

COLUMNS

Pokmon Go and the future of mixed reality

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By [Jan Guardian](#)

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Pokmon Go, a free-to-play, location-based augmented reality game developed by Niantic, has been driving a lot of hype. Some claim it is the hottest mobile game ever and peg it as the next tech trend, whereas others argue it is declining in popularity, losing millions of players weekly.

Disagreements aside, it is of no doubt that Pokmon Go is a massive phenomenon in mobile gaming and has already made an impact on the way small to midsize businesses and enterprises perceive augmented reality (AR).

Reality check

Though mobile games with similar play were released back in 2009, it is the blend of AR and Pokmon characters that appeal to the nostalgia of a millennial generation that accounts for the popularity breakout today.

Pokmon Go predecessors are also getting in on the action, riding on the popularity of the former.

Ingress, a mobile AR game released by Niantic in 2013, for instance, saw a drastic increase in daily downloads starting July 6, the day Pokmon Go was released.

Yet, despite having a complicated and social-minded narrative structure and strong social cooperation, Ingress is a game for hardcore players with new players having a tough time getting started, while Pokmon Go is easy to understand and play, and has a 20-year-old household name.

That being said, a mixture of Pokmon popularity, essential to the success of any multiplayer game, and its simplicity led Nintendo's stock values to spike about 40 percent since the game's launch.

As with any techie boom, developers and marketers quickly try to grasp how to leverage the trend.

Some reports suggest a bright future for AR/virtual reality (VR) gaming devices, expecting them to flood the market by 2021. And the Pokmon Go-like mixed reality (MR) genre has a strong potential for application in hardware gaming scenarios, creating great potential for AR headsets.

What is more, MR has passed the tipping point where it used to be the realm of game developers and can now be leveraged successfully by non-gaming companies and enterprises.

Now, there are ample options of blending MR software and mobile hardware to enable users to interact with high-definition digital objects in their surroundings, including the potential for the application of such a blend in high-tech industries, small to midsize businesses and daily routine.

The latter gained traction back in 2012 when Nokia released its location-based gizmo, City Lens, that used the phone's viewfinder and Nokia Maps to give you a 3D what's-what view of your neighborhood.

But that is lifestyle.

Three R's

What is more important to business is that MR is also capable of allowing employees or customers to gain a real-time view of actual surroundings combined with an overlay of intelligent virtual objects, ultimately, influencing buyer's choices or employee productivity due to hyper-personalization or improved contextualization.

Transforming the Internet from being contained on a screen to becoming woven into the world around us, the blend of mobile MR and contemporary line-of-business or productivity applications has a high potential of being beneficial for small to midsize businesses, including an endless set of uses such as contextualization of room planning programs for home decor businesses, or virtual projection of object's structure in equipment and machinery repairs.

Indeed, MR software is starting to segment into different markets, including transportation, healthcare and construction.

Various third-party mobile applications are also having their go at piggybacking on the Pokmon Go craze and the recent outbreak of MR popularity with many startup companies quietly ramping up unveils new commercial and investment opportunities.

The funding for MR startups this year topped \$1.1 billion in February with a \$120 billion revenue forecast to come from AR/VR by 2020.

That said, MR is expected to be the next step in tech evolution and it seems we are already on the path to a MR future.

Up until the release of Pokmon Go, AR investment has been quite depressed, with VR funding accelerating and taking off in 2014 after the announcement of Oculus, Vive and other VR headsets.

VR has a high consumer entry cost at \$2,000 minimum if starting from scratch. Though there are plenty consumers who are happy to pay the price, the critical mass has yet to buy in.

AR, in turn, is already set to succeed from a consumer perspective, being based in an ordinary smartphone and effectively having zero entry barrier, thus being more familiar to and more accepted by the mass market.

Consider this: Digi-Capital forecasts AR revenue of \$90 billion by 2020, and VR revenue of \$30 billion by 2020.

INVESTORS SHOULD do their homework before placing their bets on what may or may not be the next big thing and keep an eye on mobile AR, since for now it has a much larger potential market and is expected to drive faster revenues.



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