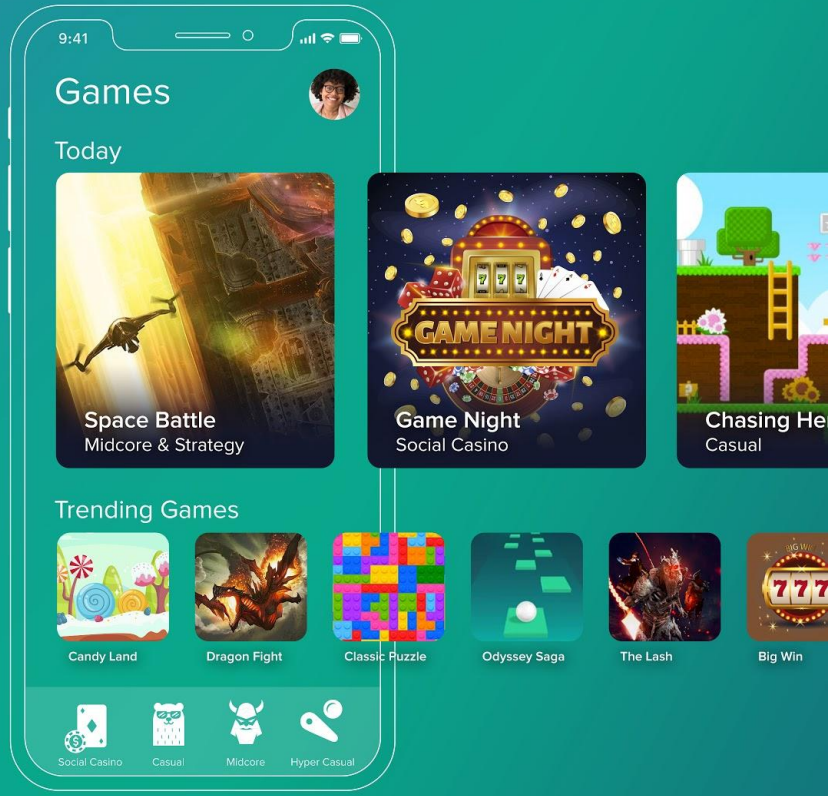
2020

# Mobile Gaming Apps Report

## UA Trends & Benchmarks




LIFTOFF

With retention data from AppsFlyer

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# Introduction

In 2020, mobile gaming apps rule the world, fueled by record levels of app downloads and consumer spend. Games research firm Newzoo reckons roughly one-third of the planet's population – that's 2.6 billion people – will play mobile games this year. That number is projected to grow to 2.7 billion by 2021.

Many are gaming fans, and many more are part of a new and captive audience forced by global events to practice social distancing and use their downtime to seek digital distractions. The outcome is a "bonanza" for gaming apps, an industry sure to experience a windfall of profits despite the tailwinds of a potential global recession. Overall, mobile gaming revenues are now set to top $100 billion this year, according to the latest data from app market intelligence provider App Annie and global research firm IDC. In total, the research concludes, mobile game spending will grow to more than 2.8x over desktop gaming and 3.1x more than home game consoles.

- Mobile gaming is the fastest growing segment and will account for 48% of all gaming revenues in 2020, up 13% from the previous year, thanks to blockbuster hits, including Fortnite, League of Legends and Pokémon Go. (Newzoo & Venturebeat)
- Globally, daily in-app payments for mobile games have jumped 24% since users started sheltering at home. (Unity Technologies)
- APAC will remain the biggest market for app install advertising at $16.9 billion this year, though its growth of 32% from 2019 will be the slowest among major regions. Ad growth will be highest in Latin America, followed by EMEA and North America. (AppsFlyer)

More players with more time stuck at home is a combination that has catapulted interest and interaction with gaming ads. A prime example is the last 3 weeks of March 2020, which saw ad impressions increase 57% compared with the same period the previous year, according to an examination of pandemic gaming behavior and game monetization.

But more audience means more competition, especially when underwhelming retention numbers turn up the pressure on marketers to budget wisely and fight smart. Unfortunately, most marketers overlook the business benefits of retargeting – an approach where marketers serve personalized ads to encourage lapsed users to re-engage, re-install or complete down-funnel conversions. Retargeting represents a "missed opportunity" that drives a "significant performance uplift," according to AppsFlyer's State of App Retargeting report. Data from the report reveals a positive impact on retention rates for Casual games in the U.S., which increased by 33% on Day 1, 50% on Day 7 and 60% on Day 30.

Gaming apps are experiencing their biggest year yet. But marketers also face their toughest challenges to maintain momentum once COVID-19 restrictions ease and players shift attention to other pastimes. Liftoff partners with AppsFlyer, the global leader in mobile attribution and marketing analytics, to provide data marketers need to drive deep-funnel goals, determine the return on ad spend and define retention targets and benchmarks.

# Report Highlights



## Costs & Conversions

At **$1.47**, CPIs have hit an all-time low. But turning players into payers is an uphill battle. Install-to-purchase costs are up **24%** compared to the previous year, and conversion rates have dropped by **22%**. It's the opposite story for install-to-register costs, which have dropped significantly. But disappointing engagement rates of just **3.3%** (down nearly **3x** from the previous year) suggest marketers may have a tough time ahead.



## ROAS

A comparison across Casual, Midcore and Social Casino subcategories reveals Midcore is the top-performer with the lowest CPIs (**$0.89**) and the highest ROAS (Day 30 - **39.5%**). Significantly, Android offers value for money, offering the best ROAS for the lowest cost (**$0.57**). Social Casino comes in last with the highest costs (**$6.82**) and the lowest ROAS (Day 30 - **32.6%**).



## Source

Casual and Hyper Casual players respond best to Non-Organic approaches, and the highest Day 1 retention rates are a bonus. Midcore is another category where Non-Organic has the edge, driving rates that beat Organic by an average of **13%.** Organic is a draw for Hardcore players, but the lowest retention rates (Day 1 - **29.8%**) is hardly a plus. Social Casino is a mixed bag, but Non-Organic drives the best results early in the curve.

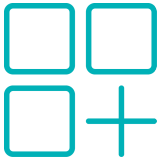


## Retention

North America is home to the most loyal players, taking the **#1** spot in the global benchmark and across most subcategories. Europe comes in a close **2nd**, followed in most cases by APAC. However, a breakdown of retention by country crowns Japan the undisputed leader in **3 of the 5** subcategories. Canada, Germany and the U.K. also show impressive staying power.

# Methodology

**Date Range:** Jun 1, 2019 - May 31, 2020



**697**

Apps Analyzed



**303M**

Installs



**314M**

First-Time Events



**6.5M**

In-App Purchases



**27.9M**

Customer Revenue



## Casual

Casual games include bubble shooters, match 3 games, word games, hidden object games and puzzle games. It offers a core game loop that keeps users loyal for months, not hours. Casual audiences are roughly 50% female, 50% male, and fall between the ages of 18 and 35. Games are easy to play, highly addictive and drive spontaneous and frequent gameplay.

Examples: *Gardenscapes*, *Candy Crush*, *Magic Jigsaw Puzzles*, *Seekers Notes* and *Bubble Birds*.



## Hyper Casual

Hyper casual games are instantly playable lightweight games, supported, for the most part, by advertising. The combination of simple game mechanics and minimalistic design ensures a “tap-to-play” experience that is highly engaging. However, healthy long-term retention curves are the exception, not the rule.

Examples: *Stack Ball*, *Run Race 3D*, *Traffic Run*, *Color Bump 3D*, *Clean Road* and *Love Balls*.



## Midcore, Hardcore & Strategy

These are role-playing games (RPGs) and adventure games, delivering users a riveting and immersive experience. Players tend to be male, and the majority of revenue still comes from in-app purchases, although many companies are starting to diversify their monetization strategy.

Examples: *Empires & Allies*, *War Machines: 3D Tank Games*, *War Robots*, *Vikings: War of Clans*, *Narcos: Cartel Wars* and *Game of Thrones: Conquest*.



## Social Casino

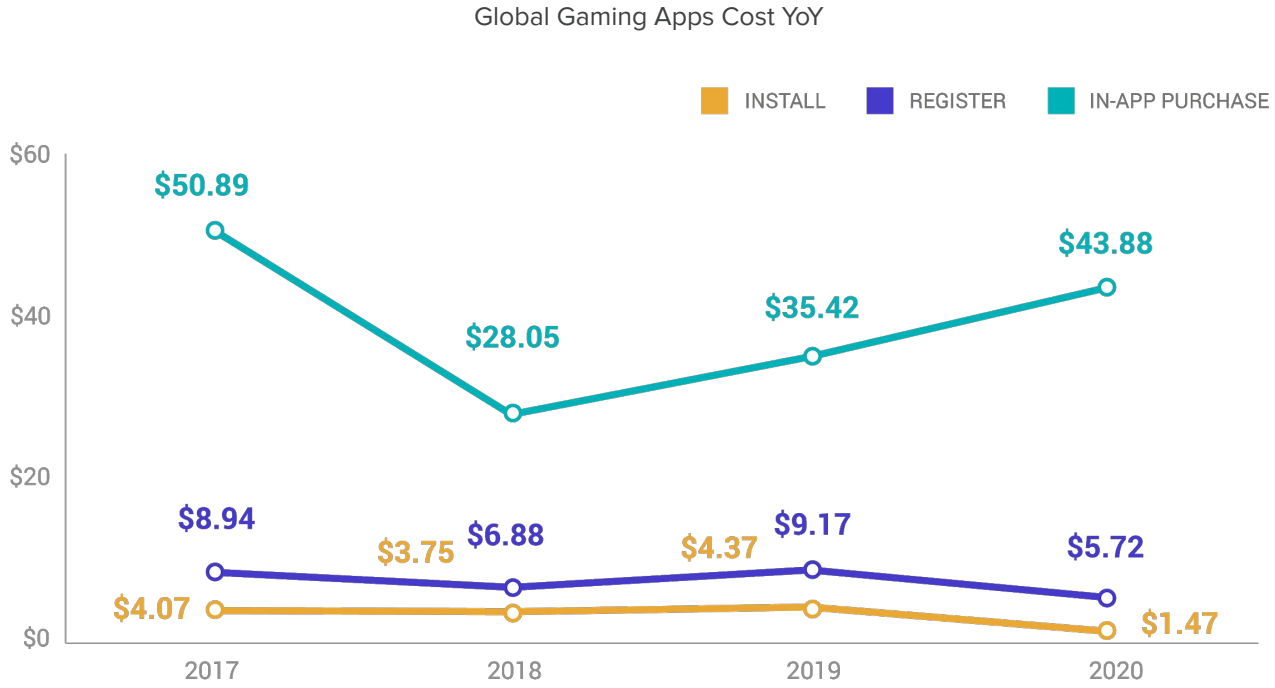
Social casino games include slots, video poker, bingo and blackjack games. Gameplay combines competitive and social elements to attract a broad demographic. In general, gambling is not the thrill. Players are more interested in connecting and engaging to have a good time in a relaxed yet familiar environment.

Examples: *DoubleDown Casino*, *Huuuge Casino Slots Vegas 777*, *Jackpot Casino*, *Game of Thrones Slots Casino* and *Fairway Solitaire*.

# Key Terms

- **Organic** refers to traffic you have attracted to your app (or app downloads that occur) without the direct effort or action of an advertiser to influence the audience or outcome. In this scenario, the user encounters an app or takes action because they have a high level of interest in doing so in the first place. Significantly, campaigns that recruit organic traffic also help reduce the effective cost per install (eCPI) and increase profit.
- **Non-Organic** refers to actions that happen as a result of any marketing activity—paid or owned. Paid marketing exposes audiences to ad campaigns. Owned marketing harnesses approaches, including email, SMS and direct response, to trigger an action, such as downloading an app. Thanks to data and analytics, marketers can focus campaigns on driving non-organic traffic and ultimately drive scale and control quality.
- **Retention** measures the percentage of users who continue to use your app over a given period (week, month or quarter). Knowing your app's retention rate helps you gauge app "stickiness" and understand how well your app performs over time, per user.
- **ROAS** (Return on Advertising Spend) shows the actual profit achieved per advertising expense in dollars. It's based on the principle of return on investment but, while ROI shows the ratio between revenue and cost, ROAS is used to evaluate individual ads and campaigns.

# At $1.47, the cost to acquire a player plummets, down 66% from the previous year. But the cost to activate a payer rockets nearly 24% to hit the highest levels since 2018.

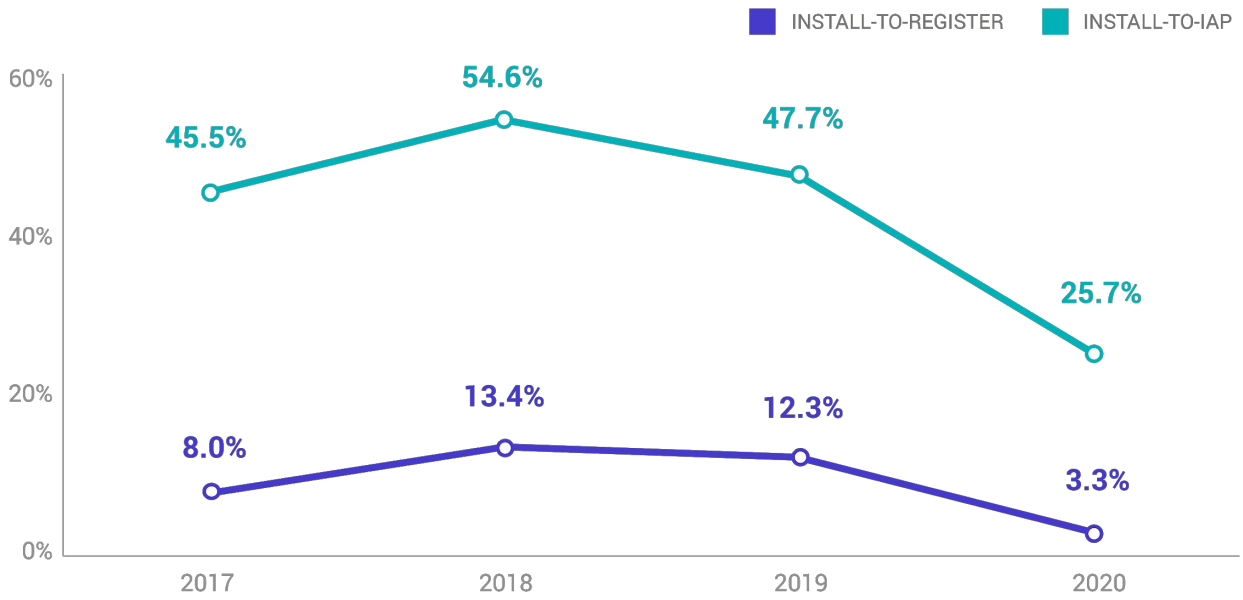


# Gaming Apps Global Trends & Benchmarks

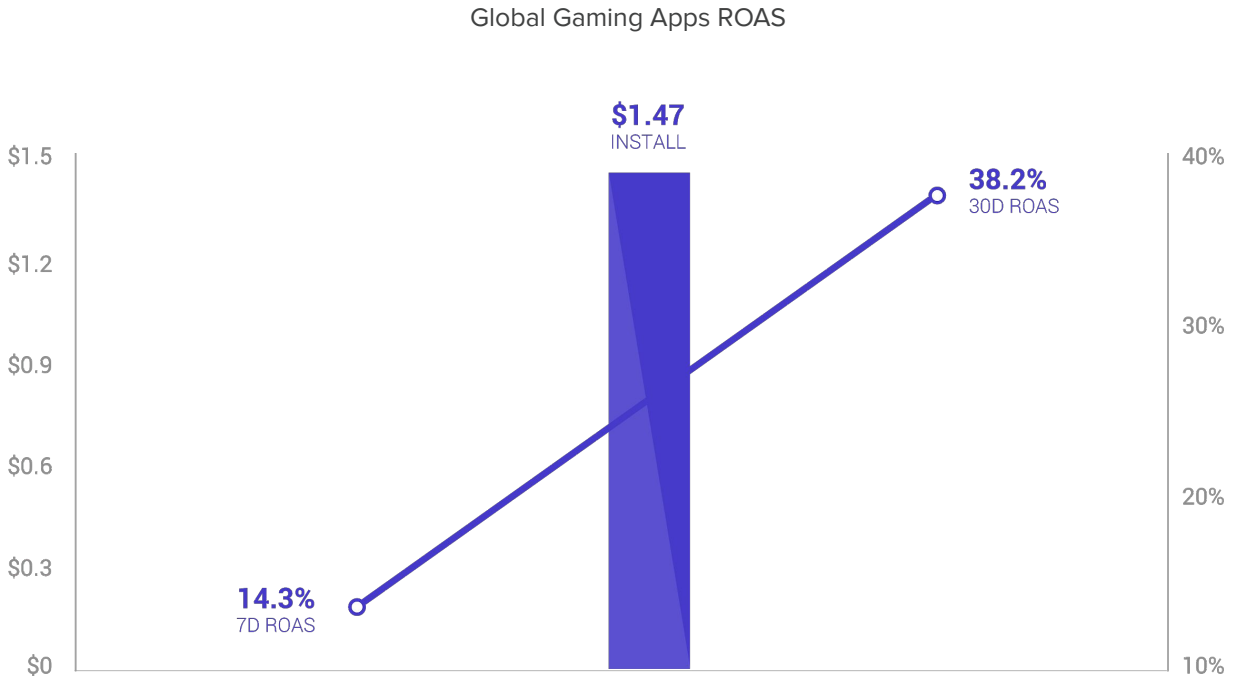
The cost to acquire players is a steal, but all-time high costs to activate players can break the bank. Couple that hurdle with engagement rates that are the lowest in four years, and the challenges ahead are real.

