

## ARTILLYR DATA BRIEFS

POKEMON GO HAS MADE \$2 BILLION TO DATE

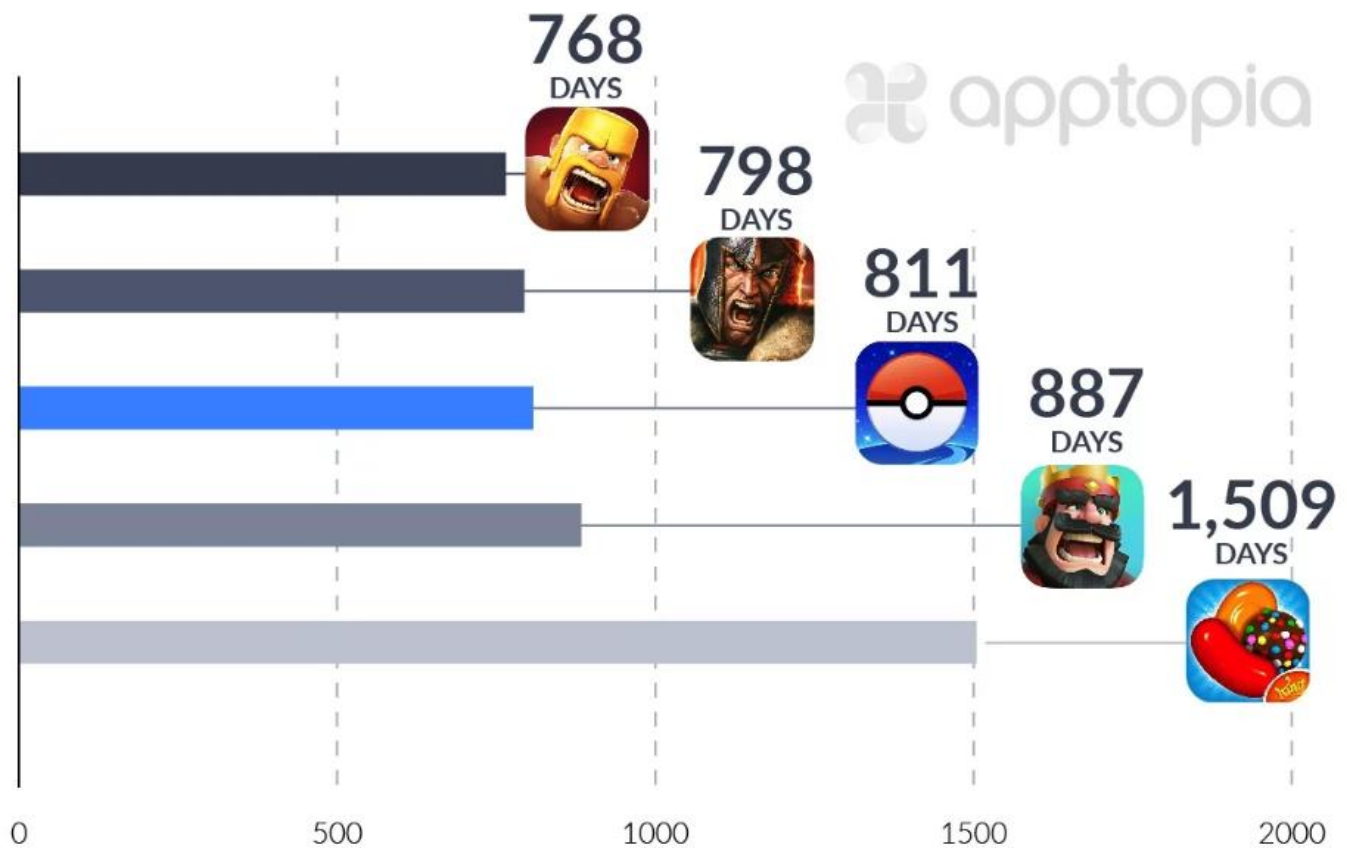
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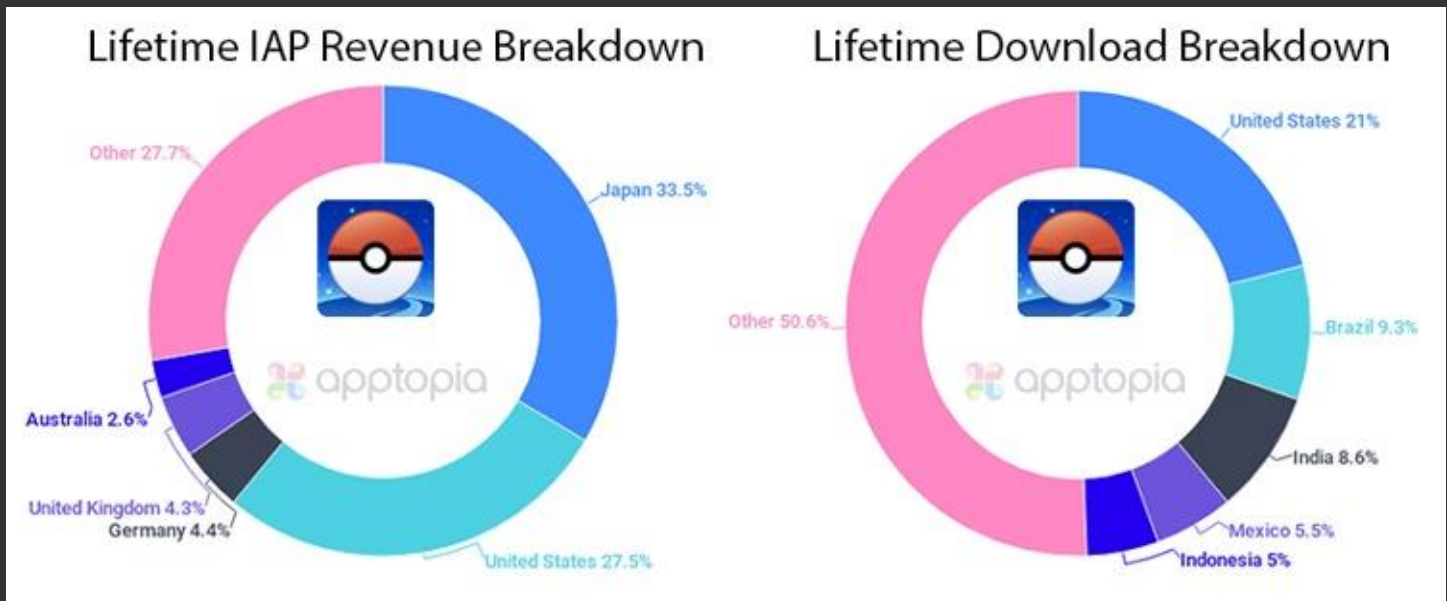
Though it's down from its late-2016 peak, Pokémon Go continues to get lots of active use. It's not as large in the collective consciousness through news headlines, but a sizeable core base of users continues to engage, driven partly by updates and new generation releases.

