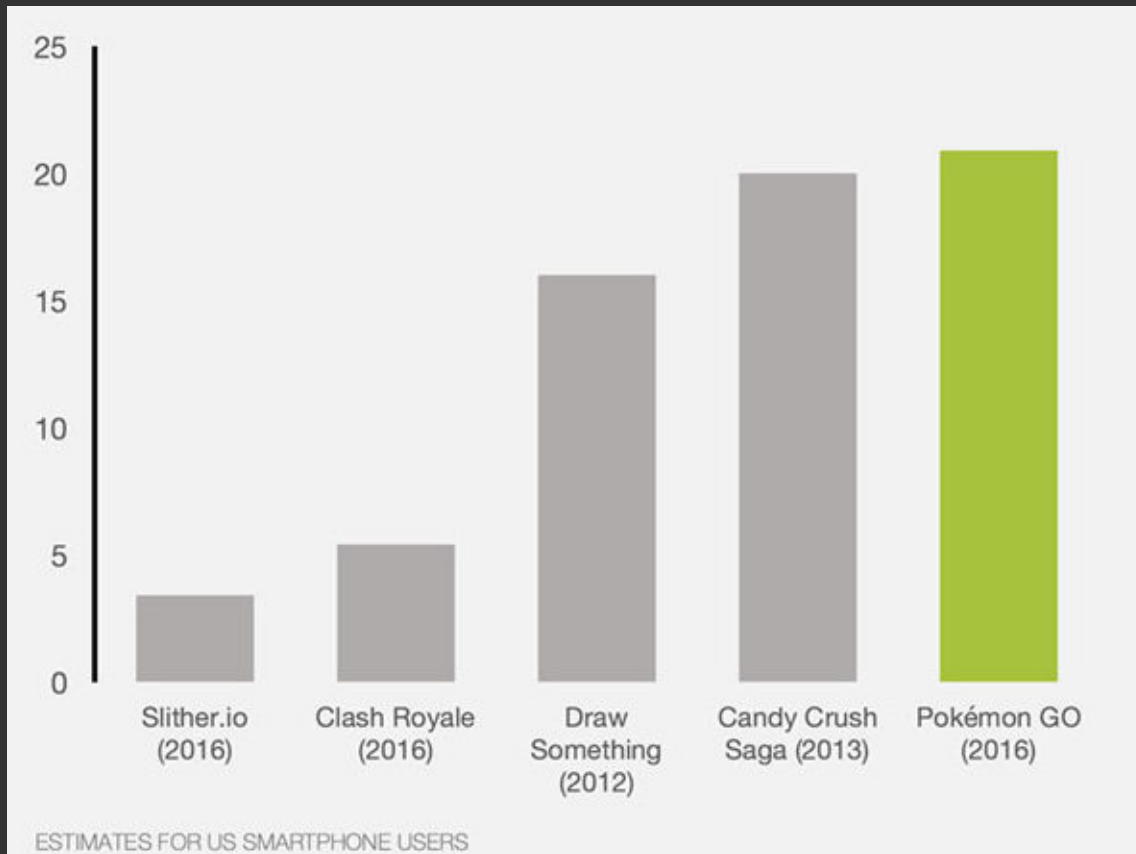


Active Usage: The First Step to Monetization

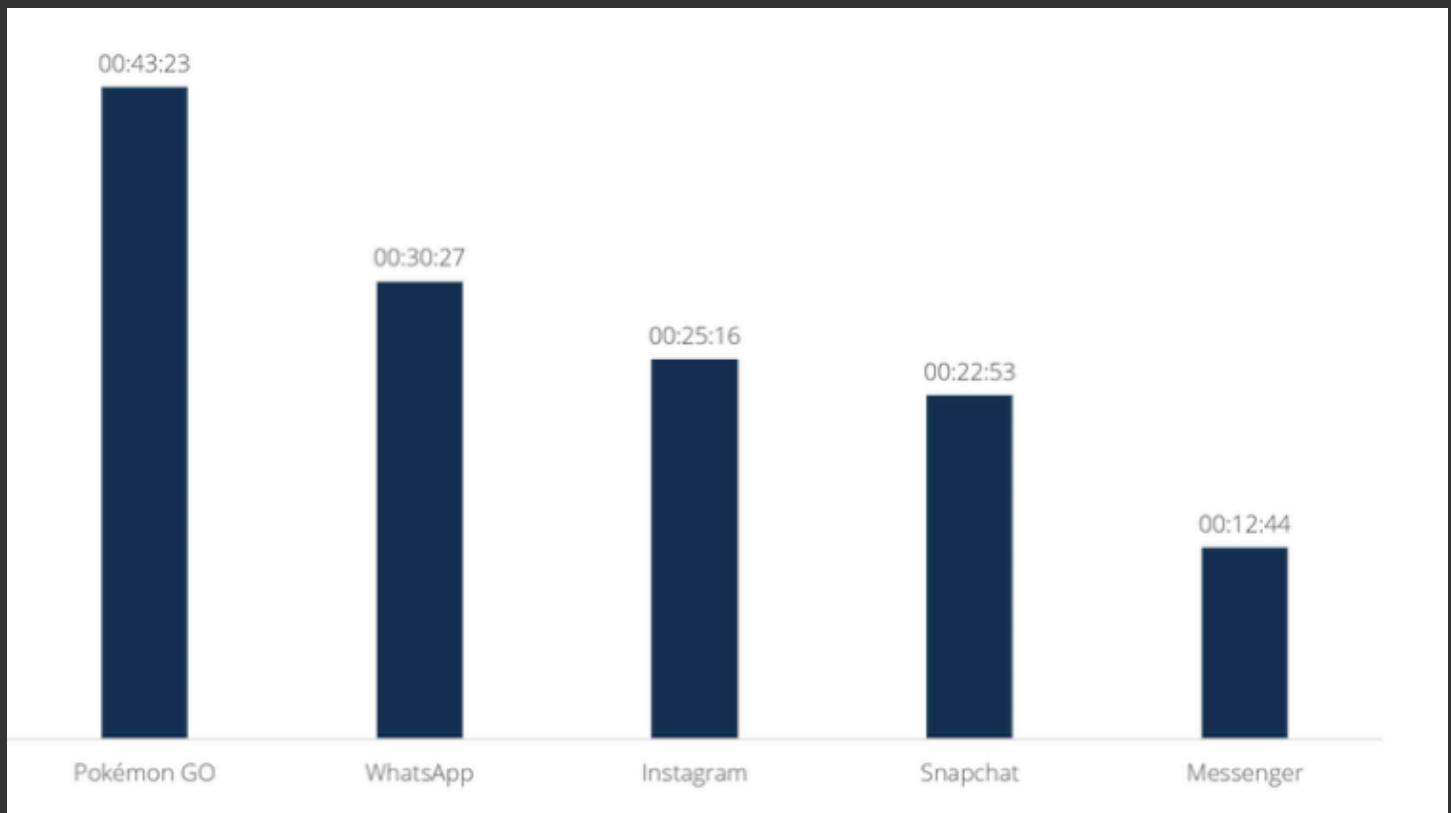
Drilling down further, a key metric in app success is active usage, as we've recently analyzed. It's important for ongoing engagement levels which are the basis for monetization models that continue to develop. And on that measure Pokemon Go shows strong active use and "stickiness."

This has a lot to do with its game mechanics that blend novelty with ongoing challenge and leveling up, while striking a balance of attainable goals. There are social and multi-player aspects to the game that likewise drive that sticky and active ongoing use. And it outshines benchmarks.

This includes active daily use, as well as session lengths. For the former, Pokemon Go outperforms popular games such as Candy Crush. It's also notable that the apps that outperform Pokemon Go are social, indicating once again that social=stickiness and network effect.



