

Situational Analysis: Niantic's Pokémon Go

Problem Statement

Following the launch of the mobile application Pokémon Go, Niantic, the developing company, did not address the issue user's data privacy. Should a crisis happen, the rate of user's retention is likely to drop by about 20 per cent¹; it is why Niantic should preemptively address the issue.

Background of the situation

Pokémon Go is a free-to-play game for mobile devices as smartphones, using augmented reality technology based on geo-localization. In the game, players use a mobile device's GPS capability to locate and capture virtual pocket monsters, the so-called Pokémon, who appear on the screen, when the phone's camera is turned on, as if they were in the same real-world location as the player. It quickly became a global phenomenon and was one of the most used mobile apps, having been downloaded over one hundred million times². However, it has also attracted controversy for contributing to accidents and becoming a public nuisance at some locations³.

The issue that has been selected for the purpose of this situational analysis, as stated in the previous section, is with regards to the user's data protection. Indeed, signing into the app through Google currently gives the game full access to the user's Google account. External apps that you sign into with Google often ask for a small subset of permissions based on what they need to do (*i.e.* view your contacts, view and send e-mail, view and delete Google Drive documents, and so on). But Niantic's Pokémon Go app does not ask; and with full account access, it can theoretically do all of those things and more⁴.

The issue is all the more concerning that long forgotten talks on Niantic's CEO are now re-emerging. John Hanke has already been involved in a major privacy scandal when he was still working for Google, in the department that was developing and expanding the reach of Google Street View: "Referred to as Wi-Spy, the scandal affected Google on a worldwide level. It was discovered that Street View cars were equipped with Wi-Fi technology that could capture traffic from unencrypted wireless networks. The scandal spawned investigations [...] in multiple markets around the world,

¹ <http://thevarguy.com/secure-cloud-data-storage-news-and-information/121214/survey-data-privacy-security-dont-affect-user-behavior>

² <http://expandedramblings.com/index.php/pokemon-go-statistics/>

³ <http://www.usatoday.com/story/tech/news/2016/07/12/holocaust-museum-auschwitz-want-pokmon-go-hunts-stop-pokmon/86991810/>

<http://www.kotaku.com.au/2016/07/pokmongois-depressing-for-fans-with-physical-disabilities/>

<http://time.com/4403516/pokemon-go-911-memorial-holocaust-museum/>

⁴ <http://arstechnica.com/gaming/2016/07/pokemon-go-on-ios-gets-full-access-to-your-google-account/>

including the US, UK, France, Canada, South Korea, New Zealand, Spain, Italy, Hungary, and Germany.” What is more, additional investigation unraveled a patent, co-penned by then Google-employed-Hanke especially designing the type of technology that later enabled Pokémon Go to be launched: “The game objective can be directly linked with a data collection activity [...] An exemplary game objective directly linked with data collection activity can include a task that involves acquiring information about the real world and providing this information as a condition for completion of the game objective.” Finally, a final blow startling experts on data protection can be found in Niantic’s privacy policy suggesting that “the company can collect and store information about a person, and some of the data can be shared with third-parties⁵.”

Given the good results of the company in spite of the data protection issues, there is no valid reasons to believe Niantic will act upon it in the following months.

Sub-issues

A major sub-issue can be raised concerning the question of ethics in online gaming. As Pokémon Go is the first game of its kind to meet wide recognition, prominence and enthusiasm, it is likely to believe that other companies will create similar game, using similar (loose) privacy setting. Since Niantic created an environment enabling data security breaches, it is the company’s responsibility to implement a safe-to-play experience for its customers. As such, Niantic has better develop a guide of ethics and conduct, which will positively impact not only the company’s reputation, but also make it a safer environment with regards to online data protection⁶.

A second sub-issue is with regards to building user’s trust in the technology. There is no denying that a fairer and more secured data protection policy will strengthen Pokémon Go players’ trust in Niantic, but as it is the first game of the sort, it will also allow future projects to be developed, since the general public is accustomed to the best practices put in place by Niantic. Conversely, studies showed that the more trustful a company is, the better it performs financially⁷.

SWOT analysis

Here bellow lays the SWOT analysis table for the Niantic’s personal data safety case:

Internal	Strength: As Niantic CEO was a leading figure in Google, the company has the necessary knowledge on data protection to implement a policy that can enable a	Weakness: The company has to fight against tradition: little attention to data protection was paid in the past. Additionally, obtaining private data of millions of individuals means big
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⁵ <http://bgr.com/2016/08/09/pokemon-go-privacy-issues/>

⁶ <http://www.wired.com/2016/08/ethics-ar-pokemon-go/>

⁷ <http://dupress.com/articles/consumer-data-privacy-strategies/>

	safe environment for the users.	money for the company as well.
External	<u>Opportunity</u> : Studies show that the augmented reality technology is the future of gaming.	<u>Threat</u> : Should a crisis emerge, many users might lose trust in Niantic and stop using the application.

Combining internal and external strengths and weaknesses, the SWOT matrix stand as follows:

	Strength	Weakness
Opportunities	Implementing an ethical data protection policy could (1) ensure better retention of users, and (2) win over potential users who are concerned about the privacy of their data.	Given that the company is doing incredibly well, in spite of the data protection issue looming, would it be worth it investing time and money on it, while the game also calls for other improvements?
Threat	With its already well placement on the market, a better policy regarding data protection would secure Niantic's leading position.	A crisis emerge and Niantic is too set in its way to react or reacts too late, when the users' trust in the company is too badly damaged and they have left the app.

The SO pairing is optimal as studies showed that companies with better data protection performed better than other with sloppier practices⁸. Although it requires a little effort and a strong commitment on behalf of Niantic, the company has a lot to win. Conversely, the WO pairing is the beacon of the worst case scenario, and Niantic should be concerned. Several other companies have been developing augmented reality games, and a few are hitting the (virtual) shelves this year, including the spotlight-attracting DC Comic franchise's superhero Batman⁹.

Audience segmentation

The audience concerned with the issue is potentially extremely large. Let's first have a look at the Pokémon Go users. According to a survey from SurveyMonkey, based on the responses of one million users playing on the iOS and Android platforms: 63 percent are female compared and 37 percent are male. Additionally 46 percent of players are between the ages of 18 and 29, and 45 percent of them make over \$50,000 per year. In sum, the average Pokémon Go player is a 25-year-old, college educated white woman making \$90,000 a year¹⁰. As already stated above, the game was

⁸ <http://dupress.com/articles/consumer-data-privacy-strategies/>

⁹ <http://www.marxentlabs.com/top-5-augmented-reality-games-2014/>

¹⁰ <http://heavy.com/games/2016/07/pokemon-go-demographics-demographic-player-players-data-statistics-men-women-male-female-gender-majority-income-age-average-players/>

downloaded more than one million times, and growing. All the individuals are directly concerned with data protection.

At the moment, the inaction of Niantic is setting precedence, on which other companies will base themselves to develop their games. Given that the internet knows boundary, multiplied by the fact that experts predict a large dedication to augmented reality game, it is imaginable that data protection concerns could reach every owner of smartphones, which is estimated to reach 2.08 billion during the year 2016 and 2.65 billion as soon as 2019¹¹.

Word count: 1,224

¹¹ <http://www.statista.com/statistics/330695/number-of-smartphone-users-worldwide/>