# Marketers miss the mark with 75% of their users, a massive shift from 2018 when campaigns converted nearly half of players to payers.

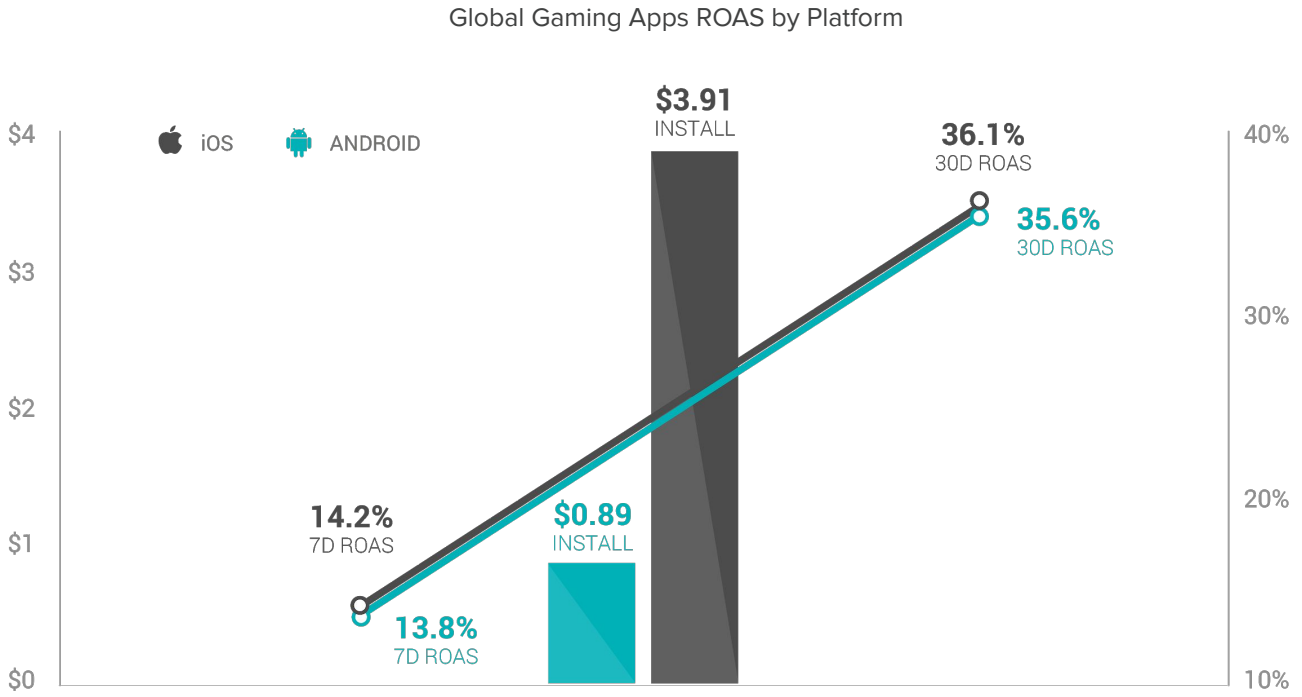
Global Gaming Apps Conversion Rates YoY



# Marketers can count on a 2x return on ad spend in 3 weeks.

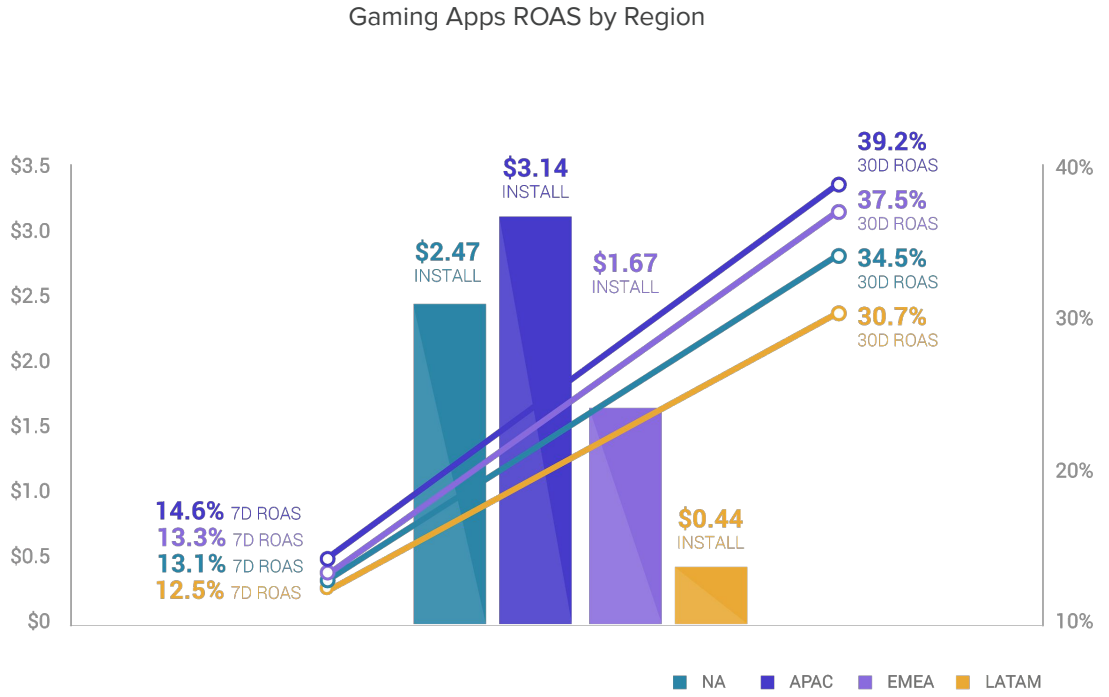


# iOS has a slight edge in ROAS—but at 4x the cost of an Android install.



# APAC is a mixed bag, combining the best ROAS with the highest CPI.

- EMEA is the prize, promising the second-best ROAS for CPIs that are half of APAC.
- North America underwhelms with the second-highest CPIs and sluggish ROAS.
- LATAM offers the lowest costs, nearly 4x cheaper than EMEA and more than 7x less expensive than APAC. But with the lowest ROAS—8 percentage points lower than APAC on Day 30—you can burn money in LATAM as easily as you can make it.



# There's money to be made in the Caribbean. MENA, offering the third-lowest CPIs for the third-highest Day 7 ROAS, is also a hidden gem.

| | CARIB | EU | FAREAST | LATAM | MENA |
|---|---|---|---|---|---|
| | Antigua and Barbuda, Aruba, Bahamas, Barbados, Bermuda, Cayman Islands, Dominica, Dominican Republic Grenada, Haiti, Jamaica, Puerto Rico, Saint Lucia, Saint-Barthélemy, Trinidad and Tobago | Albania, Andorra, Armenia, Austria, Belarus, Belgium, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Georgia, Germany, Greece, Greenland, Hungary, Iceland, Ireland, Isle of Man, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Macedonia, Moldova, Monaco, Netherlands, Norway, Poland, Portugal, Romania, Russia, San Marino, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Ukraine, United Kingdom | China, Hong Kong, Japan, Macao, South Korea, Taiwan | Argentina, Belize, Bolivia, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guadeloupe, Guatemala, Guyana, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Suriname, Uruguay, Venezuela | Bahrain, Algeria, Djibouti, Egypt, Ethiopia, Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Libya, Oman, Qatar, Saudi Arabia, Somalia, Tunisia, Turkey, United Arab Emirates, Yemen |
| INSTALL | **$0.68** | **$2.10** | **$3.39** | **$0.42** | **$0.83** |
| 7D ROAS | **106.6%** | **12.8%** | **15.0%** | **11.5%** | **17.5%** |
| 30D ROAS | **156.4%** | **36.9%** | **42.2%** | **29.4%** | **46.7%** |

# Elsewhere, SEA offers attractive prices—but low ROAS isn't a positive.

| | N.AMERICA | OTHER | SEA | SPAC |
|---|---|---|---|---|
| | Canada<br>United States | Azerbaijan, Bangladesh, India, Kazakhstan, Kyrgyzstan, Maldives, Marshall Islands, Mongolia, Nepal, Pakistan, Palau, Samoa, Solomon Islands, Sri Lanka, Tajikistan, Tonga, Uzbekistan, Vanuatu, Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Central African Republic, Gabon, Gambia, Ghana, Lesotho, Liberia, Madagascar, Malawi, Mali, Malta, Mauritania, Mauritius, Morocco, Mozambique, Namibia, Niger, Nigeria, Réunion, Rwanda, Senegal, Seychelles, Sierra Leone, South Africa, South Sudan, Swaziland, Tanzania, Togo, Uganda, Zambia, Zimbabwe | Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Micronesia, Myanmar, Papua New Guinea, Philippines, Singapore, Thailand, Timor-Leste, Vietnam | Australia, Cook Islands, Fiji, Guam, New Zealand, Northern Mariana Islands |
| INSTALL | $2.47 | $1.82 | $1.71 | $5.63 |
| 7D ROAS | 13.1% | 17.9% | 13.0% | 13.9% |
| 30D ROAS | 34.5% | 42.5% | 33.2% | 32.0% |

# Marketers can make small trade-offs to win big.

## Easy Money

- **Carib:** At $0.68, this sub-region offers marketers the second-lowest CPI and the chance to recoup investment (and then some) on Day 7.
- **Far East:** It may not have the cheapest installs (second-highest price in the group and a whopping 5x more expensive than Carib), but ROAS that places 4th in the group has its benefits.
- **MENA**: The third-lowest costs paired with the second-highest Day 30 ROAS is an attractive combination.
- **The bottom line:** Carib is the best of its class.

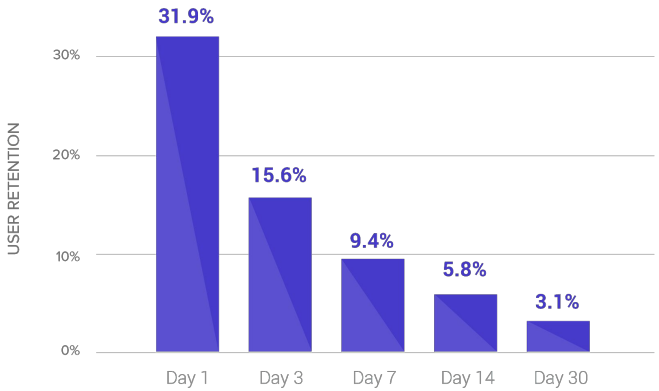
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## Value for Money

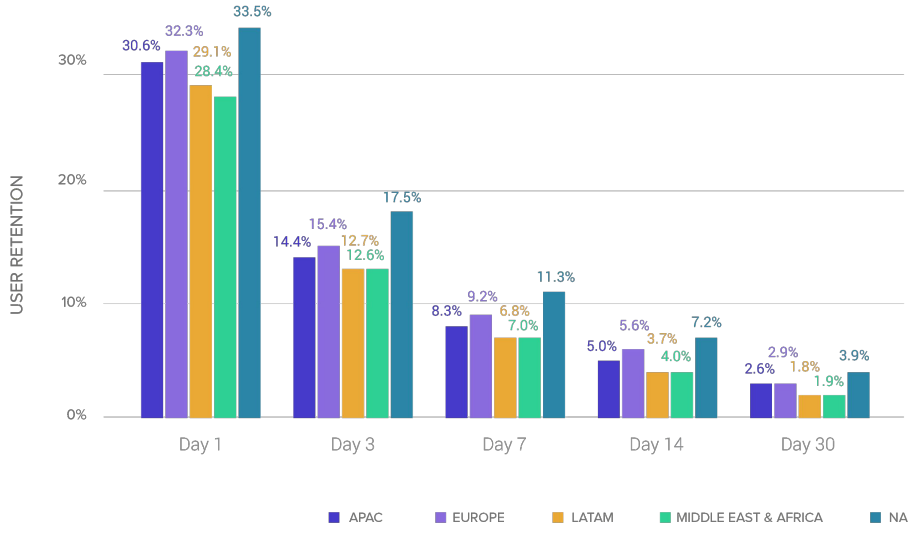
- **EU:** The price tag isn't cheap, but a stellar ROAS sweetens the offer. By comparison, N. America offers ROAS that is 2.4 percentage points lower for a cost that is nearly 18% higher.
- **LATAM:** At just $0.42, LATAM is the hands-down bargain. But costs aren't the only factor at the lower end of the scale. Low 30D ROAS (nearly 30%) suggest this isn't a region for quick wins.
- **SEA:** At $1.71, the cost is moderate, but 30D ROAS (33.2%) is more average than outstanding.
- **The bottom line:** The EU is the one to pick.

# North America is home to loyal gamers, beating the global retention benchmark by between 1 to 2 percentage points across the curve.

Global Gaming Apps User Retention




Gaming Apps User Retention by Region




Source: AppsFlyer data

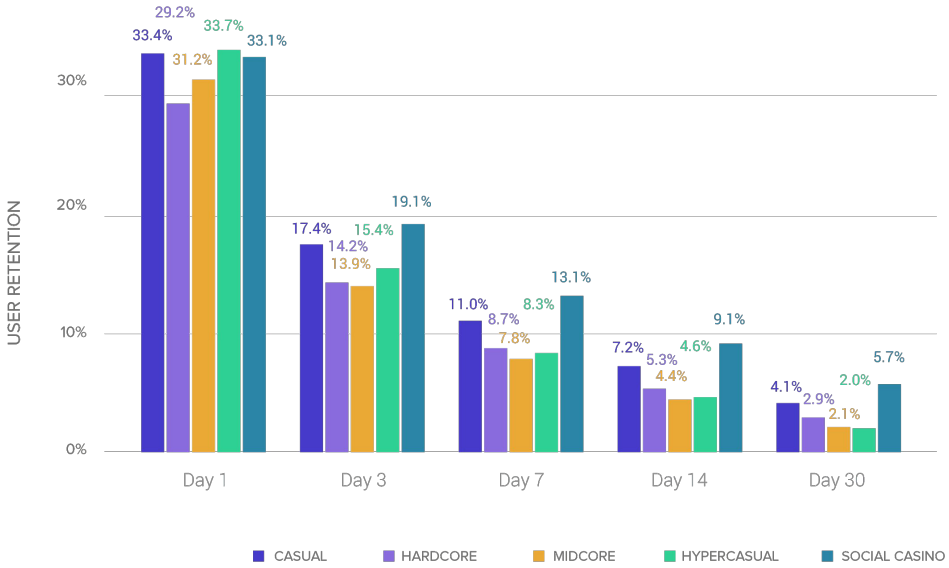
# Europe consistently bests the global benchmark to come in second in the group, while LATAM and MENA compete for last place.