Pokemon Go Active Daily Use (in millions). Source: Survey Monkey



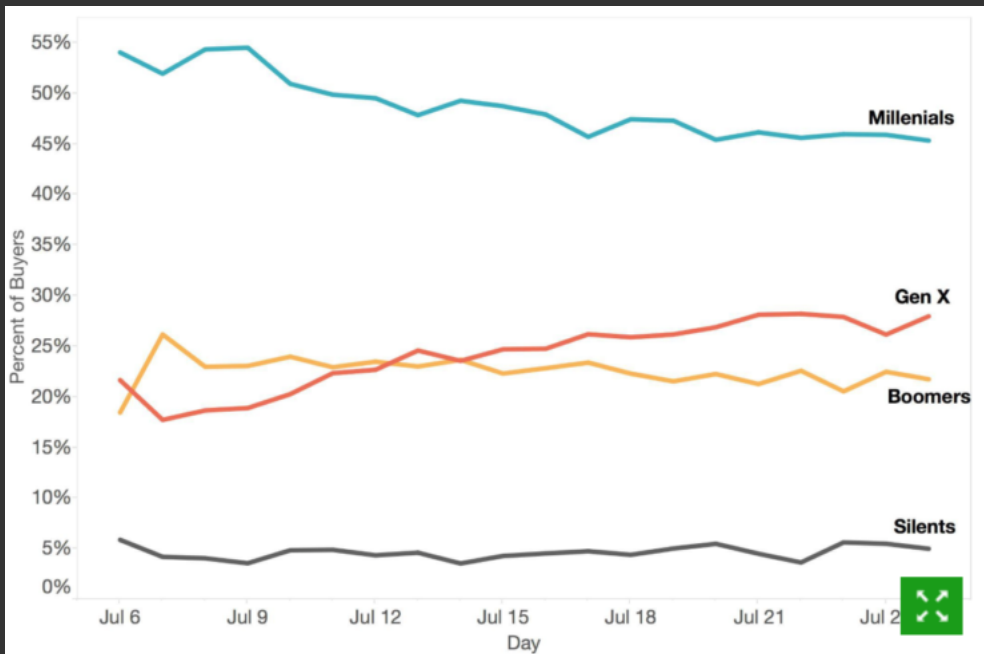
Time that Android Users Play Pokemon Go Daily (in minutes) Source: SimilarWeb

Monetization: What Really Matters

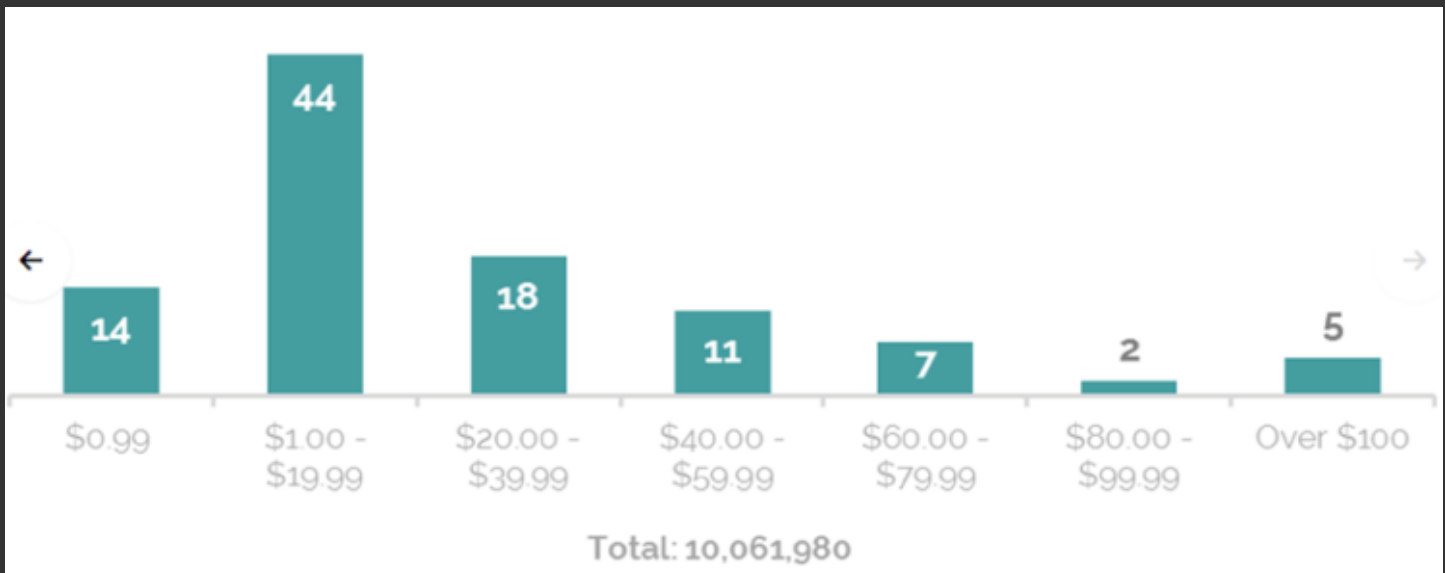
The above comments about active usage leading to monetization can be further validated by the fact that Pokemon Go shows strong monetization metrics. That includes key performance indicators like average revenue per user (ARPU), which it has driven mostly through in-app purchases (IAP).

