

Zynga builds social network as IPO looms

October 12 2011, by Glenn Chapman



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Zynga on Tuesday provided a glimpse at "Project Z," an online community where people could play the social gaming star's globally popular titles without having to go to [Facebook](#).

"For two years we have been building out products that we hope will enable a platform for direct relationships with consumers," Zynga co-founder Mark Pincus said during the first press event at the startup's new San Francisco offices.

"Whether on the Web or on mobile, we can give you a whole [sandbox](#) and create socialness around the games and not just in the games," he continued in reference to a platform informally referred to as Zynga Direct.

More than 232 million people play Zynga games each month, with most of the activity taking place between friends in the world's leading social network, Facebook.

The [launch](#) of a Zynga online community could help the company get unleashed from Facebook or other social networks.

"When it launches, it will be the most connected social gaming site in the world," said Zynga [chief operating officer](#) John Schappert, who was a [top executive](#) at [videogame](#) titan Electronics Arts before joining Zynga this year.

"You can start a game on Facebook and continue it on Project Z, or vice versa," he continued, careful not to bite the hand of the social networking giant that has fed Zynga.

Zynga on Tuesday also showed off a host of new games, including an edgy Mafia 2 title and a rich CastleVille addition to a franchise that includes popular [CityVille](#) and FarmVille games.

Zynga also introduced an [Internet Age](#) version of Bingo and a Hidden Chronicles game that invites friends to work together to solve puzzles and hunt for hidden objects.

"We believe in [social gaming](#)," Pincus said.

"It is going to be mobile, more of that World of Warcraft feeling packaged up in something you can understand in three clicks and five or

15 minutes," he continued.

Zynga invited players to visit zynga.com to claim "zTags," names by which they will be known in the game-themed online community.

Players must use Facebook accounts to sign into Project Z in a sign that the startup is not severing its ties to the ruling social network that has provided a stage on which Zynga has prospered.

Zynga games are free to play but the startup makes money by selling virtual in-game goods to players and serving up advertising.

According to its SEC filing, Zynga enjoyed \$235.4 million in revenue in the first three months of the year, compared to just \$100.9 million in the same period of 2010.

The company turned profitable last year, with a net income of \$27.9 million on total annual revenues of \$597.5 million.

Zynga filed paperwork in July for an initial public offering aiming to raise about \$1 billion from the markets.

Media reports have suggested the company could sell about 10 percent of its shares and command a market valuation of between \$15 and \$20 billion or even higher.

Founded in 2007, the San Francisco-based software company makes notoriously addictive games which run on top of [social networking](#) site Facebook, including Zynga Poker and Mafia Wars.

More than 2,000 employees work at Zynga developing games such as FarmVille, which allows users to run virtual farms with crops and livestock, including unusual creatures such as purple sheep.

Among the games unveiled on Tuesday was Dream Zoo, which lets players create, visit, and care for collections of animals including fantasy creatures of their own imaginings.

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Citation: Zynga builds social network as IPO looms (2011, October 12) retrieved 2 May 2024 from <https://phys.org/news/2011-10-zynga-social-network-ipo-looms.html>

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