- North America offers a captive audience when it counts. Retention rates on Day 1 and Day 3 are an average of 3.6 percentage points higher than all other regions.
- Europe is the undisputed number 2 at every point on the retention curve. At 32.3%, the retention rate on Day 1 is a strong start and 0.4 percentage points over the global benchmark.
- APAC comes in number 3 at every stage of the retention curve but consistently lags behind the global benchmark.
- At the lower end of the scale, LATAM and MENA compete for last place, coming in an average of 2.36 percentage points below the benchmark. While LATAM has similar retention rates to MENA at the start of the curve, it falls behind to finish last with a retention rate of 1.8% on Day 30—almost 2x less than the global benchmark (3.1%).

# Social Casino has the strongest retention curve, finishing on Day 30 with 2x the retention of Hardcore and nearly 3x of Midcore and Hyper Casual.

- Casual is the crowd-pleaser that consistently comes in second at every stage of the retention curve.
- Midcore and Hardcore are similar subcategories with striking differences. On Day 1, Midcore scores 2 percentage points higher than Hardcore. But the situation flips after Day 3 when Hardcore pulls ahead to beat Midcore by nearly 1 percentage point through to Day 30.
- At 33.7%, Day 1 retention rates for Hyper Casual have improved by 1 percentage point compared to the previous year. But the swift decline from Day 7 is a signal to marketers to up their game.

Global Gaming Apps User Retention by Subcategory




Source: AppsFlyer data



> Be humble and be willing to listen, learn and relearn constantly. Faced with the choice between following hard numbers or hunches, leave your personal opinions behind and let the data take the wheel.

**Etienne de Guebriant -** Head of UA

The market will never “tell” you what works, but it can “show”' you how to succeed, Etienne explains. "Pay attention to metrics and use them to your advantage because they alone can guide you to the right answers and the best outcomes." Consider a scenario where the CPI is high, and the CTR is the opposite. That, he says, is the market sending a clear signal that you should work on your ad creatives. "The market sets the rules, not the other way around."

GAZEUS games

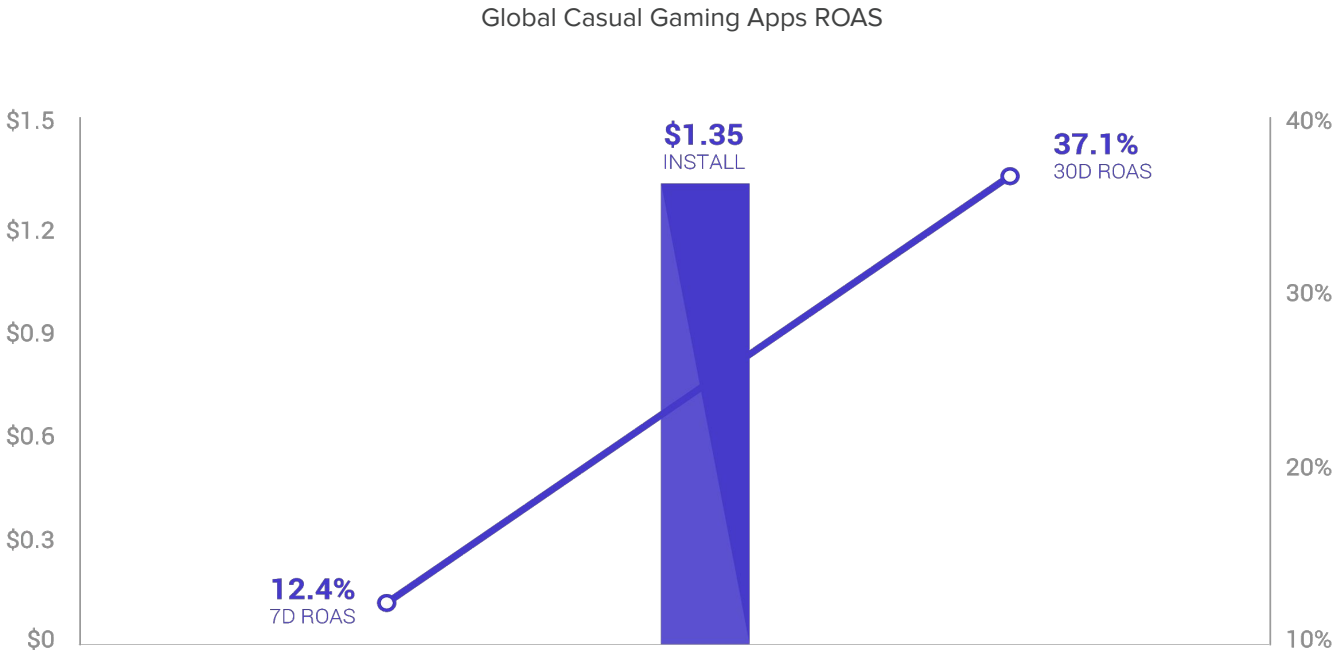
Gazeus Games is the largest casual and social games developer in Brazil. It has a strong focus on classical card and board games, and counts over 9 million active users across over 100 countries.

# Casual Gaming Apps

Install costs are a draw, but sluggish ROAS presents challenges. Marketers can make it big in Japan but shouldn't lose sight of North America, Europe or the attraction of Android, which couples attractive costs with impressive ROAS.

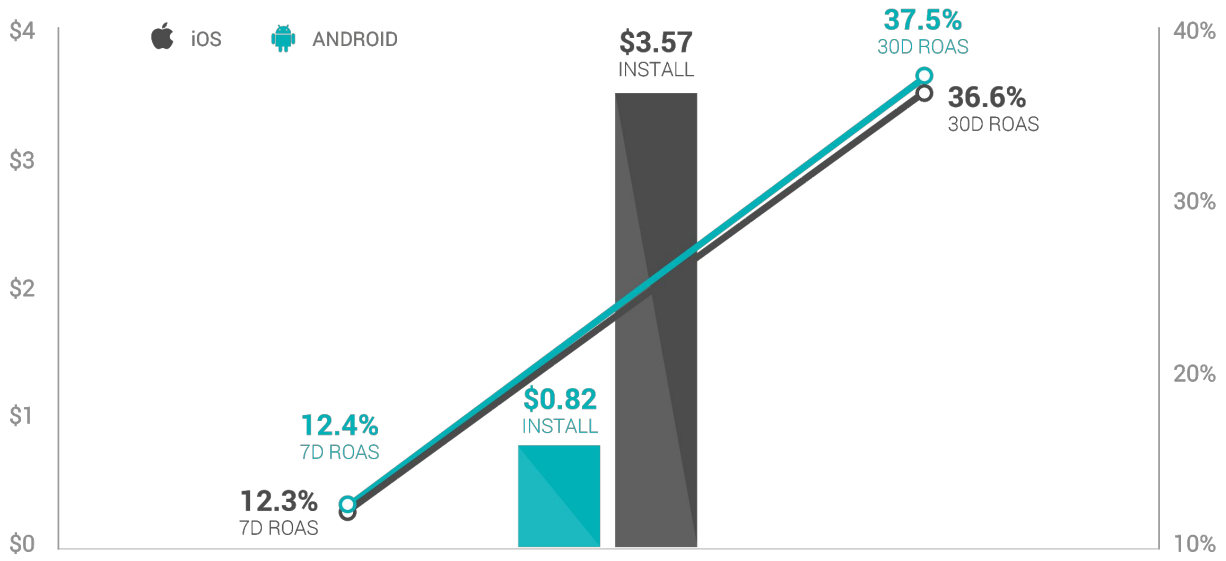


# Costs are attractive compared to the global benchmark (nearly 8.2% less). However, 7D ROAS is nearly 2 percentage points lower where it counts.



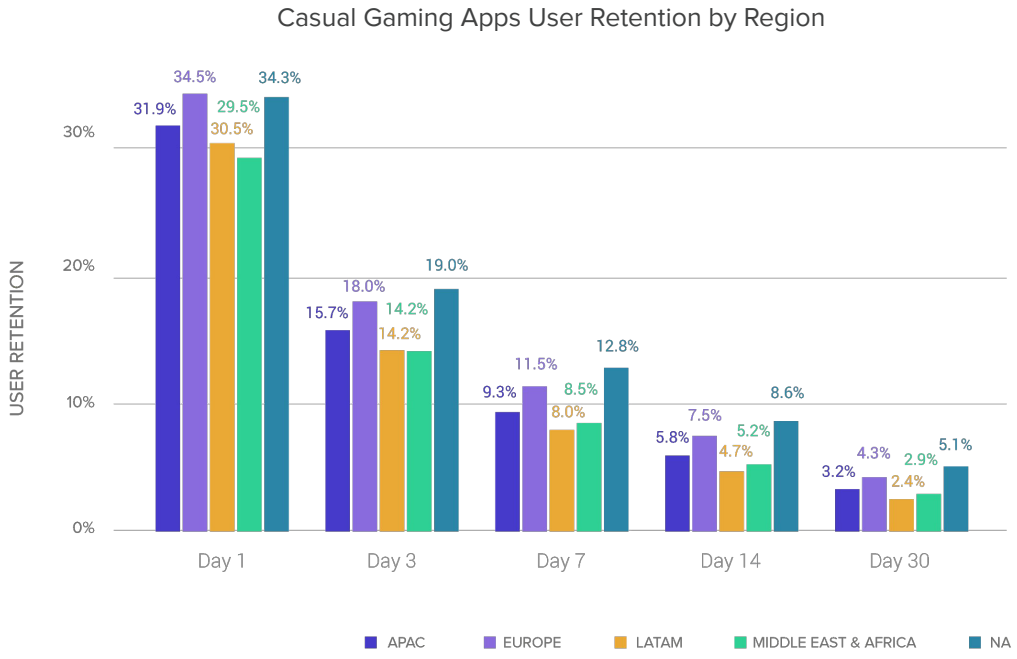
# Android is a hit with Casual gamers, offering bargain costs and Day 30 ROAS that beats iOS (and the global benchmark).

Global Casual Gaming Apps ROAS by Platform



# Retention rates in North America and Europe hit impressive heights. But North America shows staying power to finish first.

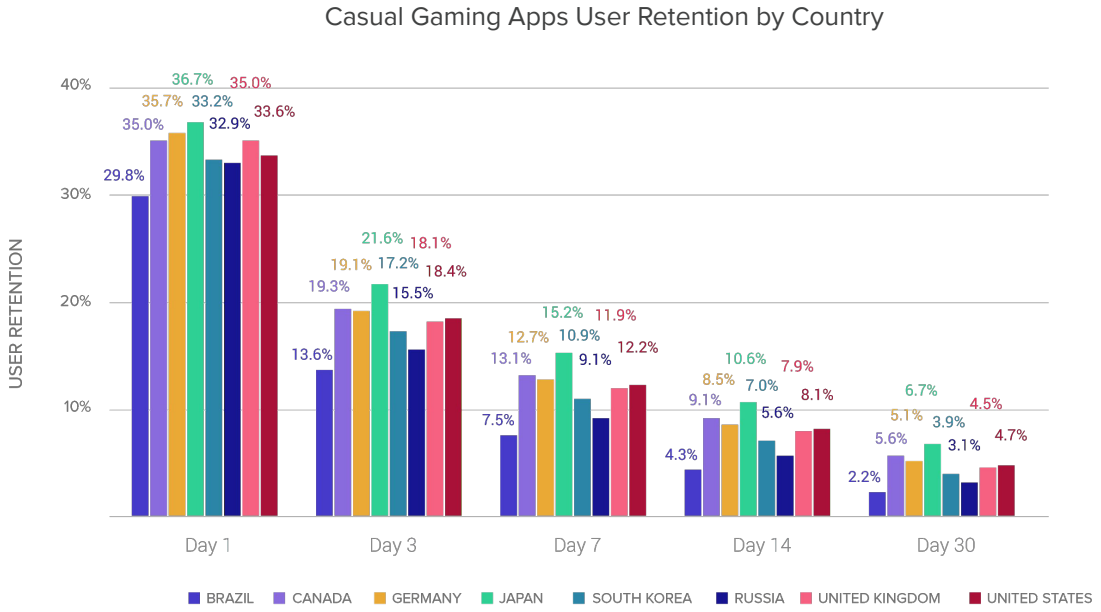
- APAC comes in number 3, a position that has improved significantly compared to the previous year. At 31.9%, Day 1 retention is 2.4 percentage points higher than 2019 (29.5%).
- MENA makes a strong show, coming in with retention rates across the curve that are nearly identical to the numbers APAC reached in 2019.
- LATAM doesn't only have the lowest retention rates in 2020; they come in an average of 5% lower than figures reported the previous year.




Source: AppsFlyer data

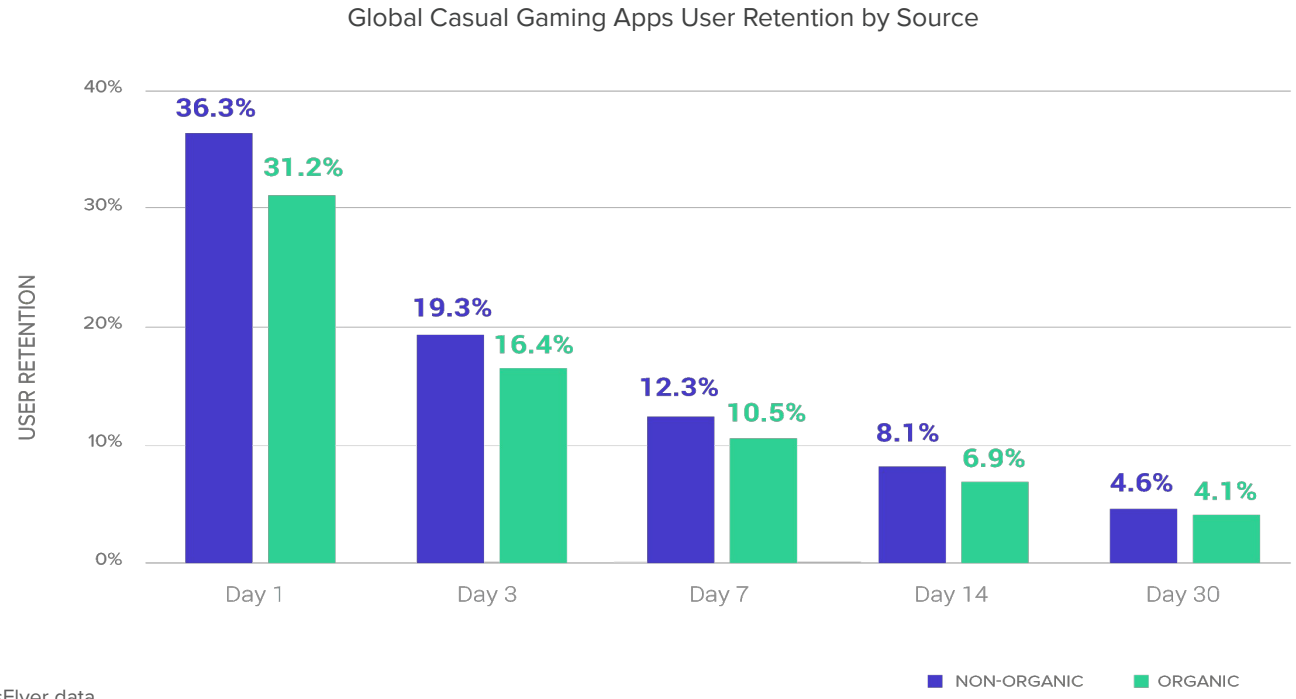
# Japan is the most committed to Casual games, outperforming its regional benchmark by nearly 2x by Day 14.