As we examined recently IAP will be an important source of revenue in consumer mobile AR. This hypothesis comes from historical evidence in the smartphone era, and AR's unique engagement levels — when done right — that could drive purchases, as opposed to ad monetization.

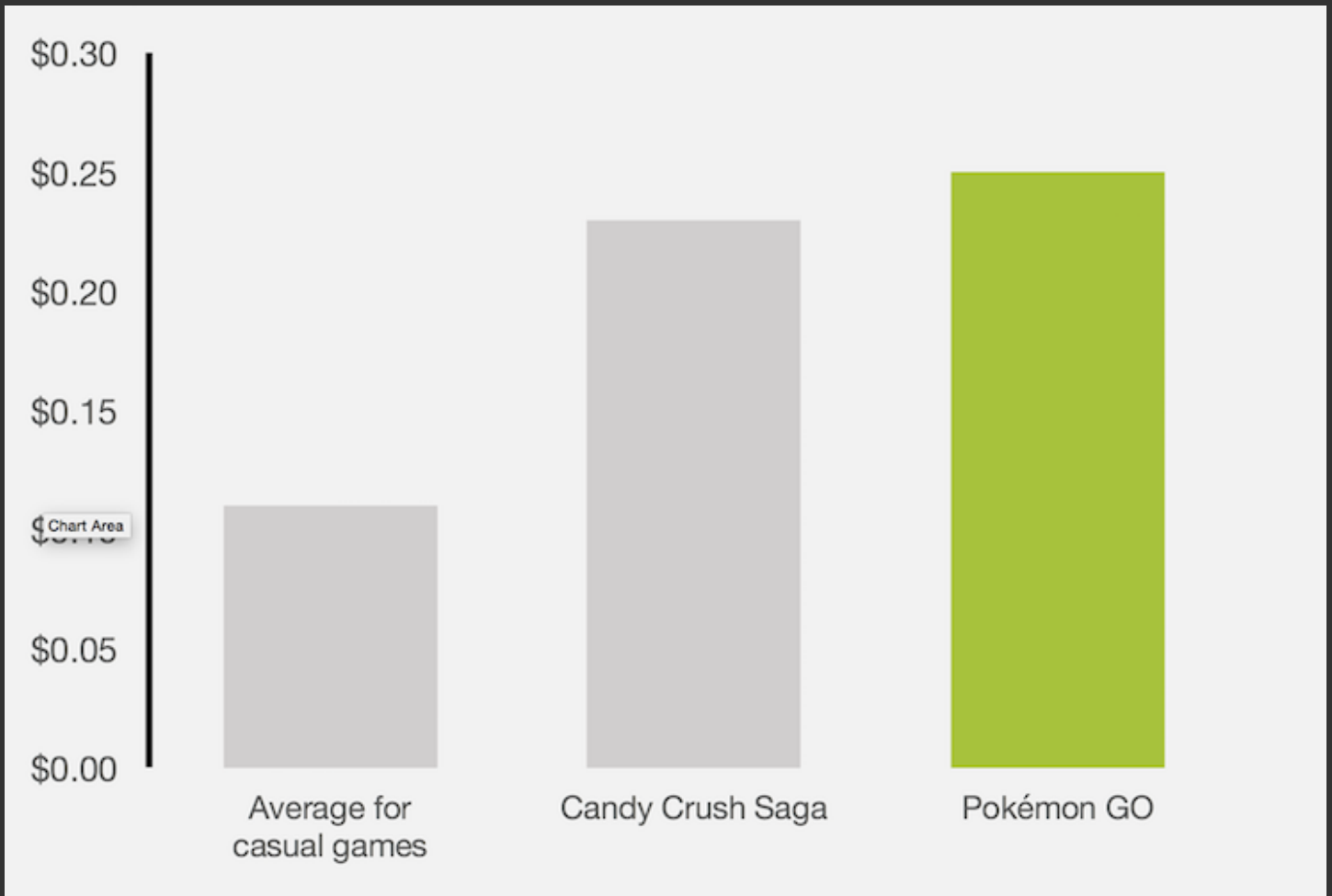
Specifically, Pokemon Go shows strong metrics for percentage of users that purchase in-game items using IAP. For example, about half of millennials users purchase within the app. Other metrics include ARPU and overall monetization compared with other popular games and apps.



