

tekunodo.

About Tekunodo

- <http://tekunodo.jp>
- Tokyo, Japan
- Internet and mobile gaming developer

Goals

- Capitalize on popularity of iPhone and Android gaming app
- Boost income
- Increase stability of revenues
- Open potential to monetize apps worldwide

Approach

- Launch AdMob advertising within popular “Touch the Numbers” app
- Design the game from the outset with AdMob advertising in mind
- Adjusted ad spacing to refine the user experience
- Expanded to Android

Results

- Grew steady revenue run-rate, primarily through AdMob
- Increased income stability with introduction of Android version
- Now anticipate making 4-5 app releases per year globally using ad-based revenue model

App Monetization Made Easy

“Touch the Numbers” touches millions

App developers know only too well the challenges of gaining traction in the crowded apps marketplace. Just ask Noriaki Kamata, CEO, and Keisuke Miyanaga, sales planning director, of Tekunodo, Inc. Their game “Touch the Numbers” is now considered a classic. But behind the scenes, extensive thought and planning went into how to cut through the app clutter to become among the world’s most popular and profitable games. From the get-go, Tekunodo designed the game to support a viable, sustainable domestic and international ad-powered business model using AdMob.

“When it came to choosing an advertising monetization partner, AdMob was the only credible choice,” says Kamata. “Due to our lack of experience with advertising-based business models, we initially thought ‘Let’s just try adding AdMob in.’ We could not even begin to guess how fast advertising revenue would accumulate or what sort of results we could garner from AdMob.”

“Touch the Numbers” became an instant hit, reaching 2nd place on the iTunes App Store one month after its release. TV and magazines quickly saw the allure and featured the game, fueling its popularity without a lot of extra promotion from Tekunodo. This was only a modest predictor of the coming success. Today, Tekunodo’s “Touch the Numbers” has been downloaded over 3.2 million times since its release in July 2009. It was the number one most downloaded app on iTunes during 2010, based on yearly download numbers from Apple.



Expansion and income by design

Two main engines power the app’s success. First, “Touch the Numbers” is highly addictive. To play, users simply tap numbers from one to 25 sequentially to compete for the best time. Although faster reflexes and fine-tuned peripheral vision are side benefits, users have the opportunity to become record-holders—a prospect that has many gamers enthusiastically engaging in the friendly “Touch the Numbers” competition.

"In continuing to build on our success in Japan and looking to expand abroad, Tekunodo looks to expand its use of AdMob—a uniquely widespread platform that provides global monetization opportunities."

Noriaki Kamata, CEO, Tekunodo Inc.



Noriaki Kamata (right), Keisuke Miyanaga (left)

The second key to success was how Tekunodo chose to monetize their game. After examining consumer behavior in app purchases, they saw limited viability for the pay-per-download business model. "In the iTunes App Store, it is easy to see the rankings for both free and paid applications," says Kamata. "Today's gaming world is very different from previous console-based model, in which all games commanded a price. In the App Store where free games are abundant, users are more likely to download those that are available at no charge."

This insight led Tekunodo to choose a business model based on free downloads and in-app advertising. The company designed "Touch the Numbers" from the start with monetization through ads in mind.

"Compared to the traditional console game pricing model, it was inconceivable to sell our games for a few hundred yen. A year after iPhone's release in Japan in 2008, app price competition became extremely fierce, resulting in huge price erosion," says Miyanaga. "Considering this competitive landscape in conjunction with our own game update and maintenance costs, we saw an opportunity to offer our game for free and use advertising as the source of income."

According to Kamata and Miyanaga, AdMob was the natural choice due to its credibility based on years of pioneering work and its reputation for building a solid monetization model for app developers. AdMob also offers real-time advertisement placement, frequency management, and revenue tracking—alongside the opportunity for monetization around the globe.

High-Touch user experience

In November 2010, after "Touch the Numbers" became a phenomenon among iPhone users, Tekunodo saw the opportunity to release its Android version. "As Android usage rose, so did AdMob advertising revenue, thereby resulting in an even more stable income stream," says Miyanaga.

As Tekunodo has mastered monetization with AdMob, the company also has made adjustments to optimize the user experience. At first, Tekunodo did not give much thought to where the advertisements would appear in the app. Then one user expressed concern about mistakenly tapping on ads halfway through the game. Users also gave feedback that they tended to click on ads on the scoreboard screen at the end of the game. "We took users' advice very seriously and made millimeter-by-millimeter adjustments in the spacing of ads to optimize the user experience," says Kamata.

Since its inception, "Touch the Numbers" has gained a large user base abroad. High scorers have even posted YouTube videos of themselves playing the game. To tap into the international market, Tekunodo is customizing new apps launched in Japan for overseas users.

"In continuing to build on our success in Japan and looking to expand abroad, Tekunodo looks to expand its use of AdMob—a uniquely widespread platform that provides global monetization opportunities," says Kamata. "We anticipate releasing four to five new apps a year using AdMob as our advertisement-based monetization model."



About AdMob

In May 2010 Google acquired AdMob, a leading mobile advertising network that serves billions of mobile banner and text ads across a wide range of leading mobile applications. AdMob helps app developers worldwide grow their mobile app business across platforms by providing them tools to promote, measure and monetize their apps.

www.admob.com