- Japan makes an even better show than the previous year, with retention rates that increased by an average of 2.6 percentage points across the curve.
- Russia also improved from a year earlier, chalking up a 3.5 percentage point increase on Day 1.
- Canada, Germany and the U.K. have comparable appetites on Day 1. But players in the U.K. show serious signs of fatigue on Day 3, when the retention rate drops nearly 1 percentage point to fall behind Canada, a gap that continues through to Day 30.




Source: AppsFlyer data

# Non-Organic users retain higher longer, showing results that are, on average, 16% higher than Organic.




Source: AppsFlyer data

> Keep product and marketing close. It’s not about sitting in the same room, although that helps. It’s about having constant checkpoints and encouraging ongoing conversations to shape the entire UA strategy.

**Paula Neves -** User Acquisition and Product Management



In the beginning, product informed campaigns. "But now, it's going full circle and marketing is informing product," Paula explains. Metrics are also evolving–fast. "LTV used to be the one to watch. But now focusing on LTV alone won't tell you much," she says. Figure out the “natural retention curve” for your game, and use that to calculate your break-even point. "If, after six months, no one is playing your game, then why bother looking at ROAS—or anything else?” To build a solid business, you have to be able to calculate when you’re going to get your money back.

MONTRÉAL
SQUARE ENIX

Square Enix is on a mission is to deliver fresh, thoughtful experiences to broader audiences while deepening and extending the Square Enix portfolio. It’s perhaps best known for creating the Go series of turn-based puzzle games based on former Eidos Interactive intellectual properties.

# Hyper Casual Gaming Apps

Retention is strong from the start, and players in North America and Europe are the most committed. Non-Organic approaches pay massive dividends, particularly if marketers can drive high engagement from the get-go.



# Hyper Casual continues to push the boundaries, but has it passed its peak?

The good news: Users everywhere on the planet are spending more time playing games in their free time. The even better news: players are also engaging more with advertising in games. It's a trend in these unprecedented times that plays in favor of hyper casual games. Little wonder in-app video advertising platform provider ironSource recently reported the "approximate market value for hyper casual games to be in the region of $2 billion to $2.5 billion in annual revenue."That was before Covid-19. Since then the subcategory has seen an avalanche of installs, one major reason the company now estimates the size of the hyper casual market will reach $3 billion this year, up one-third over the previous year.

Nonetheless, reams of recent research suggest the growth of hyper casual, the genre that dominates download charts (representing 78% of the most downloaded new games of 2019, according to app market intelligence provider Sensor Tower), may be slowing. Are hyper casual games past their peak? It's a tough one to call, but three critical factors are coming together that signal tough times ahead.

# Meanwhile, market factors drive the expansion of monetization models.

It's a tough one to call, but critical factors are coming together that signal tough times ahead.

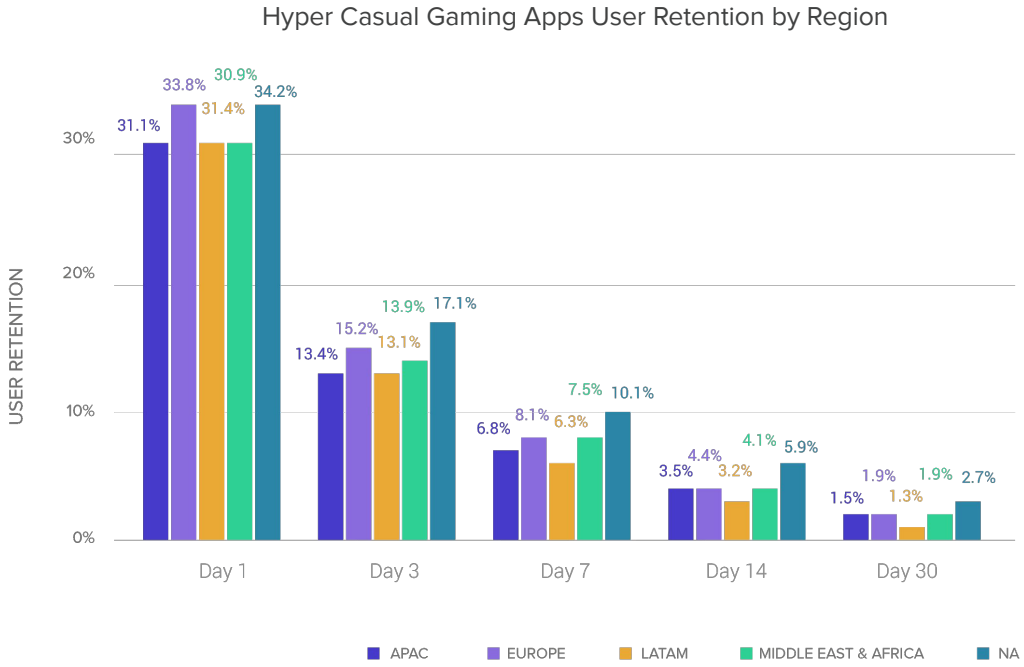
Chief of these is the fierce competition. The games are super-simple. This means players can pick them up in seconds. But it also means that they are easy to clone, deploy and monetize. Unfortunately, it also means staying a step ahead of market rivals can be an uphill battle. Hit titles are cloned quickly and competitive edge is fleeting.

To complicate matters, a low barrier to entry opens the gates for more studios to take their place in the winner's circle alongside Voodoo (SayGames, Lion Studios, Good Job Games and others). A crowded and contested market is a tough one to win. In reality, more publishers may line up to compete for a majority market share, but, in the end, all companies have to settle for less.

It may be that the hyper casual gold rush is coming to an end. But it's much more likely that 2020 will see hyper casual *evolve*. Rather than relying exclusively on ad monetization to generate revenues, hyper casual will introduce features players can pay for with money, not just eyeballs. The outcome is hybrid casual, a new breed of hyper casual games that will allow companies to monetize through ads or in-app purchases—or both.

# Day 1 retention rates hit new records in all regions—except LATAM—but dip below 2019 levels from Day 3.

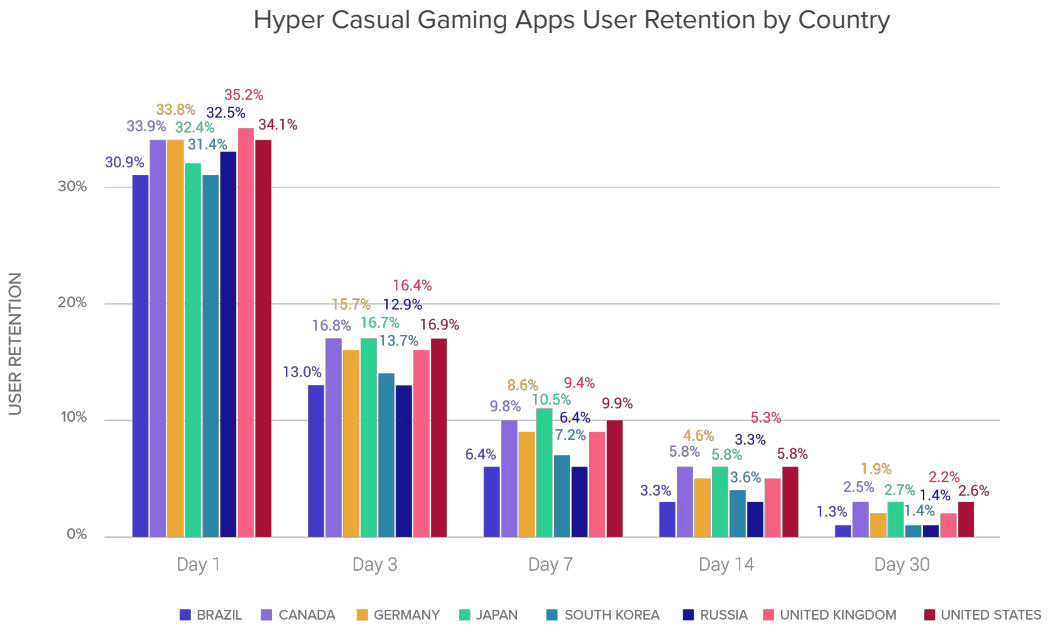
- Marketers have made massive improvements early in the curve, but retention rates after Day 3 trail behind 2019 levels by an average of 1.2 percentage points.
- LATAM has the worst retention rates,  finishing at 1.3% on Day 30, nearly 2x lower than North America.
- North America is the region with the most robust retention, followed closely by Europe, which follows a similar trajectory to tie with MENA (1.9%) on Day 30.




Source: AppsFlyer data

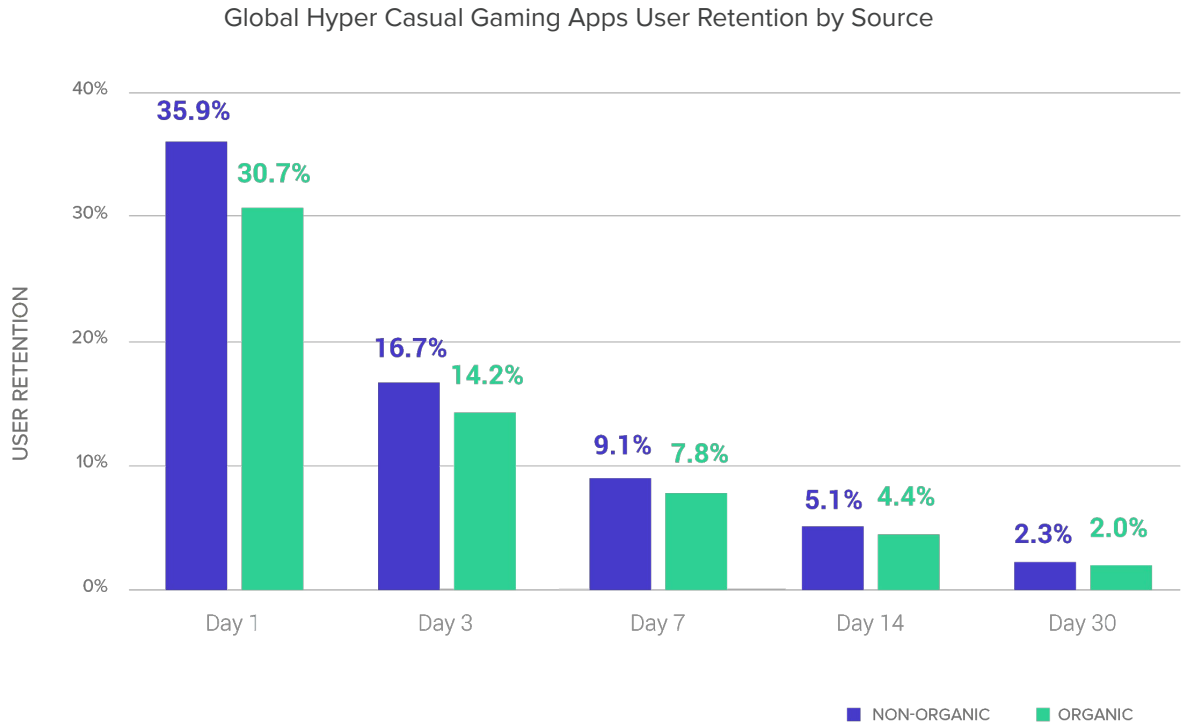
# Retention rates in Canada, Japan and the U.S. are impressive from the start, while rates in Brazil, South Korea and Russia show a dramatic decline.

- The U.K. gets off to the best start with a Day 1 retention rate of 35.2%, a 7.7% increase over the previous year. But it loses steam rapidly to hit disappointing levels further along the curve.
- At the lower end of the scale, South Korea shows a 4.5 percentage point increase compared to the previous year. However, even a stronger start doesn't allow it to maintain a competitive edge.
- At 33.8%, Germany offers an attractive retention rate on Day 1. However, compared to the previous year, retention rates across the curve lag behind 2019 levels by an average of 2%.




Source: AppsFlyer data

# Non-Organic pays off for Hyper Casual, outperforming organics by 17% on Day 1 and 15% on Day 30.




Source: AppsFlyer data

> Product and Marketing teamwork works! Close cooperation between these teams is crucial to grow your game and achieve success.

**Misha Syrotiuk -** Head of Ad Networks and Programmatic



Diving deep into data around regions and countries provides essential insights that can make a massive difference in marketing campaigns, Misha explains. "Marketers should focus the most on their top geos." But other factors–including user lifecycles, the competitive landscape and how the app monetizes its audiences–also merit close consideration. "In the case of hyper casual games, the lifecycle is short," Misha says. "So, it makes sense to spend the budget on UA, and not spend on retargeting or building the brand."

HUUUGE

Huuuge Games is a leading real-time mobile games developer and publisher focused on the fast-growing multi-billion-dollar social casino gaming market worldwide and on re-defining casual arcade, puzzle and casino categories.

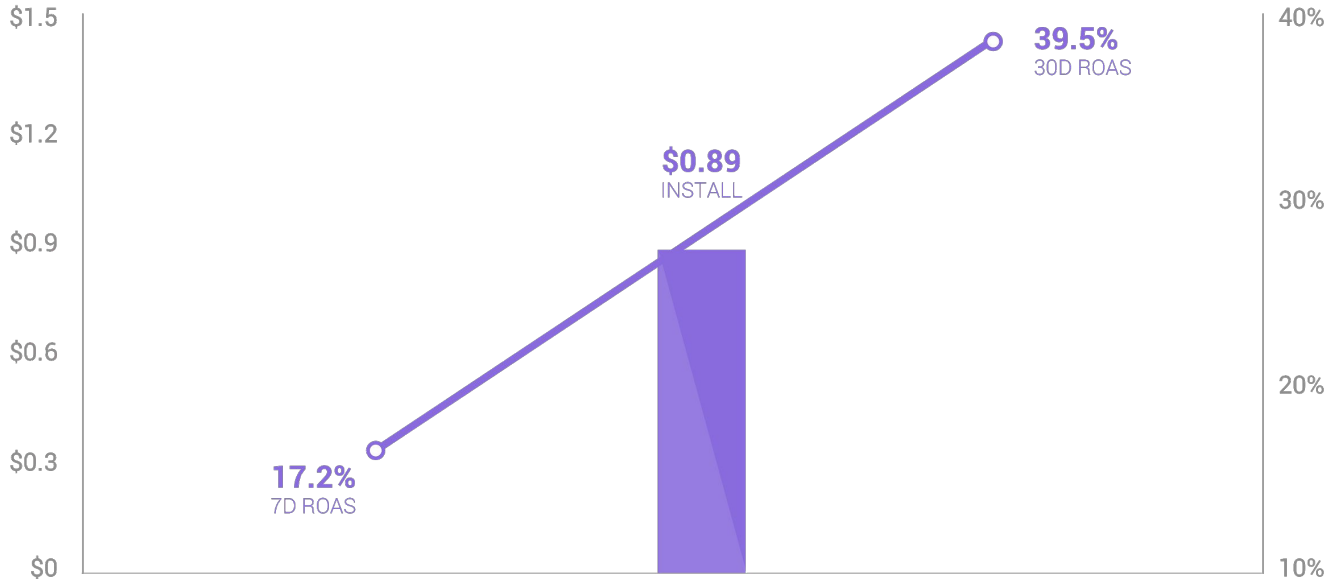
# Midcore, Hardcore & Strategy Gaming Apps

The lowest CPIs and the highest ROAS are a winning combination, and Android is the one to watch. Japan is home to the most enthusiastic players, and Non-Organic approaches everywhere are a crowd-pleaser.