Pokémon GO players that make in-app purchases, by generation. Source: Techcrunch

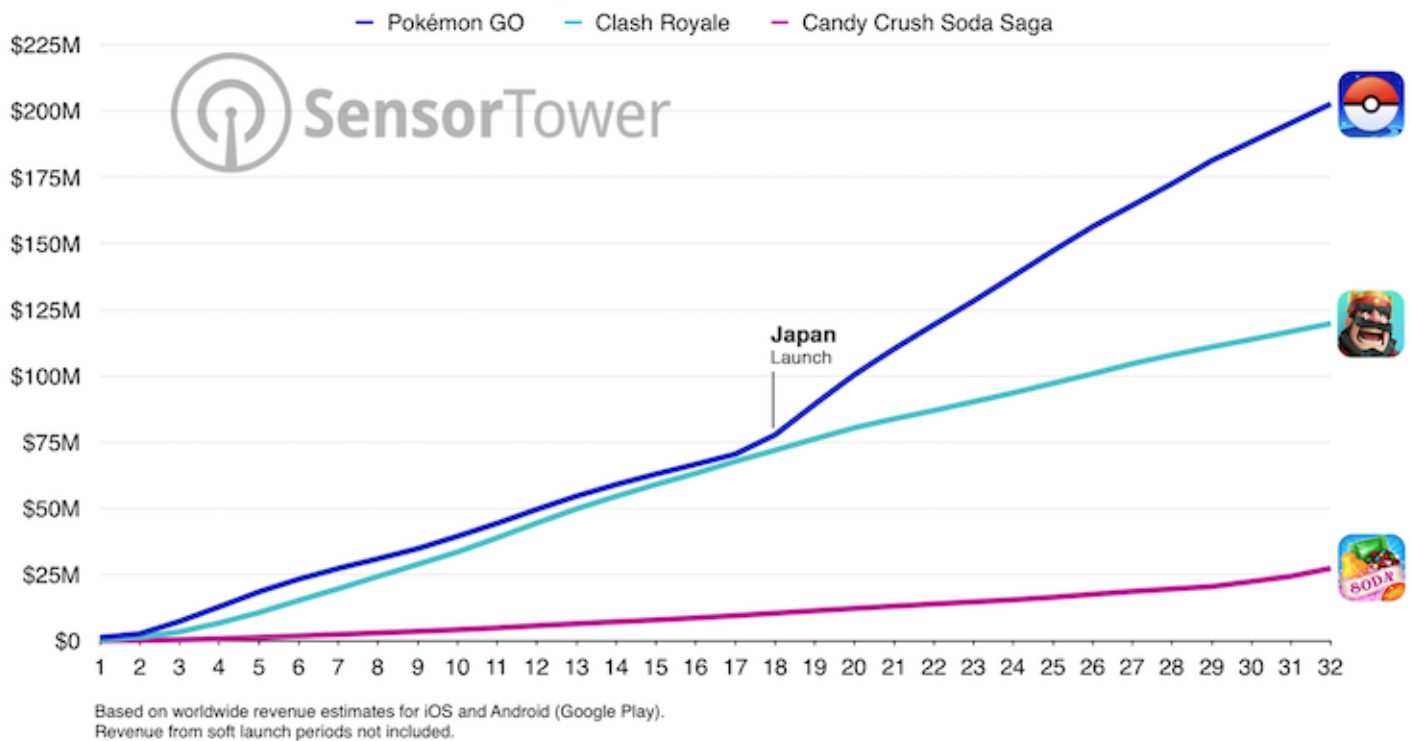


Pokémon GO U.S. in-app purchase amounts, by percentage of users. Source: YouGov



*Pokémon GO average revenue per daily active user, compared to other games (in U.S. Dollars).
Source: TechCrunch*

