

Zynga wins with business intelligence

[Technology](#), [Information Technology](#)



Zynga Wins with Business Intelligence

1. It has been said that Zynga is “ an analytics company masquerading as a games company”. Discuss the implications of this statement

It is quite true that Zynga is an analytics company masquerading as a games company. Zynga goes beyond the bounds of what traditional games companies do. For them to stay in business, they realized that they need to have a continuous analysis of the trend, habits, and behaviors of their users and they have used this to keep crafting their games appropriately. With the amount of data that they process daily on their users and the way they are using their gaming experience, Zynga does behave more like an analytics company than a gaming company. Gaming is actually the second part of their business. Their business is to make money through analyzing and taking advantage of users gaming habits as well as generate money from advertisers based on the huge number of users they are able to lure to their games social networks. Thus, the business analytics has now become the company's chief avenue to revenue. By spending even more time analyzing the spending, social networking and gaming habits of their users Zynga is therefore able to leverage all this data to their business advantage (Van Rijmenam).

2. What role does business intelligence play in Zynga's business model?

Business intelligence is basically the applications and technologies that are used to gather, analyze and use data for making information-based business decisions. Business intelligence is a key factor in Zynga's business model. It is the backbone of what Zynga does. By utilizing the business intelligence they are able to appropriately and accurately deliver content and gaming

experience that will ensure users keep returning to their games as well as attract enough new gamers and their friends each day to keep the number of visitors and users growing at all times. It is this key that then drives the business to Zynga through advertising and users' spend. For the Zynga business model to survive they require or need to be constantly mining the huge reservoirs of data on their users that is then used to improve the decisions that they make in relation to the directions that their gaming experiences should take. By constantly revising and re-organizing the data, they are able to stay on top of the expectations of their users and use the intelligence they have gathered to leverage spending by advertisers (Gobry).

3. Give example of three kinds of decisions supported by business intelligence at Zynga

Three kinds of business decisions supported by the Zynga business intelligence includes the types and nature of games that they should be developing. By seeing the online habits of their users, they are able to determine which types of games are most popular with their users and even within that which type of gaming experiences the users keep coming back for. This way they are able to tailor any new games or improvements to existing games to be in line with what their users seem to like the most. Another business decision that would be supported by the Zynga business intelligence is the amount of money they should be charging for their game "gifts" based on the popularity of the game awards that the users are taking part in the most and also being able to judge when a given gift is priced too high or too low. By analyzing how much of a particular "gift" is

being bought or used by the users they are better able to determine the most optimal price for each of these gaming tokens. The third kind of decision that business intelligence supports are the type of advertising targeting that should be used for different classes and types of gamers. These decisions are guided by the data that they have gathered on the users and their spending habits, which are then used to target the right kind of advertising campaigns, and promotions that will appeal to the targeted users and also to the advertising firms and their customers.

4. How much competitive advantage does business intelligence provide for Zynga? Explain.

Business intelligence provides Zynga a lot of competitive advantage. By using the business intelligence that they collect and analyze Zynga are better able to keep the interest of their users high and also target their gaming products to the appropriate users. By keeping track of the relationships and social media habits of their users Zynga keeps themselves on the inside track of what users, their friends and want the most in their gaming experience. This competitive advantage keeps them ahead of their business rivals and ensures that they retain their market share in the gaming business.

The competitive advantage that Zynga has ahead of its rivals is that it allows them to analyze the steps, the time taken by customers to make buying decisions and then finding the best way to achieve this. Without business intelligence, companies are left with a sort of "trial and error" method of assuming the best ways to decide how the process of customer decision making happens. By using business intelligence Zynga is able to see which

effective sales and marketing steps work and, more importantly, which ones do not and how to avoid these and thus spend their money in the right areas.

By using their business intelligence especially to mine data from its Facebook clients Zynga is able to take advantage of the Facebook methodology and success and leverage that for its own success, in a way that other gaming companies cannot, thus providing them with yet another competitive advantage (Harrison).

5. What problems can business intelligence solutions for Zynga? What problems can't it solve?

Business intelligence can solve many problems for Zynga such as working out their exact churn rates and also how these can be lowered utilizing logical and scientific algorithms. Thus, business intelligence enables the company to embed the analysis of all the data collected in all its decision making on marketing, sales, and customer support issues. It solves the problems of determining what their customers' most immediate needs are and how to best achieve the most productive connection with them as well show possible emerging trends in customer likes and dislikes, enabling them to align their product mix and offerings as appropriate. However, there are certain problems that business intelligence cannot solve. Zynga's dependence on Facebook users and their efforts to leverage the Facebook model in their business can have disastrous effects if the company does not have the kind of user base that Facebook has in that the Facebook model can ride out changes in the requirements and tastes of users in a way that Zynga cannot. The gaming community is a very fickle one and changes in

tastes and requirements can be determined more by fads or temporary spikes in interest - or lack thereof - and may be characterized by decision-making that sometimes defies business and other logic. These problems cannot be solved by business intelligence no matter how much spending an organization puts into it (Sherman).

Works Cited

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