

HEROCRAFT USES GOOGLE ADMOB TO HELP BUILD LONGSTANDING, SUSTAINABLE GAMING BUSINESS



ABOUT HEROCRAFT LTD.

• www.herocraft.com



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Alexey Sazonov, sales and marketing director, HeroCraft

An industry leader

When HeroCraft Ltd. looks out over the world of apps, the company sees that a lot has changed since it was founded more than 10 years ago. The company is an established developer and publisher of high-quality games for mobile platforms, tablets, social networks and personal computers, and has, from the beginning, sought to be a global phenomenon.

HeroCraft has ‘Top developer’ status on [Google Play](#), having racked up more than 50 million downloads with titles such as Yumsters, Majesty, and Farm Frenzy. Headquartered in Kaliningrad, Russia, HeroCraft employs over 100 staff in offices across Europe (St. Petersburg, Donetsk, Krasnodar). The company also has presence in the UK, Spain, Turkey, and China. HeroCraft is currently distributing worldwide in 15 languages.

“Far from being a hobby for us, we have a serious and growing business with offices around the world, both to tap into a base of cost-effective, global development talent and reach multiple audiences in their native languages,” says Alexey Sazonov, sales and marketing director for HeroCraft. “The main goal is to build and promote great apps.”

AdMob: a mainstay for a veteran gaming company

With such a wide variety of titles, HeroCraft promotes and monetizes each in slightly different ways. Some games are free; others are available for a small fee. The business models are carefully thought out, depending on whether the company wants to drive downloads, or has amassed a large audience and wants to leverage the widespread popularity to garner ad revenues. Many apps start out as paid apps, and then move to a “freemium model,” giving a second life to the paid apps.

For Farm Frenzy, HeroCraft made nearly \$20,000 USD during its four months as a free app, without advertising, through in-app purchases. The company earned nearly \$58,900 USD during the four months after introducing a free version that includes ads as well as in-app purchases—a 200% increase. AdMob is the monetization engine for this model. A mainstay for earning revenue from apps for two years has been Google AdMob, which generates roughly 40% of revenues for the company.

The company uses AdMob because it is easy to get started, offers support for multiple types of devices, provides steady revenue growth, and supports a wide range of formats. Its user-friendly interface also provides transparent statistics such as cost per download and cost per thousand impressions (eCPM).

Boosting downloads

Offering apps for free initially works well because downloads increase tremendously, according to Sazonov. The company also uses AdMob house ads—a free option—to cross-promote its apps from within its other

AT A GLANCE

What they wanted to do:

- Grow and expand popular library of games
- Ensure high fill rates
- Lower cost per install
- Strategically place AdMob ads to ward off “ad fatigue”
- Begin using AdMob mediation

What they did:

- Grew Farm Frenzy alone to 4.3 million users
- Tailored ads to local markets
- Employed both freemium and paid models
- Expanded into several new markets

What they accomplished:

- Garnered ad revenues from ads in free apps of 50%
- Used revenues to expand portfolio
- Brought cost per install down to \$.02
- Boosted gross revenues through high fill rates
- Increased reach of ads through AdMob

well-established games. Promotion of app downloads has performed well. “Using in-house ads within AdMob and other means of promoting downloads, we have a very low cost-per-install: roughly \$0.2,” he says.

Then once an app garners a sizeable audience, AdMob starts generating the lion’s share of ad income. Farm Frenzy recently received 1.25 million downloads, increasing the overall installed base for the game to 4.3 million users. For this app, 40% of revenues come from ads. Overall revenues from ads in free apps are 60%. Some HeroCraft games attain 100% monetization just using ads alone.

Relying on AdMob’s widespread reach

The AdMob ads are either unobtrusive banner ads that appear at the bottom of the screen, or interstitial ads that users pay to opt out if they wish. Ads are placed strategically to avoid misclicks and help ensure ongoing user engagement.

Because of AdMob’s high fill rate, HeroCraft has been able to conserve and re-allocate the required effort and resources into the development of new titles, or to acquire the rights to promote others’ games.

Sazonov expects fill rates to climb even higher when the company begins using mediation. AdMob mediation sends ad requests to multiple ad networks—including AdMob—to ensure that game providers find the best available ads to maximize the value of their impressions.

“Other ad networks play a role, but AdMob is by far our primary choice because it is a proven network with a broader reach than other ad networks. The result is higher gross revenues—which is what we’re after,” he says.

Expansion pays off

He also lauds AdMob’s flexible targeting for certain countries and the ability to tailor campaigns with ease to monetize its games with relatively small budgets. “Targeting ads well is the key,” says Sazonov. “We’ve also learned that it’s better to use AdMob to localize ads to specific regions and countries to get better engagement with customers.”

What HeroCraft focuses on now is intensive growth versus extensive. In other words, the company can spend more time bringing more quality titles to market. “We are dreaming bigger than ever,” says Sazonov. “In the past, we’ve specialized in strategy games, but don’t be surprised when we release several strong, new titles this year that may surprise gaming audiences.”