Pokémon GO vs. Top Grossing Mobile Games: First Month Cumulative Revenue

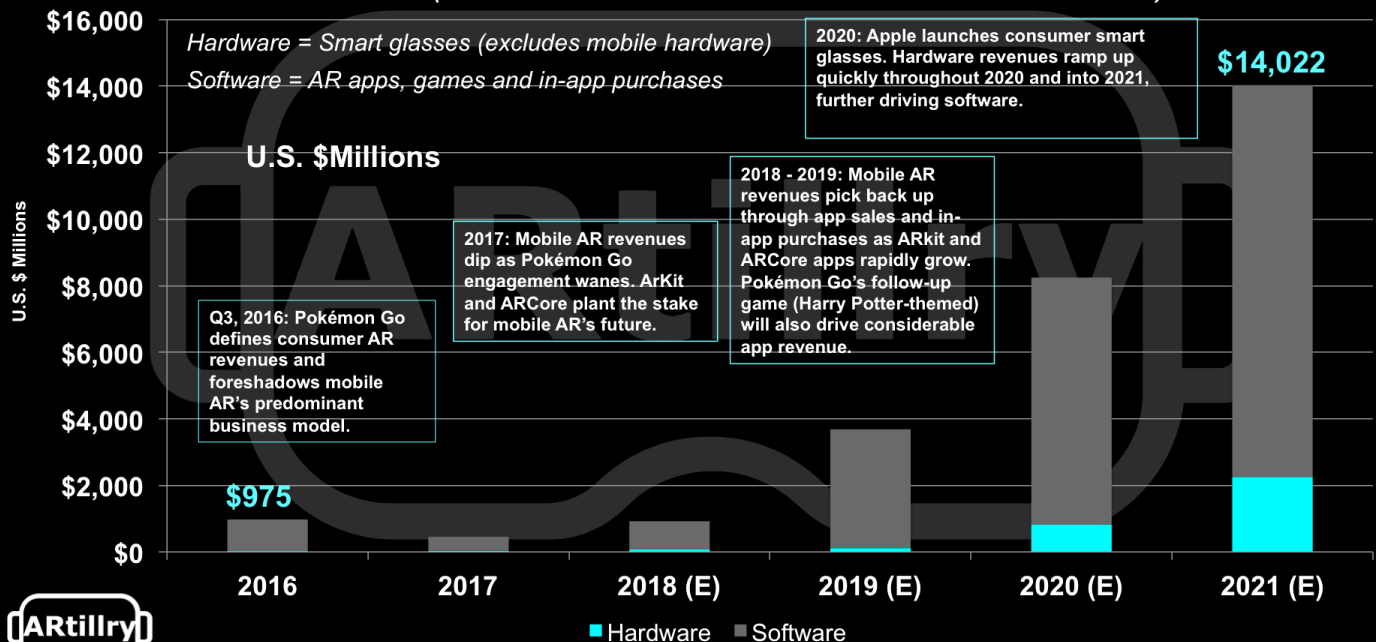


A few takeaways include the fact that Pokemon Go has several factors that drive its success: engaging play, strong IP (the Pokemon Brand) and some social/multiplayer mechanics. The latter could be dialed up a bit and will be a key component of mobile AR models and killer apps.

As for IP, more lessons about AR best practices will flow from Niantic's follow up to Pokemon Go, Harry Potter, Wizards Unite. Meanwhile, it's all about absorbing as much usage data as possible to draw insights and apply learnings in this early and experimental phase of consumer AR.

CONSUMER AR: HARDWARE VS. SOFTWARE

SIMPLIFIED VIEW (YEAR-BY-YEAR AND CATEGORY SEGMENTATION AVAILABLE)



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Video Companion: Mobile AR Strategies

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About ARtillery Intelligence

ARtillery is a publication and intelligence firm that examines augmented reality and virtual reality, collectively known as XR. Through writings, data and multimedia, it provides deep and analytical views into the industry's biggest players and opportunities. It's about insights, not cheerleading.

Run by career analyst and journalist Mike Boland, coverage is grounded in a disciplined and journalistic approach. It also maintains a business angle: Though fun and games permeate VR and AR (especially the former) long-term cultural, technological and financial implications are primary.

Learn more at <https://artillery.co/about>



About the Author

Mike Boland was one of Silicon Valley's first tech reporters of the Internet age, as a staff reporter for *Forbes* (print) starting in 2000. He has been an industry analyst covering mobile and social media since 2005, and is now Chief Analyst of *ARtillery Intelligence*, covering emerging tech.

Mike is a frequent speaker at industry conferences such as VRLA, ad:tech and LeadsCon. He has authored in-depth reports and market-sizing forecasts on the changing tech & media landscape. He contributes regularly to highly read online news sources such as *TechCrunch*, *Business Insider* and the *Huffington Post*.

A trusted source for tech journalists, his comments have appeared in A-list publications, including *The New Yorker*, *The Wall Street Journal* and *The New York Times*.

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