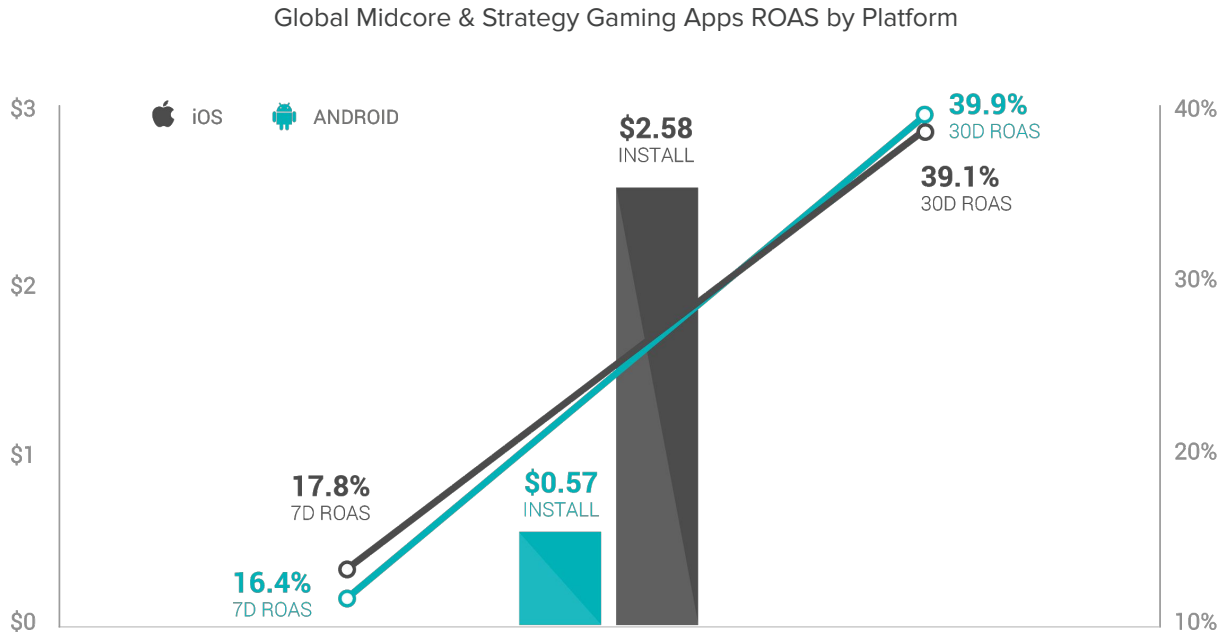


# The Midcore & Strategy category is a two-time winner, pairing the lowest costs (over 1/3 cheaper than Casual) with the highest 7D ROAS (nearly 3 percentage points higher than the global benchmark).

Global Midcore & Strategy Gaming Apps ROAS

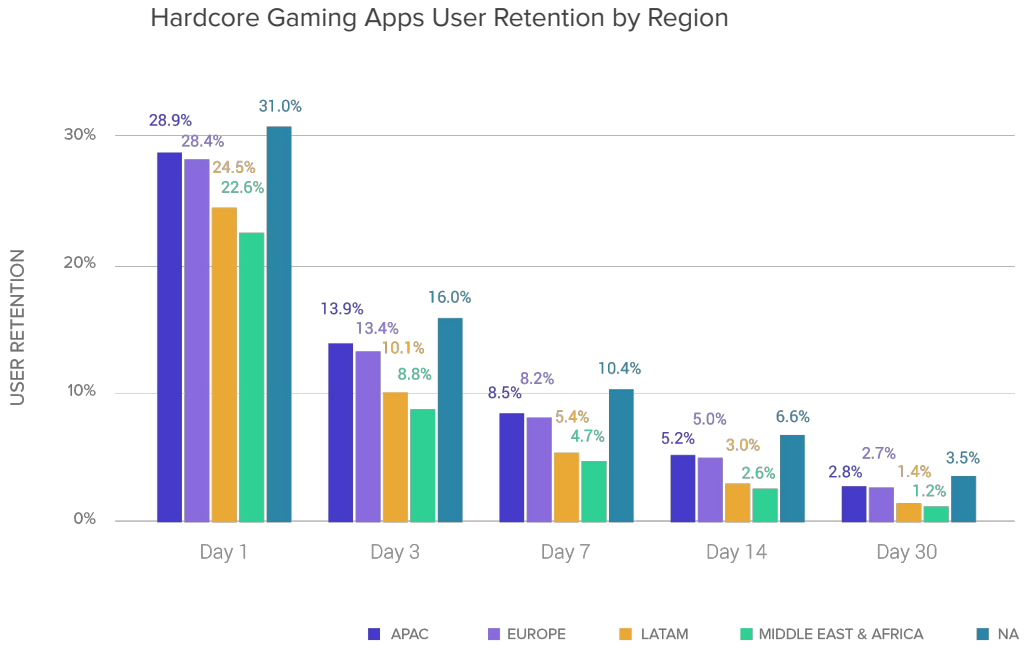


# Android is a steal (36% cheaper than the global benchmark) and the highest performer, offering ROAS that beats iOS on Day 30 by nearly 1 percentage point.



# Regions that are the most loyal to Hardcore games stay that way. North America leads, followed by APAC and Europe.

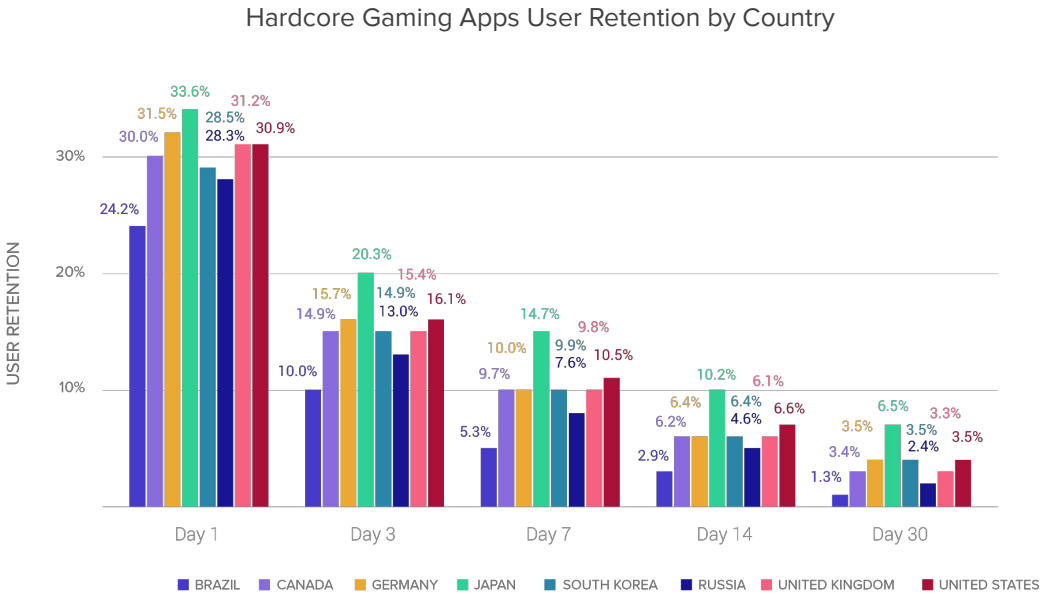
- No shift here. The lineup of regions that start strong on Day 1 (North America, followed by APAC, Europe) finish in the same order on Day 30.
- North America is home to the most loyal users, with a Day 7 retention rate that is 2x higher than MENA and LATAM. Significantly, the gap to those regions continues to widen further along in the curve.
- Retention rates for APAC and Europe are similar at the start. But the gap between the regions (0.5 percentage points on Day 1) disappears by Day 30 (when the difference is only 0.1 percentage points).




Source: AppsFlyer data

# Japan holds a lead with the most loyal Hardcore players at every stage of the curve.

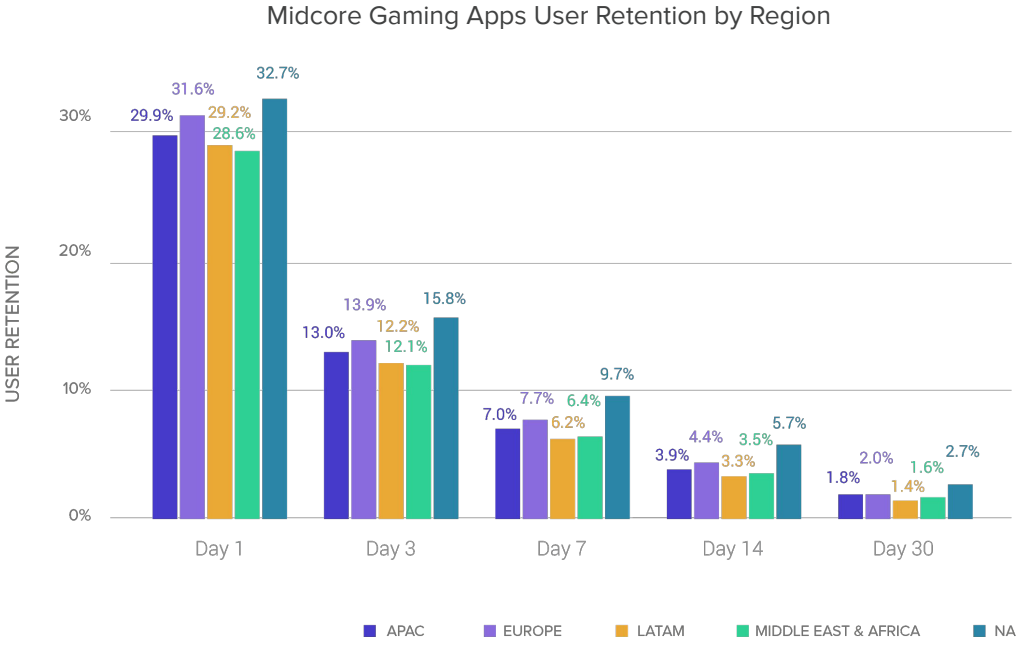
- Germany and the U.S. start with similar retention rates (that never differ by more than 0.6 of a percentage point), before hitting an identical rate of 3.5% on Day 30.
- Retention rates in Brazil are consistently the lowest in the group, coming in nearly 28% lower than the group leader (Japan) on Day 1 and trailing all other countries (except Russia) by more than 50% by Day 14.
- At first, retention rates in South Korea lag behind others in the group. But the situation changes by Day 7, when it closes the gap to Canada, Germany and the U.K. to tie for second place (with Germany and the U.S.) with a Day 30 retention rate of 3.5%.




Source: AppsFlyer data

# Midcore gains serious traction. All regions—except LATAM—have higher Day 1 retention rates compared to the previous year.

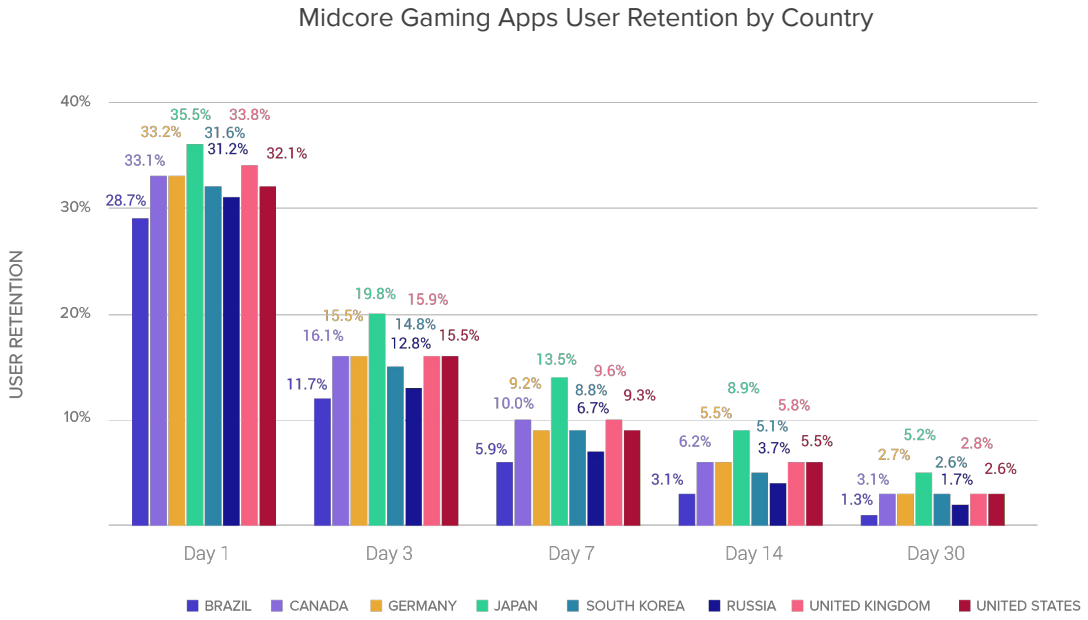
- Retention rates in North America are consistently the highest, followed by Europe.
- Marketers in all regions (except LATAM) have succeeded in driving higher retention rates on Day 1 compared to the previous year. But it's hardly a reason to celebrate. Retention rates across ALL regions, including LATAM, decline from Day 3 onwards, suggesting marketers need to do more to keep players coming back.
- Midcore players in LATAM are distracted, not dedicated. The region has the lowest retention rates across the curve, consistent with its last-place position the previous year.




Source: AppsFlyer data

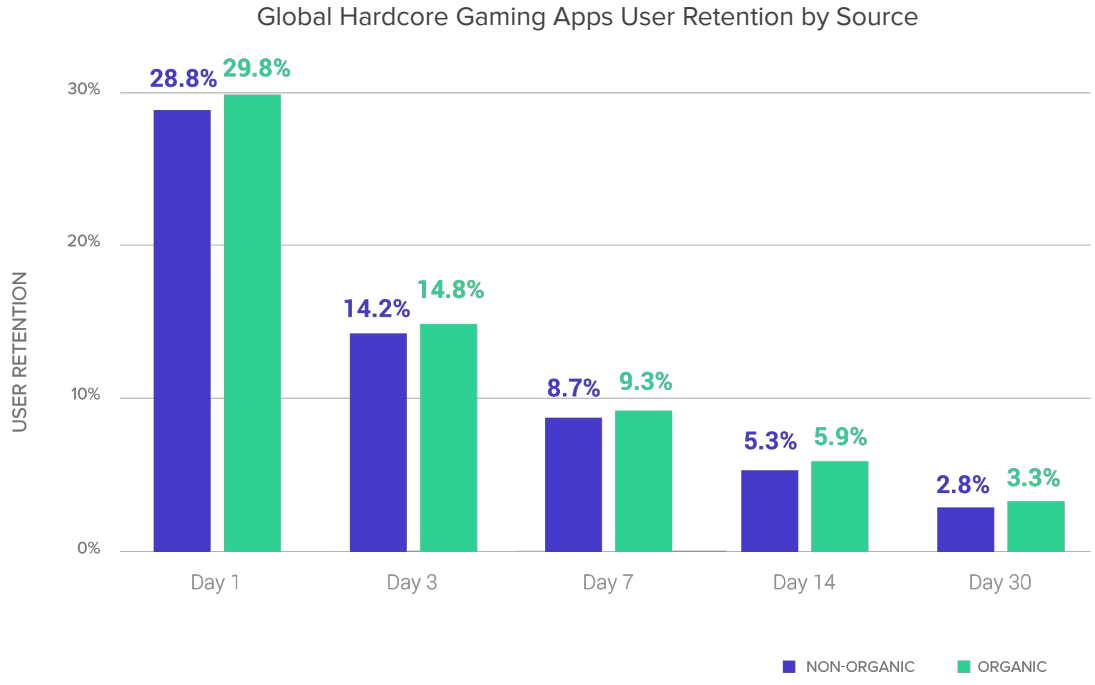
# In Japan, impressive retention rates have catapulted the country to the head of the class, after coming in as low at 7th place the previous year.

