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Is Pokemon-Go Retail's White Swan?

| By [Kelsi Maree Borland](#)

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Jeremy Gruber is an associate at Cox, Castle & Nicholson.

LOS ANGELES—**Pokemon-Go** may be the white swan of the retail market. With [flat retail sales](#) plaguing the early part of 2016, this may be the boost that the market has needed. According to **Dennis Wu** and **Jeremy Gruber** of **Cox, Castle & Nicholson**, the augmented reality game that launched in early July has helped boost sales for retailers at shopping centers around the country—and this is just the beginning. More augmented reality games are set to launch in the near future, and will likely help to create sustainable increases in retail sales.

“The most activity that we are seeing right now in the retail space is coming from the retail owner, from the actual business, as opposed the shopping center owner,” Wu, an associate at Cox, Castle & Nicholson, tells GlobeSt.com. “The more savvy retailers have already hopped onto the huge potential to drive traffic to their businesses by offering various promotions and events. If the increases in sales are sustainable over a long period of time, the end result will be rental rate and occupancy increases that translate to the property owner.”



Dennis Wu is an associate at Cox, Castle & Nicholson.

Shopping center owners are already starting to catch on, according to the legal duo, which cited numerous examples. Westfield announced that they would by “lure modules” tools in the game that help to attract Pokemon creatures, which users then catch. McDonalds also recently linked a sponsorship deal with Niantic, the game creator, to make every McDonalds in Japan into a Poke-stop, a physical place within the game that can allows users to get tools. “This is just starting, but shopping center owners are starting to view this as an additional amenity,” Gruber, an associate at the firm, tells GlobeSt.com. “Amenities can drive rental rates and property values, and rental rates are viewed more traditionally like an outdoor park or a playground. A lot of retailers are having summer concerts, as another example. That translates into higher sales and more percentage rents for the property owner. This is another amenity that owners can use to drive traffic.”

For most shopping center owners, this is a low cost way to drive traffic with funds that are already available in a marketing budget, which can be transferred to tenants, but there are other resources as well. Gruber says that some retailers are offering promotions to customers that post a screen shot of captured Pokemon creatures on social media. This is a way to drive traffic through the game and promote the retail store on social media.

While some view the game, which is still in its earliest stage, as a fad, but Wu and Gruber say that this technology can have long term affects on the retail market, and smart owners and retail users are already catching on. “There are people that believe that this is just a passing fad, but there are others that use this in the long term as one of many up and coming augmented reality games,” says Wu. Gruber adds, “This is the most primitive line of increasingly sophisticated games. We can’t even imagine what those games are going to be.”

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