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Pikachu's Power: Nostalgia? ©

by Alex Hurst

[...Technology is a glittering lure, but there is the rare occasion when the public can be engaged on a level beyond flash, if they have a sentimental bond with the product, a deeper bond with the product. Nostalgia. It's delicate, but potent ...]

Some of you might recognize that as the voice of Don Draper from Mad Men...this is, maybe one of my favorite scenes from the show. Don is pitching an ad campaign to Kodak, for its new product, a revolving slide projector.

[...Teddy told me that in Greek, nostalgia literally means, the pain from an old wound. It's a twinge in your heart far more powerful than memory alone, this device isn't a spaceship, it's a time machine. It goes backwards, forwards, takes us to a place where we ache to go again...]

I'm Alex Hurst, this is Economag from EnglishWaves, and today we're talking about what happens when a product is successful not just because it works well, or because it's fun to use, but because it evokes memories from long ago. Memories that we associate with it. Memories that helped to add more than 20 billion dollars to the value of Nintendo in only 7 days.

[...So, my name is Kevin, I grew up in Zurich, Switzerland, and I think the first time I stumbled across a Pokemon must have been er in '97 or '98...]

Up until then, Pokemon hadn't reached Switzerland yet. And then one summer Kevin's friend went to a summer camp in Orlando, and he came back with something that was all the rage on the other side of the Atlantic - Pokemon cards.

[...I think it took probably a half a year to a year, erm, until the cards were really a big thing at school, as well, that people would trade, I think shortly after that the Pokemania probably started in Europe and all over the world with the TV show that I followed, religiously, erm, every afternoon, I'm gonna to say 5 o'clock after school, and that was the first show that I watched religiously on a day to day basis...]

The name Nintendo roughly translates to, "leave luck to heaven." It took the company, which was founded in 1889, exactly one hundred years to hit that stroke of luck that made it one of the world's most valuable companies. In 1979, a Nintendo employee, Gunpei Yokoi, came up with the idea for a handheld video game device; ten years later, the company released that device on its 100th anniversary.

If I asked you to think about products that defined a decade, you might come up with pet rocks for the 1970's, Sony's Walkman for the 1980's, Apple's iPhone for the 2010's... But almost any Millennial will tell you that the 1990's belonged to the Gameboy.

[...I, I was never allowed to have a Gameboy or another type of video console, but all my friends had them and I played, er, Pokemon Red and Blue and Gold and, I want to say Diamond, er, editions. At school, even in, in home ed classes, that must have been probably fourth grade, we, er, we were allowed to let's say knit for half an hour and then sit in the back of the room quietly and play Pokemon, erm, for half an hour on the Gameboy. Which was ridiculous looking back...]

By the middle of the decade, Nintendo had sold a billion game cartridges - games like Super Mario, Donkey Kong, the Legend of Zelda... But for the Millennial generation, there might not be any single video game that had more cultural impact than the game Nintendo released in 1995... Pokemon.

The point of the game, for the non-millennials listening, was to go around collecting different species of Pokemon, an abbreviation of "pocketmonsters" in Japanese. When you found Pokemon, you could capture them by throwing a ball at them, or by using Pokemon that you had already collected to fight them, weaken them, and then win them for yourself if you came out victorious. Every time your Pokemon fought, they got stronger, and they could evolve to new and more powerful versions, that you could then take to go fight other players in an unending quest to have the biggest, baddest, rarest Pokemon out there.

To say that Pokemon went viral is an understatement. The game spawned a cartoon TV series, the one that Kevin loved, trading cards - the ones that he played with - CDs with the theme music and songs from the TV show, clothing ... It all made Nintendo a lot of money. Lots and lots of money.

[...I really enjoyed the game, even though it was not my, er my own Gameboy, but my own, my own game that I played on other people's, er, devices, and some of my friends had the iconic Nintendo 64 that had Pokemon Stadium, er, as I think one of the best N64 games, er, we played for years and years and years. And obviously the collection of the cards was huge - trading, buying with pocket money. I remember the first time I was allowed to go to the, er, city center with my brother, and two friends, by ourselves, I would say in third grade, my brother probably in first grade, and these other guys as well. And yeah the first thing that we did is we went to a vending machine to buy Pokemon cards, erm, then went to a shop to trade the cards, and, erm, probably Pizza Hut after that...]

And then, like every cultural phenomenon, Pokemon faded away. The limelight moved on to other things, and Nintendo's sheer dominance of the video game market ended in the face of increased competition from Microsoft and Sony. Around 2007 the company had a hit with its motion sensing video game console, the Wii, but then that faded too, as gaming moved increasingly onto our smartphones.

And then, on July 6, 2016, Nintendo released a game for those smartphones. Pokemon GO. Instead of moving your character around the screen in a video game world, you

have to travel in the real physical world to find Pokemon and to battle other people - when you find a Pokemon, you hold out your phone, looking at the world through the lens of your phone's camera, and see the creature appear in the real world, and interact with it in real time.

So, the technology is revolutionary, Augmented Reality, but within two weeks, 30 million people had downloaded the game, sending Nintendo's stock price soaring.

Had they downloaded the game simply because it was such a cool new application of technology that was in their pocket? Or, was something else at work?

One interpretation of why Nintendo's stock price doubled is the potential behind applying technology in this exciting new way, but maybe there's another reason. That the Millennials are all grown up, and feeling nostalgic for their childhoods. So many people rushed to download Pokemon GO, not just because it was fun or the Augmented Reality feature was cool, but because of the value we all place on our memories and the emotions that go along with them.

In economics, this idea is referred to as the Subjective Theory of Value - we value things not just for their intrinsic worth, but because of the social meaning that we attach to them.

Kevin though, says that memory alone wasn't enough to draw him back to the game.

[...Pokemon GO however, ah, did not catch on with me. I have lots of friends who are obsessed with it. I really cherish my battery life, er, on my phone, which it seems to ravage. And, yep, not participating, not participating with that craze...]

For millions of other players though, Nintendo may have found its own Don Draper moment.

I'm Alex Hurst for EnglishWaves, this is Economag. If you're a Pokemon Go player, watch where you're walking...if you own Nintendo stock, lucky you.

Thanks for listening.