

Zynga plants 'FarmVille' app

July 5 2010, By Jefferson Graham

Zynga CEO Mark Pincus is expanding his farm. Zynga's ultrapopular Facebook game FarmVille, which has 70 million active monthly players, has launched a mobile app for Apple's iPhone, iPod Touch and iPad touch-screen tablet.

FarmVille is by far Facebook's most popular game. But although it has been expanded to Apple devices, it's still linked to [Facebook](#) -- to play, you must first sign in to your Facebook account.

"The bulk of the audience we think is going to want to come to FarmVille are people who have already played it," Pincus said in an interview at Zynga headquarters in San Francisco. "We saw the iPhone not as a way to get more distribution, but a way to make the game more accessible and convenient."

The expansion to the iPhone/iPod/[iPad](#) comes at a challenging time for Zynga. Fewer folks are playing games on Facebook, which earlier this year began limiting the messages that [app](#) developers like Zynga could send to users. Facebook said it wanted to make the site "less spammy." That made it harder for game publishers to tell players about new features and bring them back to the game.

Atul Bagga, an analyst at ThinkEquity, says Zynga game play is down 15 percent over the last few months but that the company ultimately will be stronger.

The changes at Facebook are "a bitter pill to swallow, but once these

changes are complete, Facebook will be a bigger and better platform than before, and the gaming companies will be more innovative," he says.

FarmVille players create working farms with the assistance of virtual goods such as tractors, animals and scarecrows. Zynga sells "farm cash" and "farm coins" in bundles ranging from \$5 to \$50. However, the average player spends only 15 to 20 cents weekly, Bagga says.

Pincus says that 90 percent of his company's income comes from the sale of the virtual goods, with the rest from advertising.

Bagga estimates that about \$1 billion will be spent this year on all [social gaming](#), in virtual goods and advertising. "There are so many players, it really adds up," he says.

Pincus says his privately held company is profitable, though he declined to disclose revenue or earnings.

The size of the FarmVille audience, and players' avid spending on farm decorations, has caused some wild estimates of the company's value. SecondShares says Zynga is worth \$3 billion. NextUp Research says it's \$5 billion.

Pincus calls the speculation on Zynga's worth "noise" and not relevant. "We're focused on building a long-term sustainable consumer service. That's our mission." He says he has no plans for an initial public stock offering.

With FarmVille and other Zynga games including Mafia Wars, Zynga Poker and FishVille, Pincus has built up a daily player base of 35 million people. Bringing these players to a new platform like the [iPhone](#) means he can get more of their time, he says.

His answer for why games such as FarmVille are so popular? The simplicity. "You start with a piece of dirt, and everyone knows what to do. There's no instruction necessary," he says.

That social games have really caught on is evident on any visit to a local 7-Eleven. In June, Zynga began a promotion with 7-Eleven to splash its games across products such as Slurpees and Big Gulps and to offer codes for free virtual upgrades, such as farm enhancements and new animals.

Meanwhile, Zynga's newest game, FrontierVille, a Wild West-themed social game, attracted 5 million active users in its first week. And in May, the company formed a partnership with Yahoo to showcase its games on Yahoo's network. The games have yet to launch. Zynga and Yahoo haven't said whether FarmVille, the company's flagship, will appear on Yahoo.

Pincus lives in San Francisco and grew up in Chicago. FarmVille came to be, he says, because he's always had a fantasy about living on a farm.

"I wanted to have the Pincus family ranch and never had time to do it, because I'm too busy working on games."

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