

Zynga's new game: cut costs, jobs

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The announcement from the San Francisco group, which gained prominence with Facebook games like FarmVille, marks its second major restructuring in two years.

The move came as Zynga unveiled a loss of \$46 million in the past quarter, narrowing the deficit from \$61 million a year ago, with revenues rising nine percent from a year ago to \$183 million.

The company said its latest effort would seek to cut \$100 million in annual costs.

That will mean the slashing of 364 jobs, or 18 percent of its workforce, and other cost cutting efforts.

"For our people, we need to create an empowered, entrepreneurial culture that fosters more creativity and innovation," said co-founder Mark Pincus, who returned to the job of [chief executive](#) less than two years after being replaced.

"Over the years we've seen that tighter, more nimble teams can drive faster innovation and deliver more player value," he added.

The cost-cutting, he said, "was a hard but necessary decision and I believe this plan puts us in the best long-term position for success."

Zynga also said it has narrowed its focus to five categories and now expects to launch between six and eight new games in 2015 including Empires & Allies, its first mobile "action strategy" [game](#) which launched this week.

Zynga said it has boosted its bookings for games, especially for mobile, which now represents 63 percent of bookings and is up 84 percent from a year ago.

Zynga has been in retrenchment ever since it cut staff in 2013 and closed its operations in China in a push for profitability.

Zynga, which was founded in 2007, launched games such as CityVille, Words With Friends and Zynga Poker on Facebook and other platforms.

The games are free to play but the company generates revenue by selling virtual in-game goods to players and serving up advertising.

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