**You may write on the back of this sheet.**

**Assignment:**

1. Read the following article.
2. Write a ½ -1 page summary of the article. Take care to include only factual information and not to include your opinion in the summary.
3. Write a ½-1 page reaction to the article. Do you agree with the information presented? How do you feel about the topic.
4. Create 5 multiple choice questions about the article. Circle the correct answer.
5. Create 5 True/False statements from the article. Identify if the statements are true or false.

# Pokémon Go - the most profitable, popular and dangerous app in the world

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When the trailer for Pokémon Go released last year, it felt like the world had come to a standstill. The news that the coolest, most addictive game from the Generation Y's and Millennials' childhoods would soon be entering the real world was enough to send everybody into a frenzy on social media.

This year we saw the payoff to that frenzy: an estimated 75 million downloads on both iOS and Android, gross revenue of $440 million and a net of 308 – raking in more profits than some of the most popular summer blockbusters of 2016, including*Star Trek: Beyond, Independence Day: Resurgence* and *Warcraft*, which came in highest at $433 million worldwide gross.

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Pokémon is arguably the most successful, popular, lucrative and longest-running children’s franchise in the world. For those who were there when the first Pokémon games released on those cumbersome, brick-shaped Gameboys back in the mid-90s, the passion and love for Pokémon certainly hasn’t withered. Some of Pokémon’s biggest fans are now grown-ups in their mid-20s or 30s, earning steady incomes and raising families.

For those who never got into Pokémon, it all might seem a bit strange. What makes the imprisonment of odd-looking creatures with super powers in a little red-and-white ball so appealing? It all revolves around the idea of collecting as many as you can. The original tagline “Gotta catch ’em all!” is all it took for children to become completely obsessed with the original game. It is no surprise that that is one of the tactics that has made Pokémon Go so addictive as well: the drive to “catch them all”. But what else has made the app so successful?

The original games were campaign based. That means that all the trainers were computer players programmed to challenge you to Pokémon battles. You could battle against your friend if you wanted, but that meant that he or she needed a Gameboy as well, along with a very ugly and tedious cable to connect between your Gameboys. Not very convenient.

Fast forward 20 years to a world where smartphones have become virtually ubiquitous and app culture is at an all-time high, and you get a community of real-world Pokémon trainers that can challenge each other at Pokémon gyms as they appear on the map in the app’s UI.

The Pokémon Company has capitalised on two things: nostalgia and addiction. The die-hard Pokémon fans have grown up and have become money machines that will pay for in-app purchases to the point of virtual bankruptcy. The app has also been launched in Japan and the UK, which promises an even bigger profit margin than its already staggering $440 million.

## Share price and market value

There was some controversy around Nintendo’s ownership of Pokémon Go and how much they were actually earning from the app. The company’s share price doubled in the first week after the app launched on 6 July from $17.50 per share to $38.25 per share, according to *Investopedia*.

*Engadget* reported that on July 11, a few days later, Nintendo’s market value had risen by a massive $7.5 billion thanks to Pokémon Go. Their total market value stood at $12 billion. On 22 July Nintendo wrote in a letter to investors that it did not develop or publish the Pokémon Go app and that it only owned a 32% stake in the Pokémon Company, which licenses and markets the Pokémon franchise to outside businesses. After the controversy their stock fell as much as 18 percent, which was the biggest hit to the company’s shares since 1990, *Bloomberg* reports.

But Nintendo, The Pokémon Company and Niantic aren’t the only beneficiaries of the app. Small, local-based business like restaurants and coffee shops have also cashed in on the massive popularity of Pokémon Go. The gameplay is simple: you create an avatar that represents your position on a real-world map. On this map there are waypoints called “Pokestops”, which only become active when a player is in their immediate area in real time. One feature of Pokestops is that they hold important items like pokeballs, eggs, potions etc. The other feature of a Pokestop is the “Lure” function. You can lay down a lure at a Pokestop, which will attract Pokémon to the lure’s position for 30 minutes.

A Pokestop with an active lure is represented by a fountain of pink hearts, easily catching the eye of any players nearby. If there is a Pokestop in your establishment you need simply lay down a lure to attract paying customers in search of new and rare Pokémon. One can buy lures in the app’s store and many small businesses have started actively investing in lures in order to maximise their profit. The addiction technique of freemium gaming has paid off very well as Pokémon Go also reels in non-fans and newbies who have never even heard of Pokémon.

But for all the joy that Pokémon Go has brought to the world, it has brought an equal amount of chaos. Most notable has been the spate of traffic collisions caused by drivers playing Pokémon Go on the road. On 28 July *The Guardian* reported that a 19-year-old male had driven into a school building in Melbourne. Local police warned that playing Pokémon Go and driving could earn one a $466 fine and 4 demerit points.

*Wired* reported a revolutionary new system that places LEDs on the ground (where pedestrians with smartphones are looking most of the time), that flash red for stop and green for go. The high accident rate of the app’s users has resulted in Sberbank, Russia’s biggest bank, offering its clients free Pokémon Go accident insurance at 50,000 roubles – roughly $800 – according to the *Kommersant daily*.

It is hard to tell if Pokémon Go is just another gaming fad that will be dead and gone by Christmas or if it is here to stay. According to *Polygon*, analysts say that Pokémon Go has peaked after a recent decline in its user base from 45 to 35 million.

However, judging by its success and massive opportunities for profit, the Pokémon Company will very likely push a lot of resources into securing the app’s future for the next couple of years at least – with another 579 Pokémon to introduce (on top of the already available 142 in the app) and version upgrades that could include exciting features like direct player-to-player battles without the need of the Pokémon gym, it may be possible.