- Canada takes second place across the curve, after coming in the number 4 in the group with a Day 1 retention rate of 33.1%.
- Brazil finishes last at every point in the curve with a retention rate that hovers between 2x and 4x under the group leader, Japan.
- Germany, the U.K. and the U.S show similar retention rates throughout the curve to finish on Day 30 with no more than 0.2 percentage point difference between them.



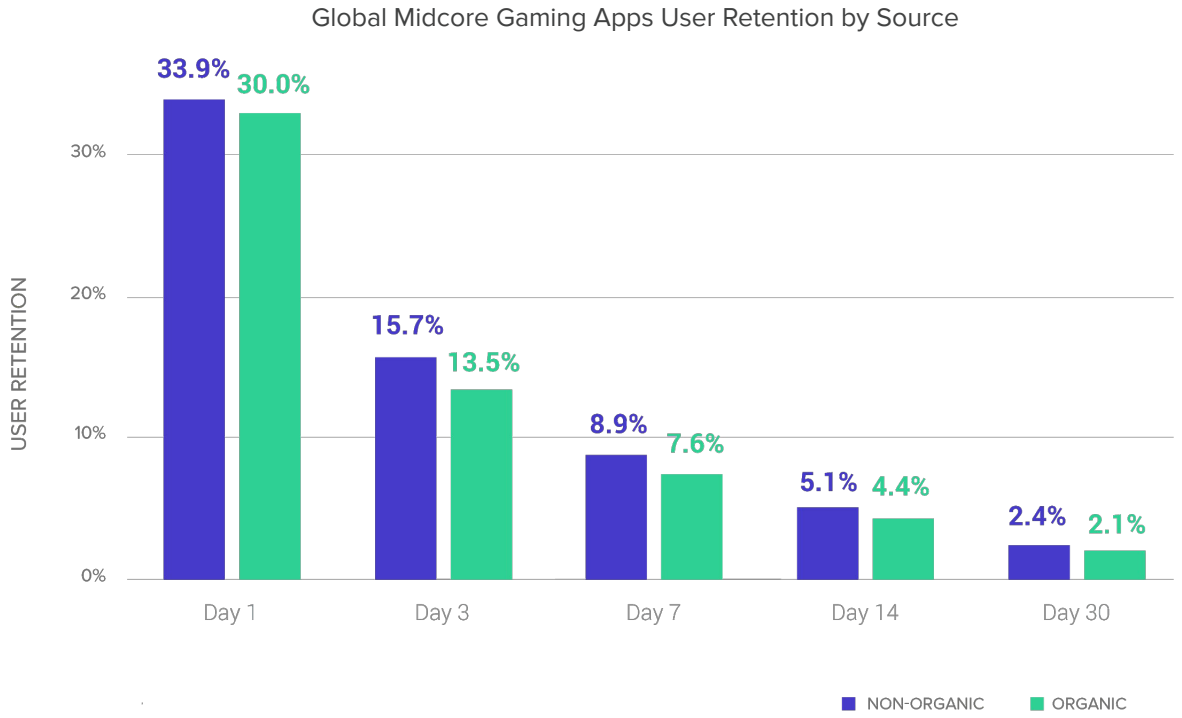

Source: AppsFlyer data

# Hardcore fans don’t need a hard-sell. Organics consistently outperform Non-Organics by an average of 0.7 percentage points across the curve.




Source: AppsFlyer data

# Non-Organic players are the biggest fans of Midcore games. Retention rates are, on average, 15% higher than Organics across the curve.



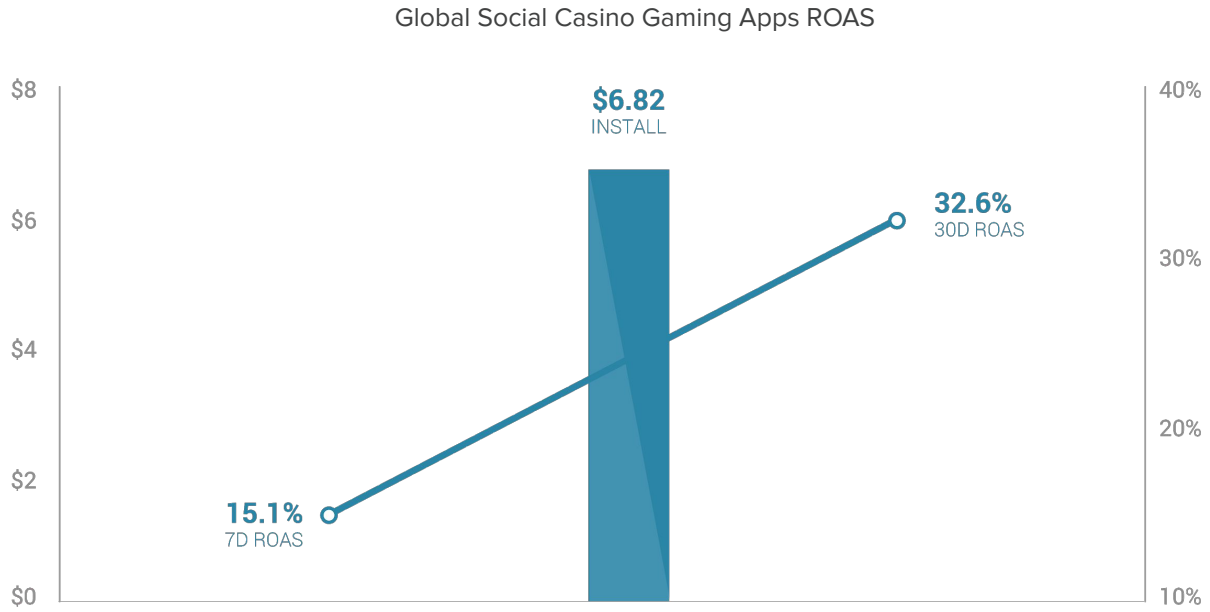

Source: AppsFlyer dat

# Social Casino Gaming Apps

High costs, coupled with low ROAS, are a tough hurdle to clear. North America offers the highest retention rates, with Canada leading the way. Non-Organic approaches pay off early in the curve, but Organic users retain better longer.

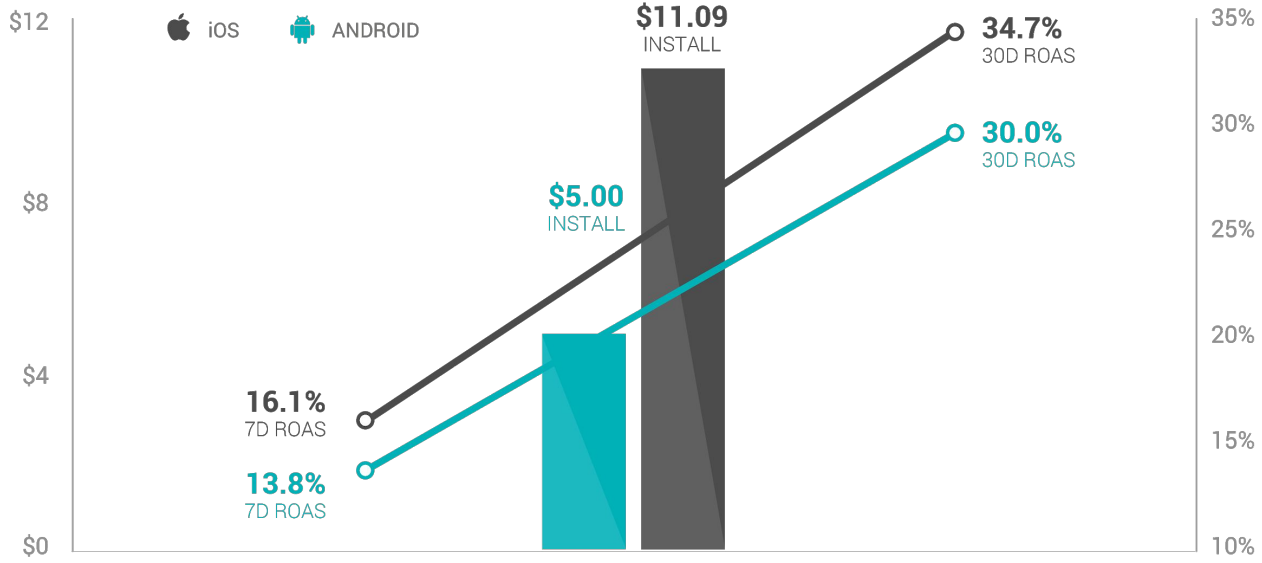


# Social Casino CPIs are 5x higher than Casual and Day 7 ROAS, the second highest of all subcategories, comes in 2.7 percentage points higher than Casual.



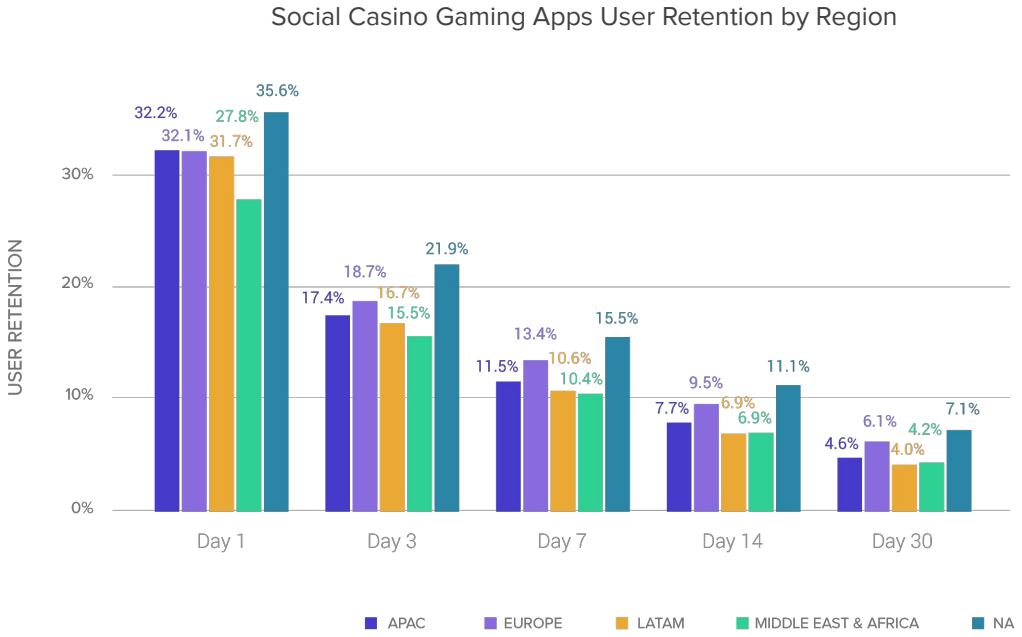
# Social Casino can place its bets on iOS. The platform may be pricier than Android, but it also offers the best ROAS, coming in 1.9 percentage points above the global benchmark on Day 7.

Global Social Casino Gaming Apps ROAS by Platform



# North American retention rates set the bar, towering over all other regions and coming in as much as 2.5 percentage points over rates recorded the previous year.

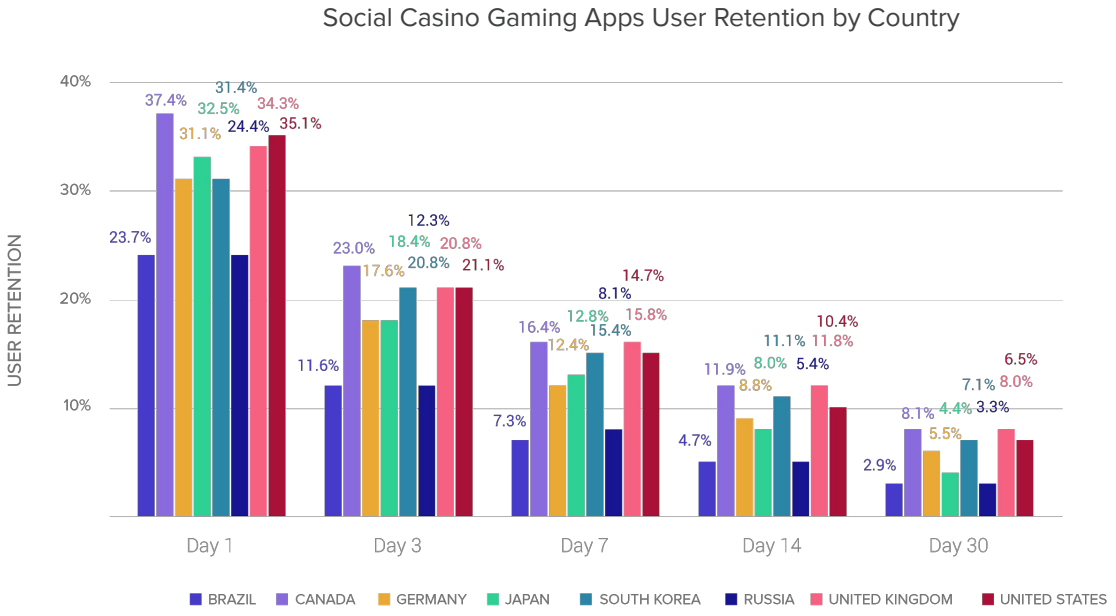
- Overall, retention rates across all regions—and stages in the curve—are consistently higher than the previous year. APAC shows the most significant improvement, chalking up increases that hover around 3 percentage points early in the curve.
- Europe starts out third on Day 1 with 32.1% before inching up to take second place at every stage of the retention curve.
- Across the curve, retention rates for LATAM and MENA hover at the lower end of the scale.




Source: AppsFlyer data

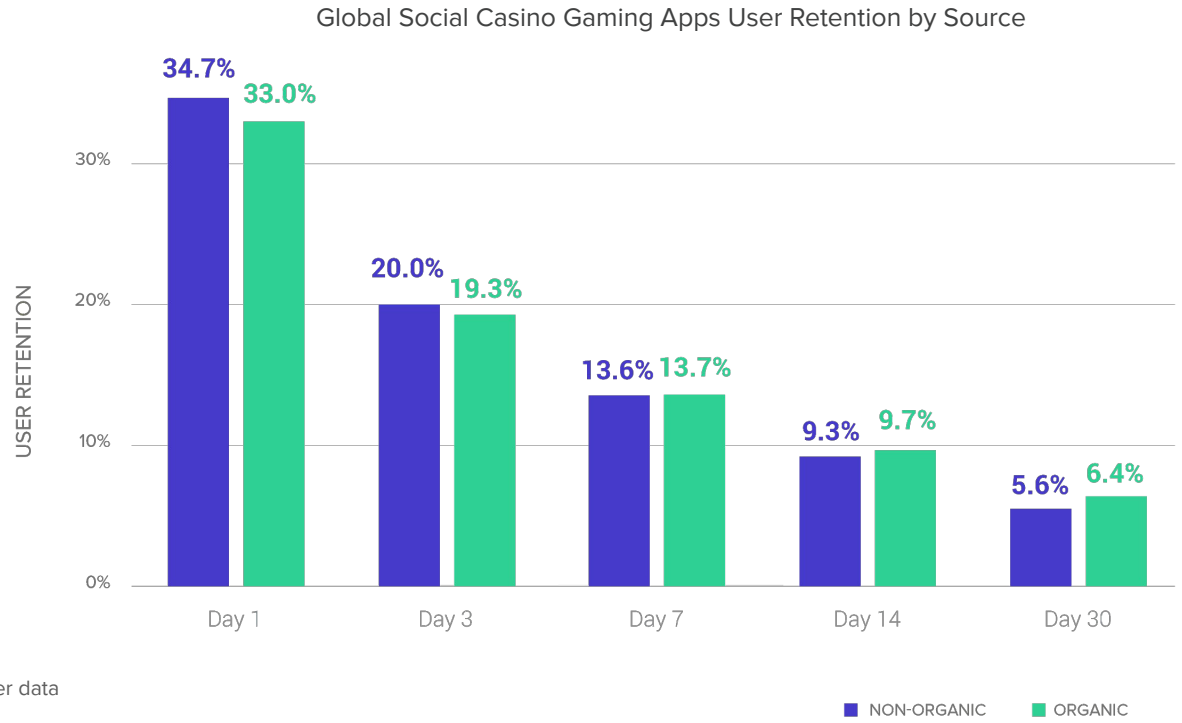
# Canada leads the pack, taking the number 1 spot at each point in the retention curve, up from second place the previous year.