Its new feature that will track and gamify players' steps in the background should also add new dimensions of play. Meanwhile, it appears that after a 2017 lull, lots of players have already re-engaged with the game. Niantic reports players walked 53 percent more in 2018 than in 2017.

Quantifying this activity in financial terms, Niantic also reports that the game has made \$2 billion in revenue to date — 811 days. We expect engagement and revenues to grow as Niantic integrates new AR cloud functionality that it picked up through acquisitions of Escher Reality and Matrix Mill.

## DAYS TO \$2 BILLION IN WORLDWIDE IAP REVENUE





All of this functionality is baked into its Real World Platform, which is an important milestone in the AR ecosystem. It's a toolset that will enable app developers to build experiences on top of the infrastructure that Niantic spent years building up the hard way. We call it AR as a service.

But as it builds that platform as a revenue center, the functionality can flow back into Niantic's own titles like Pokémon Go and the forthcoming Harry Potter: Wizards Unite. The jury is still out on if the latter can see the same breakout success as the former, but the IP is strong (half the battle).

Besides providing an important service to jumpstart the mobile AR ecosystem, Niantic has done everyone a favor by validating the business model. Back to the \$2 billion figure, it's important to note that it's all in-app purchases. This is invaluable market research for any emerging AR apps.

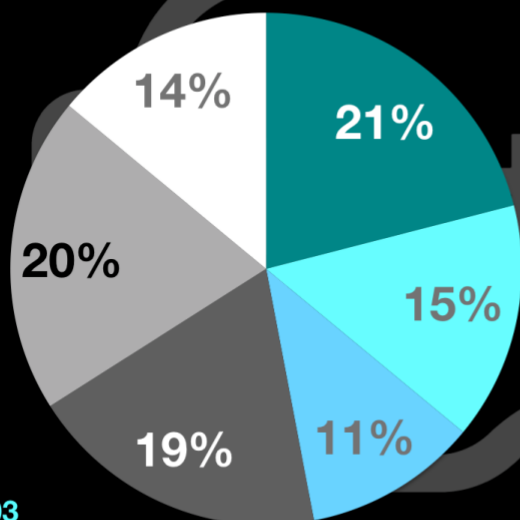
As we've calculated in our recent 2018 Fall forecast, consumer AR revenues will grow to \$16.5 billion by 2022, which is mostly software until smart glasses arrive. And within that software revenue category, in-app purchases dominate. This is partly informed by Pokémon Go's model.

Other support for IAP as a prevailing revenue model comes from our consumer AR survey data (see below). There too, in-app purchases are validated as a payment method that consumers are comfortable with. It stands to reason that early/unproven technology has high price sensitivity.

This will be a moving target, but we're already seeing early success factors in AR games. Though Pokémon Go's gameplay is light on AR, that will change as Niantic continues to acquire, develop and integrate spatial computing into the Real World Platform. We'll be watching closely.

## MOBILE AR APP PRICING (CURRENT USERS)

WHAT IS THE MOST YOU WOULD PAY FOR A MOBILE AR APP?



- I wouldn't pay upfront, but would consider in-app purchases
- I wouldn't pay for any form of AR on my smartphone
- \$0.99
- \$1.00-\$2.99
- \$3.00-\$4.99
- \$5.00 or more

N= 703

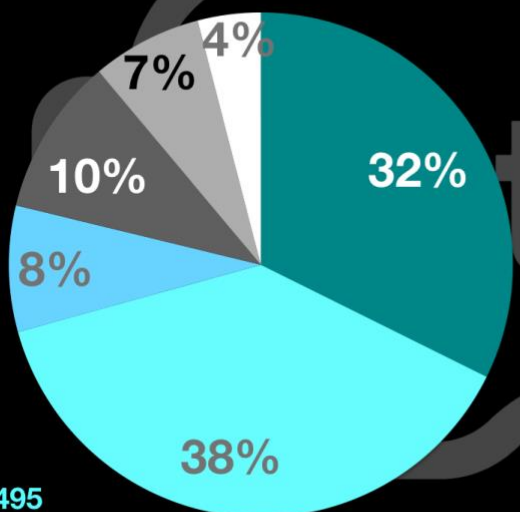


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## MOBILE AR APP PRICING (NON- USERS)

WHAT IS THE MOST YOU WOULD PAY FOR A MOBILE AR APP?



- I wouldn't pay upfront, but would consider in-app purchases
- I wouldn't pay for any form of AR on my smartphone
- \$0.99
- \$1.00-\$2.99
- \$3.00-\$4.99
- \$5.00 or more

N= 1,495



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# Video Companion

(click link to play)

<https://youtu.be/7sNqTV2LBPM>



# 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*.

Further background, history and credentials can be found at:

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## Contact

Questions and requests for deeper analysis can be submitted at:

<https://artillery.co/contact/>



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