

AUSTRALIAN EXPORT AWARDS

CASE STUDY: HALFBRICK

Winner: Online Sales Award, 52nd Australian Export Awards (2014)

For outstanding success by a B2B/B2C business whose online sales of products and/or services have achieved substantial international growth through innovative marketing, site and customer engagement strategies.

Background

Brisbane based Halfbrick Studios is a software development business, best known as the creator of Fruit Ninja — the second highest selling game of all time on the Apple iOS platform with more than 500 million copies of the game downloaded. Halfbrick estimates that Fruit Ninja has been downloaded over 1 billion times across all platforms.

The company is also behind Jetpack Joyride and Fish Out Of Water, with the latter becoming its first number one game in the USA during 2014, with over 3.5 million downloads in just one week.

Established in 2001, Halfbrick develops games predominantly for mobile devices, but has also released games onto multiple platforms, including Game Boy Advance, Xbox 360 and PlayStation. Its games are distributed through the Apple App Store, Amazon and Google Play.

In the past five years the company has progressively expanded its global operations — from a small Brisbane studio with just 20 employees to a global business employing 110 experts with hubs in Sydney, Adelaide, San Francisco, Madrid and Bulgaria.

Approach to business

A passionate desire to create and publish its own content helped Halfbrick become gaming royalty back in 2010.

The company had been developing licensed titles for platforms such as Game Boy Advance, Nintendo DS and PSP (PlayStation Portable) since its inception in 2001, but was ready to embark on a new direction.

Along came Fruit Ninja.

“The idea for the game came from a television infomercial where the presenter was demonstrating how sharp his knives were by throwing fruit in the air and slicing them,” says Chief Financial Officer, Rinal Deo. “It started out as a very basic game, but evolved into the second biggest seller ever on the Apple iOS platform.”



SNAPSHOT

- Established in Brisbane in 2001
- Creator of the second highest selling game of all time on the Apple iOS platform
- More than one billion game downloads worldwide
- 110 employees in four countries
- Export accounts for over 95 per cent of the company's revenue

HALFBRICK

Not a bad effort for a Brisbane company with just 20 employees back then.

“We were taken totally by surprise,” says Deo. “When it reached 1000 downloads we were impressed, then it went to 3,000, then 10,000. On its biggest day there were more than 400,000 paid downloads. We thought, wow, it’s party time!”

Deo explains that the investment to create a top selling game is significant. “The first iteration of Fruit Ninja required a full time commitment from four staff for three months. After the success of the game, that rose to seven people working full time to keep it fresh,” he says. “So far, we have updated the game 28 times. You have to do that to keep the fans engaged.”

Newer games take six months to get to market at a minimum. Halfbrick has just released Bears vs Art globally and it was in development for 2 years.

“It’s very tough competing in the games market. There are so many new players and the industry is constantly changing,” Deo says.

One of the most significant changes is the model used to monetise games. Most new games these days are ‘free to play’, meaning users can download them for free and, if they like them, purchase additional components (known as in-app purchases).

Jetpack Joyride was the first using this new model for Halfbrick. So far more than 350 million copies have been downloaded, and users are buying its in-app purchases, making it another big success for the company.

Asked if there was anything Halfbrick may have done differently during its meteoric rise, Deo says it would be selecting their opportunities more wisely.

“We lost some opportunities because we made a conscious decision not to expand too quickly,” he says. “That felt right at the time, but it did mean some partnerships simply didn’t eventuate. After Fruit Ninja, things were happening so fast. The phone was literally ringing off the hook.”

The partnerships Halfbrick did develop however were very lucrative and satisfying.

They included brands such as Dreamworks, American Idol and the makers of the Puss in Boots movie who wanted Fruit Ninja and other games ‘re-skinned’ to feature their characters.

International engagement

Halfbrick is not your typical Australian exporter.

As an online provider, all of its products are available for download 24/7 in more than 140 countries. No need for freight or shop fronts.

“Although we are not a traditional exporter, we still engage significantly at an international level. We have offices in Los Angeles, San Francisco, Madrid and Bulgaria,” Deo says.

The company has developed games for the Chinese, Korean and Japanese markets, where the volume of users and uptake of smartphones are significantly increasing. It has also partnered with a Chinese games publisher, iDreamSky, to localise its games for the Chinese market. Next on Halfbrick’s radar are the Indian and Brazilian markets.

It has also created a new revenue stream by diversifying into publishing, releasing high-quality games by independent studios that complement its portfolio and company brand.

Although more than 95 per cent of its revenue comes from overseas, Halfbrick is proud it’s been able to remain a truly ‘local’ company with 104 of its 110 staff based in Australia.

Moving forward, Deo says the company plans to be a little more ‘ruthless’ in choosing which games it takes to market.

“Our aim is to pick and choose only the products that will bring us a good return,” he says. “If one successful project can cover the cost of six or seven failed projects and make a profit then we’ll be doing well. Ultimately, our objective is to find the right balance between creativity and profitability.”

Winning an Australian Export Award

Winning the Online Sales Award has already brought direct benefit to Halfbrick by helping it connect with potential new partners in other countries, Deo says.

“Getting noticed this way has certainly opened up some doors in terms of new business,” he says. “

“Needless to say, our staff are also delighted with the win, which is a thank you for their hard work over the years.”

Halfbrick’s other industry acknowledgements include two major awards from Apple — for Second Most Downloaded Game on its app store for Fruit Ninja and Best Smartphone Game Design Award for Jetpack Joyride.

For more information about Halfbrick visit www.halfbrick.com