- All countries, except for Brazil, show increased retention rates compared to the previous year.
- The U.S. impresses on Day 1 and Day 3, before yielding its number 2 position to the U.K. from Day 7 to finish number 4 on Day 30 behind South Korea.
- Retention rates for Russia early are significantly lower than the previous year. However, rates pick up from Day 7 when retention rates hit 8.1% (compared to 7.3% in 2019) and continue to outperform last year's levels by as much as 17%.

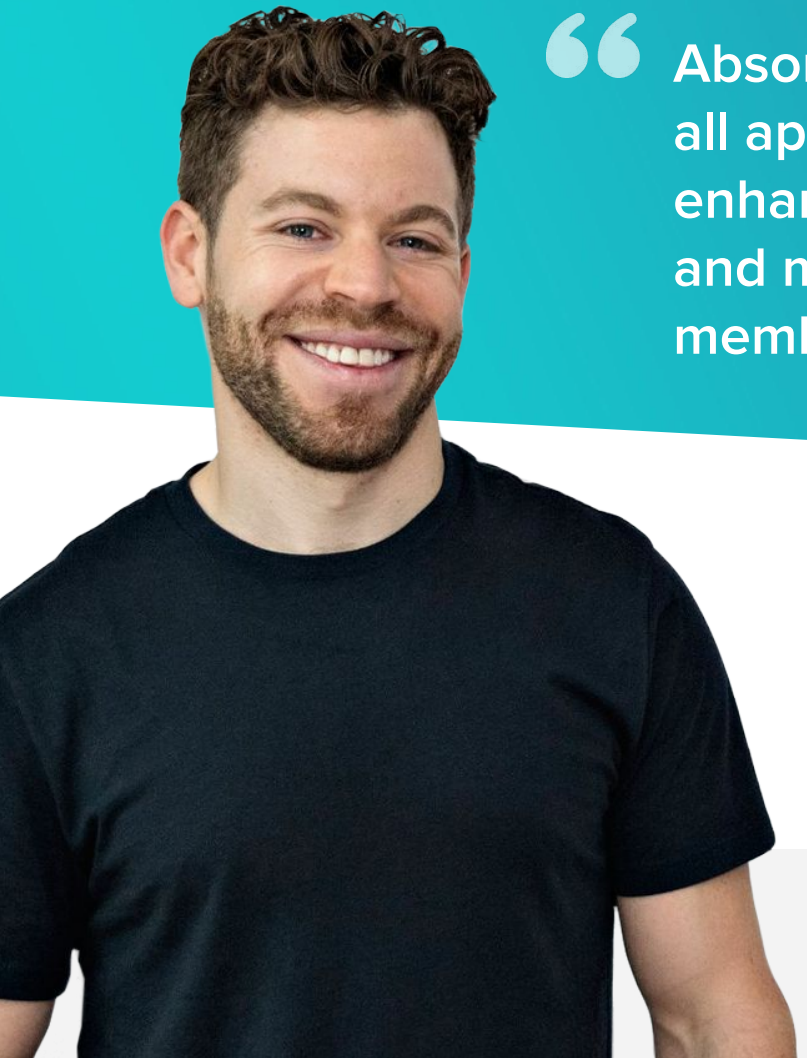



Source: AppsFlyer data

# On average, Non-Organics have a 4.2% edge over Organics early in the curve. But it's the opposite from Day 7 when both sources tie before Organic pulls ahead by nearly one percentage point.




Source: AppsFlyer data



> Absorb information like a sponge. It may not all apply to your game genre, but it will enhance your skill set, help the business and make you a more valuable team member.

**Harry Bienenstock -** Monetization Team Leader

Aim high and do your homework, Harry advises. "Gaining knowledge on a market before you test spend there is a must." That means equipping yourself with data around the prices you can expect to pay and the behavior to expect from your users. "It also means looking for value in places where there are new eyeballs on your product or brand, which can be influencers that have a following or platforms, such as TikTok, that see a surge in popularity."

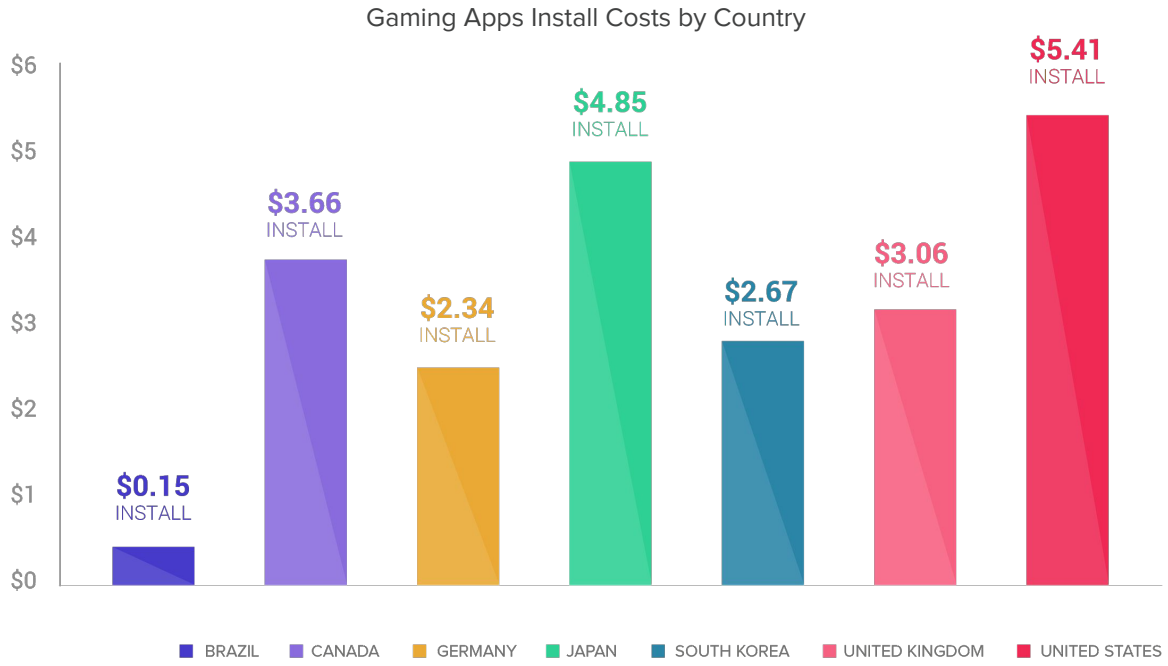
Playtika

Playtika is a developer of social games specialized in creating real-time multiplayer games for social networks. In addition to being in the top 10 grossing developers on iOS and Android, the company also counts 6 million daily active users and 20 million monthly active users.

# Country Deep Dives

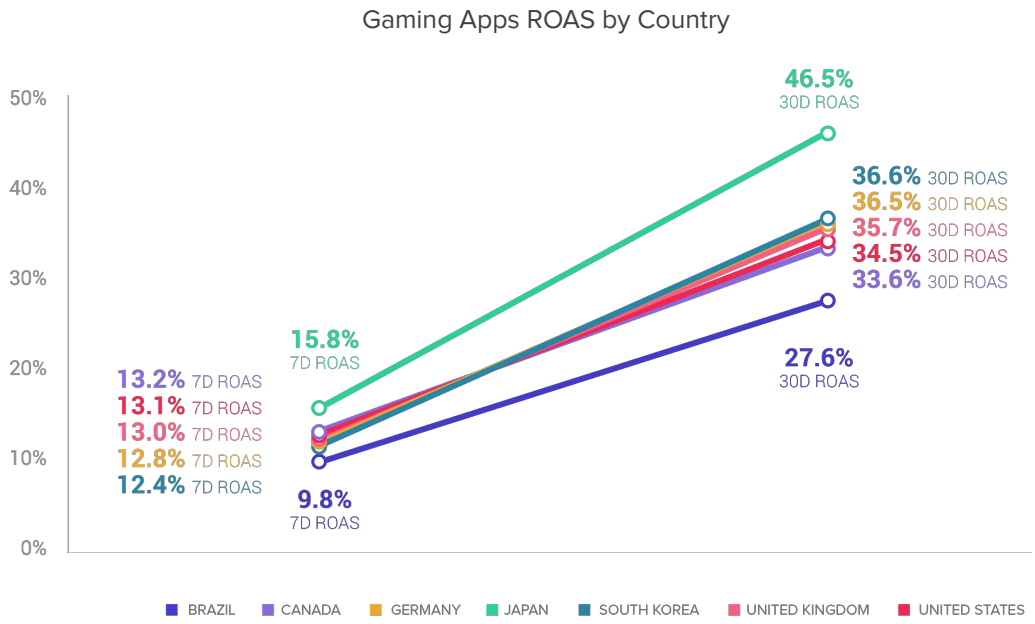
Japan leads as the most loyal and lucrative country, outperforming the APAC benchmark by as much as 2x. An examination of ROAS by platform reveals countries, including Germany and the U.K, offer impressive ROAS for a moderate price. Brazil, which has rock-bottom prices has a mountain of issues, including the lowest ROAS and the weakest retention.

# CPIs in the U.S. are the most expensive, increasing 14.9% over the previous year. Meanwhile, CPIs in all others countries show a decline, and Brazil drops by a whopping 9x to emerge the bargain in the group.



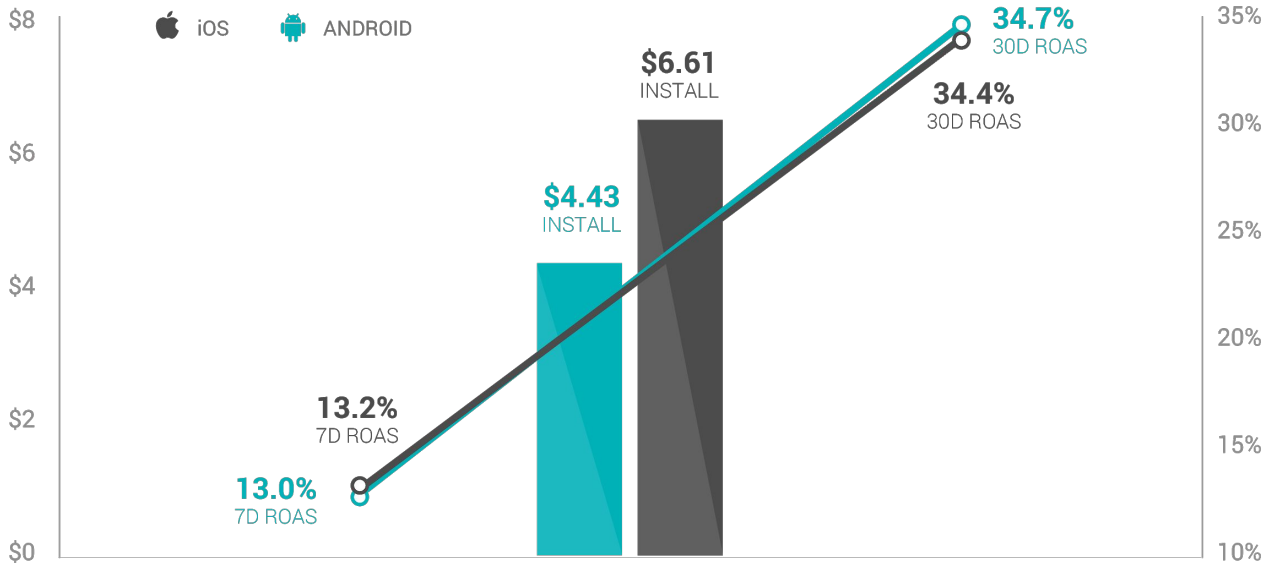
# ROAS in Japan is the highest of the group and over 7 percentage points above the regional benchmark on Day 30.

- The remaining countries crowd the middlefield, nearly mirroring the lineup of the regional benchmark.
- Significantly, the U.S. ties with the regional benchmark on both Day 7 and Day 30. Neighboring Canada makes a strong start on Day 7 before dipping almost 1 percentage point below the benchmark on Day 30.
- Brazil places last in the group, a whopping 1.7x under Japan and just over 3 percentage points under than the regional benchmark.



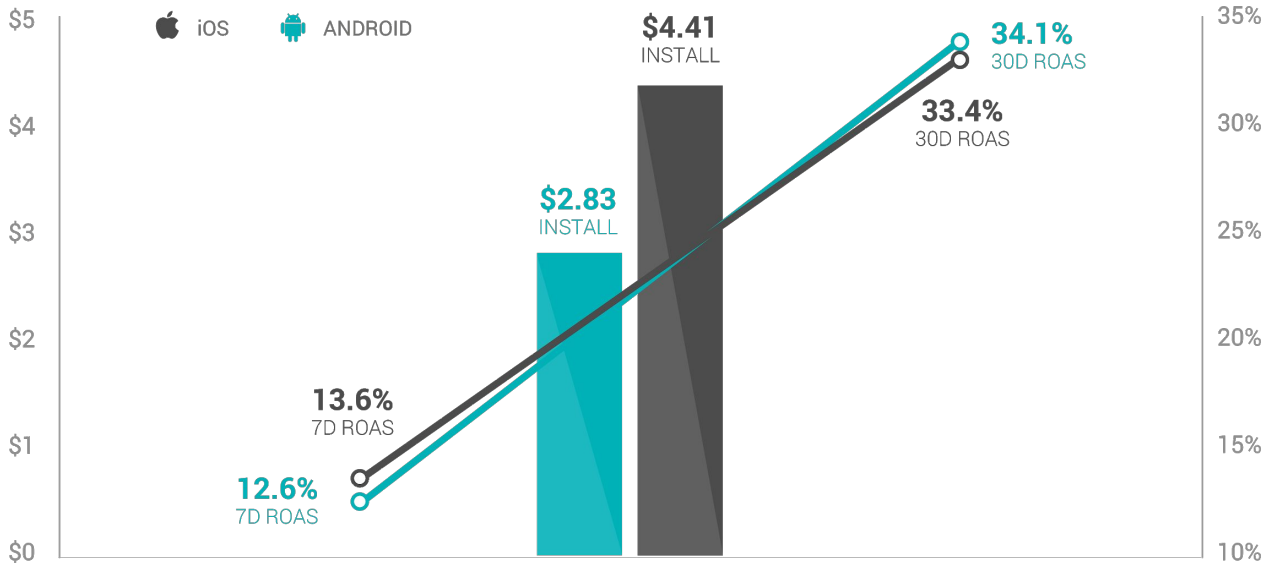
# The U.S. leads with the highest cost for iOS and the second highest cost for Android. Notably, while Android inches ahead of iOS to offer better Day 30 ROAS, it still trails the global benchmark by nearly 1 percentage point.

US Gaming Apps ROAS by Platform

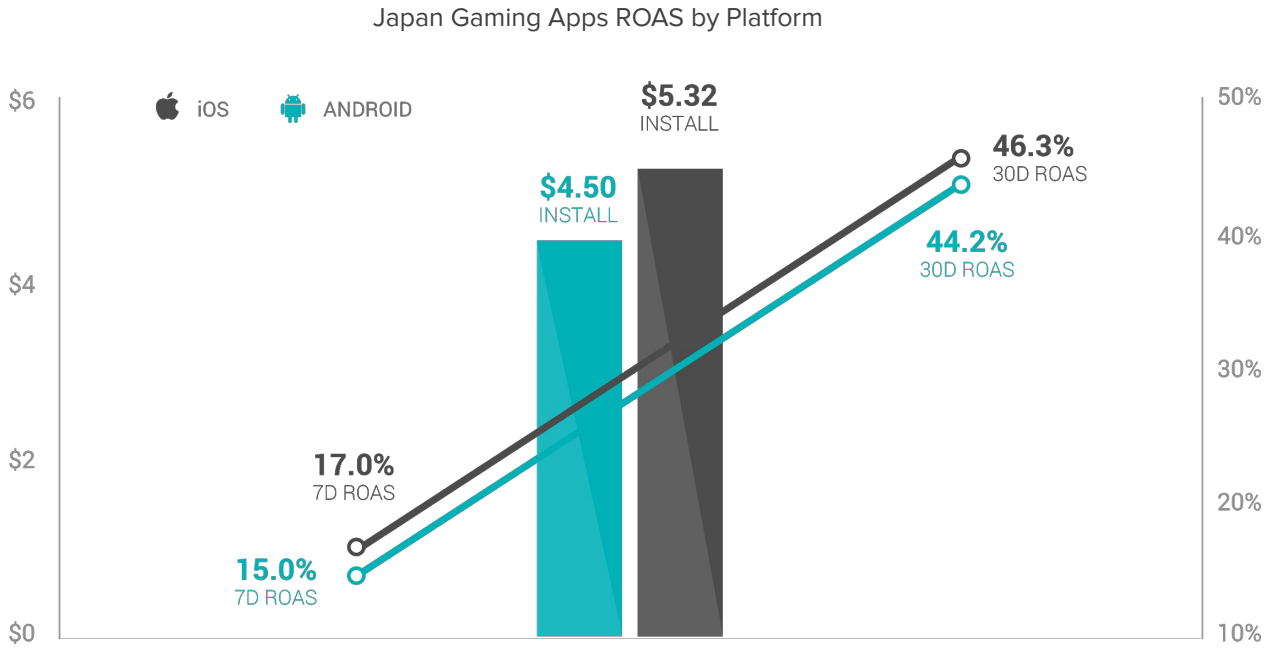


# In Canada, install costs for both platforms are significantly lower than Japan and the U.S. But this benefit is overshadowed by low ROAS, which comes in at up to 2.7 percentage points under the global benchmark.

Canada Gaming Apps ROAS by Platform

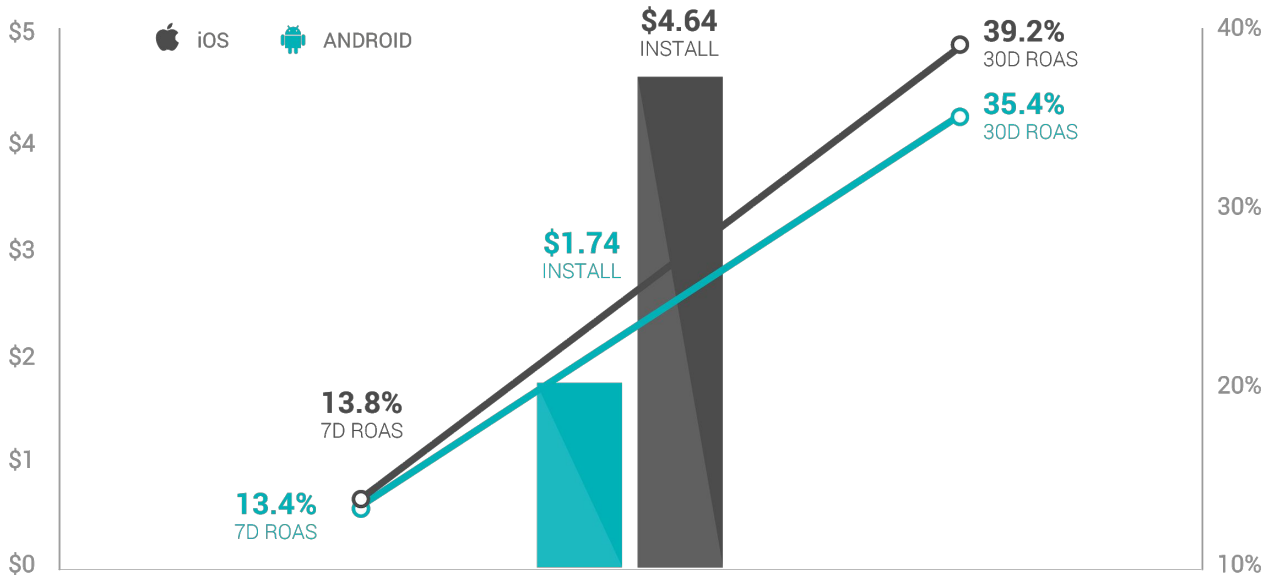


# Japan combines high prices with stellar returns. The 30D ROAS for iOS is a whopping 10.2 percentage points higher than the global benchmark, and Android beats the mark by 8.6 percentage points.



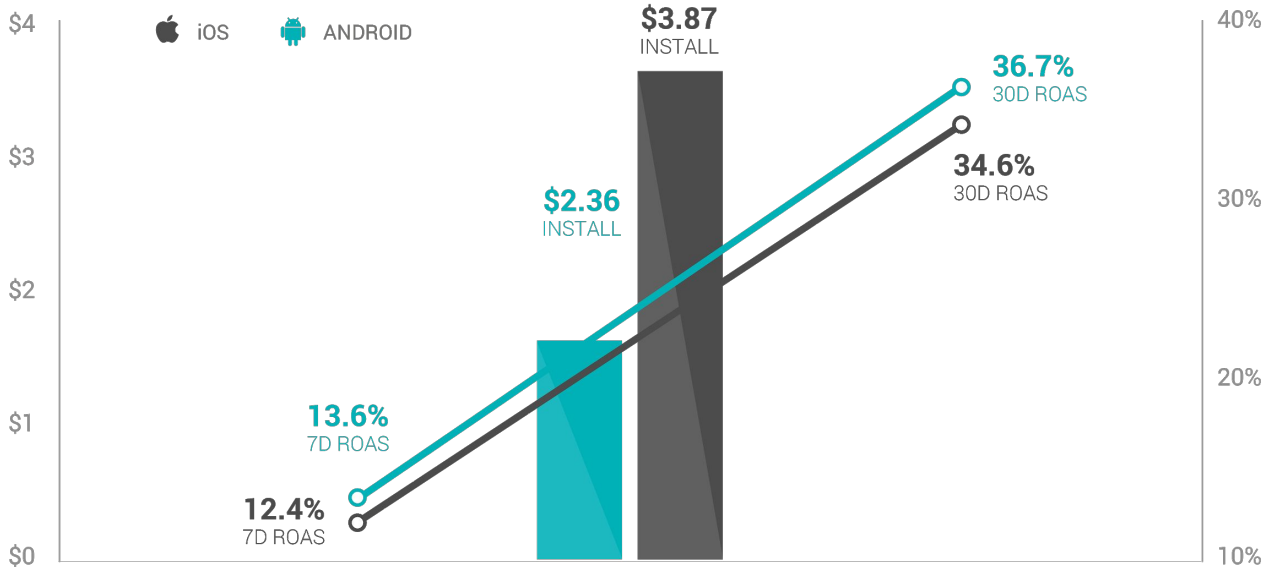
# Germany pairs high iOS costs (nearly 19% higher than the global benchmark) with the second highest ROAS. Android CPIs tower at 2x the global benchmark, while ROAS misses the mark by less than 0.5 percentage points.

Germany Gaming Apps ROAS by Platform



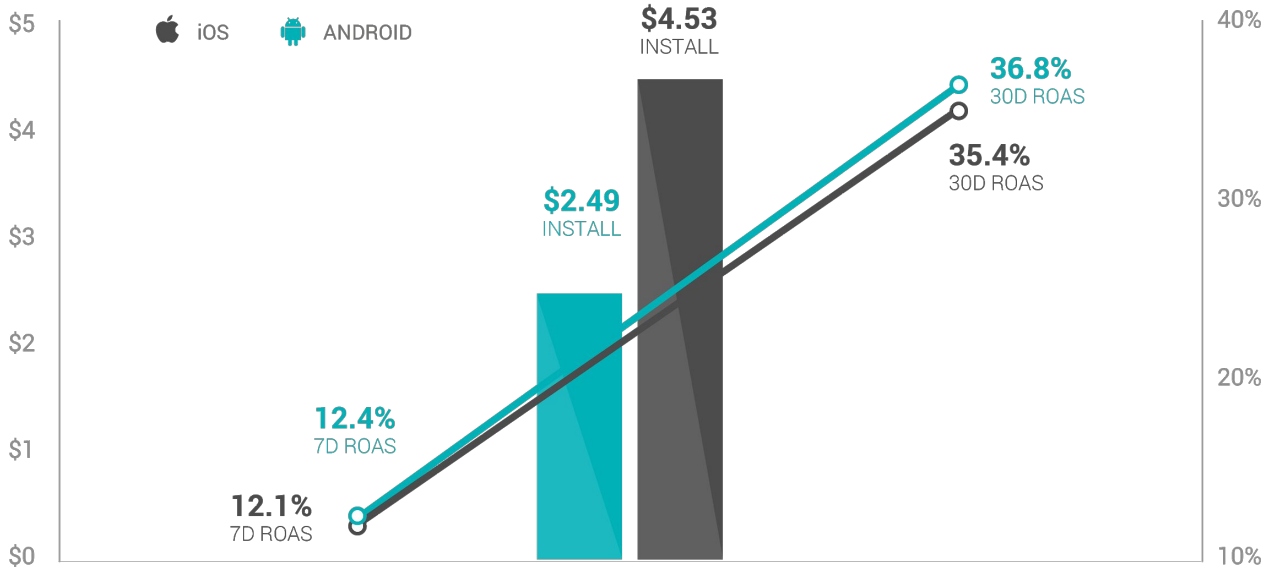
# Android is the people's choice in the U.K. At $2.36, CPIs for the platform are attractive, and impressive ROAS (the third-highest in the group after Japan and South Korea) make a winning combination.

United Kingdom Gaming Apps ROAS by Platform

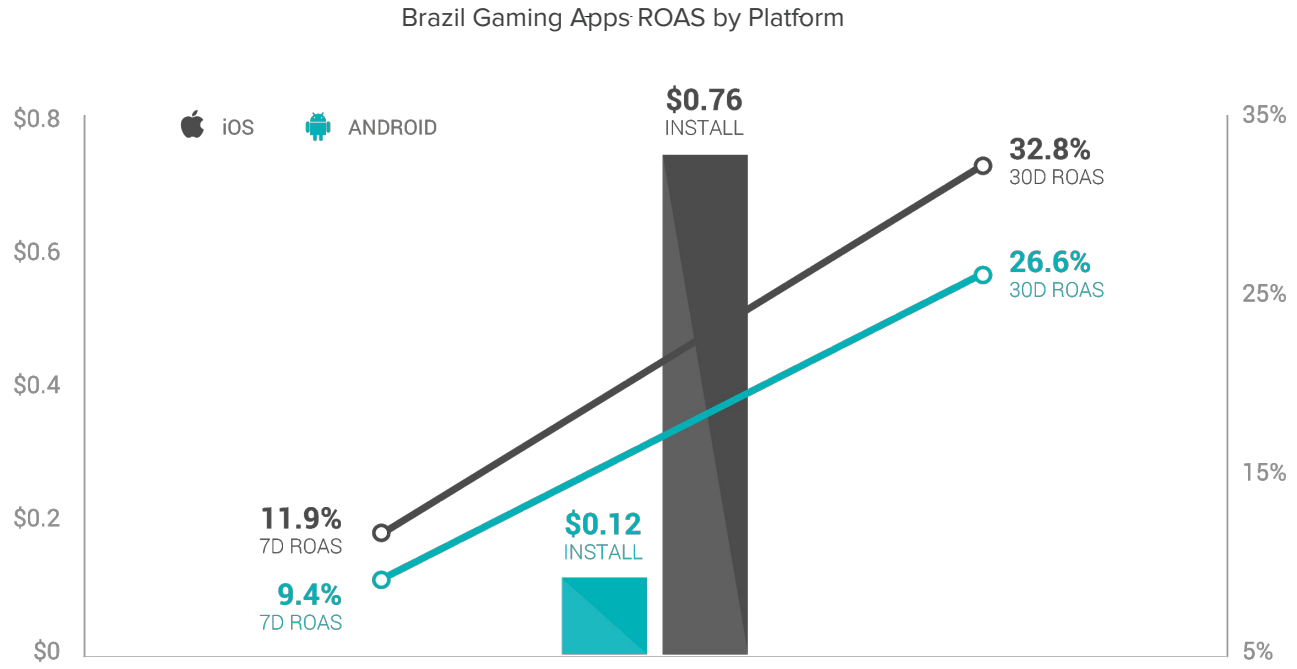


# In South Korea, D30 ROAS for Android beats the global benchmark by 1.2 percentage points. However, the benefits are eclipsed by CPIs that are 2.8x higher.

South Korea Gaming Apps ROAS by Platform

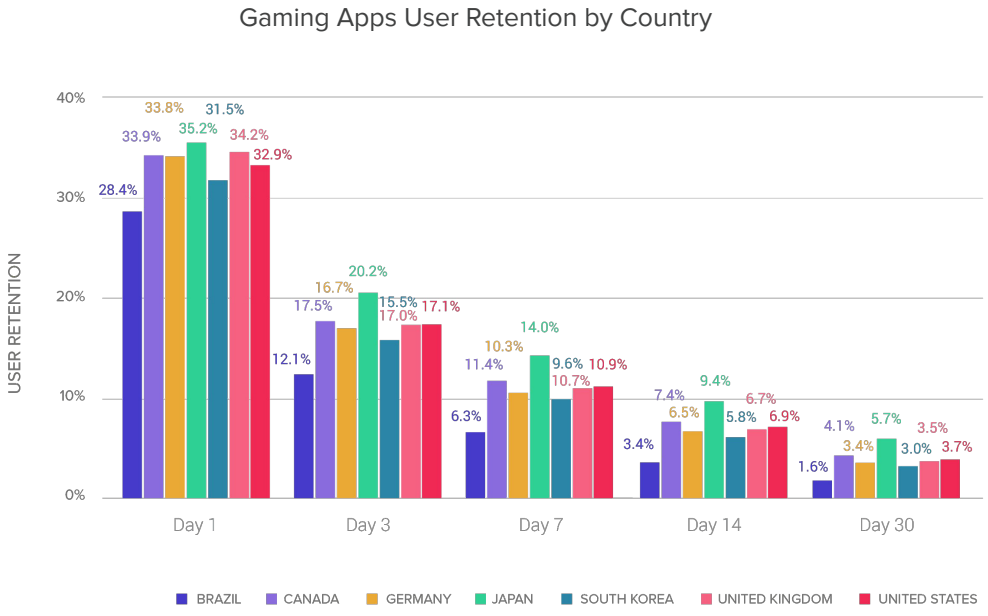


# The combination of the lowest costs (up to 7x under the global benchmark) and the weakest ROAS could spell more trouble than opportunity.



# Japan is the most committed to games overall, taking the lead position in the group and outperforming the APAC region by as much as 2x.

- The U.S. consistently underperforms the North America benchmark.
- South Korea, which places at the lower-end of the scale, outperforms the APAC benchmark by an average of 1 percentage point across the curve.
- U.K. gives up it's strong number 2 position on Day 1 (34.2%) to Canada from Day 3 (when Canada pulls ahead by 0.5 percentage points). Canada maintains its edge over the U.K. straight through to Day 30.
- Once again, Brazil is a low show, coming in 2x lower than Japan on Day 7 and 2x under Germany on Day 30.




Source: AppsFlyer data

ADDITIONAL

# RESOURCES



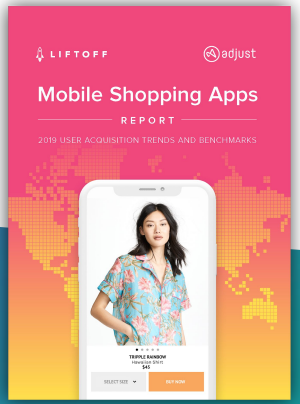

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