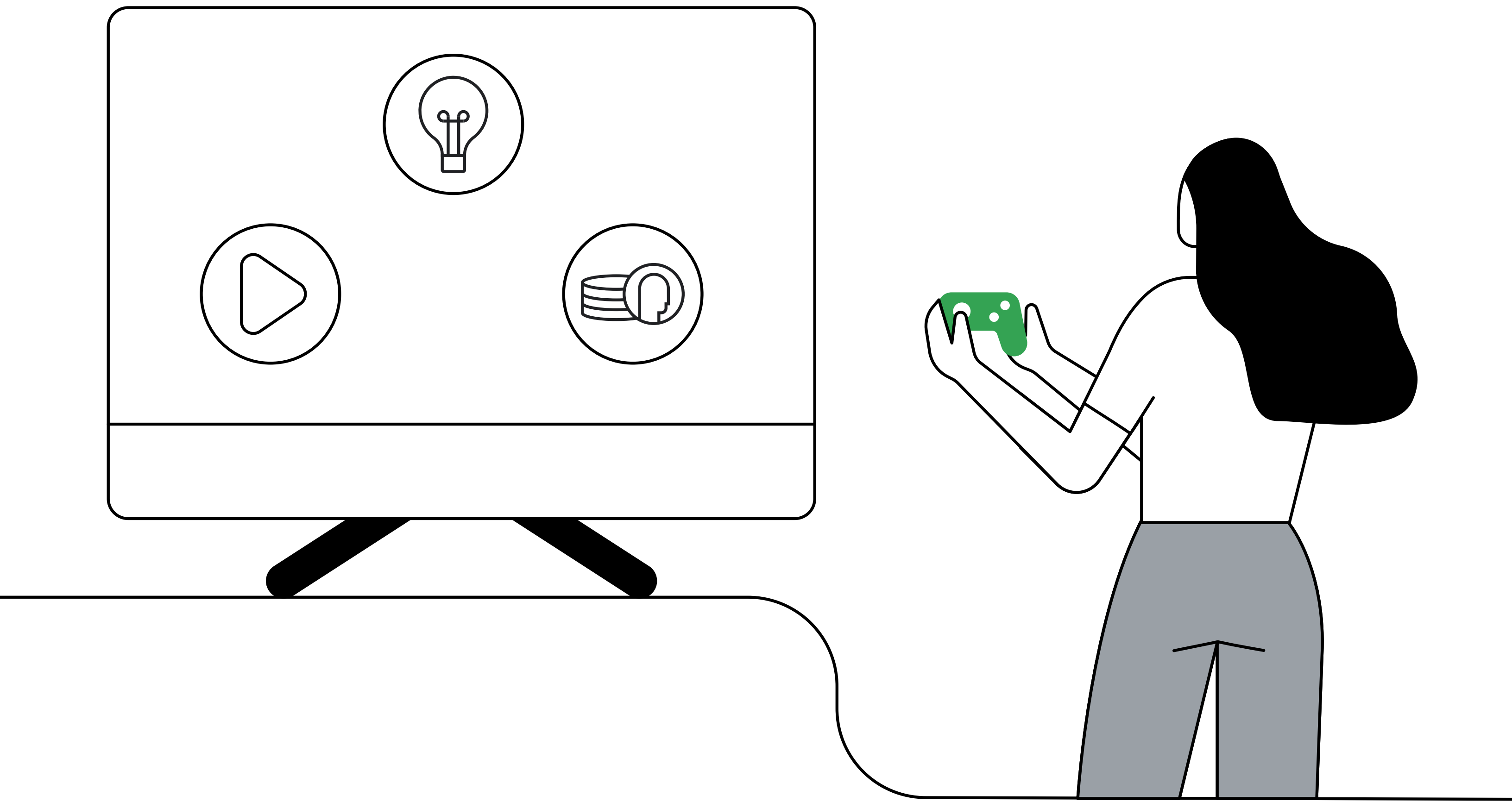
Level up: A guide to succeed in Asia's $70B gaming market



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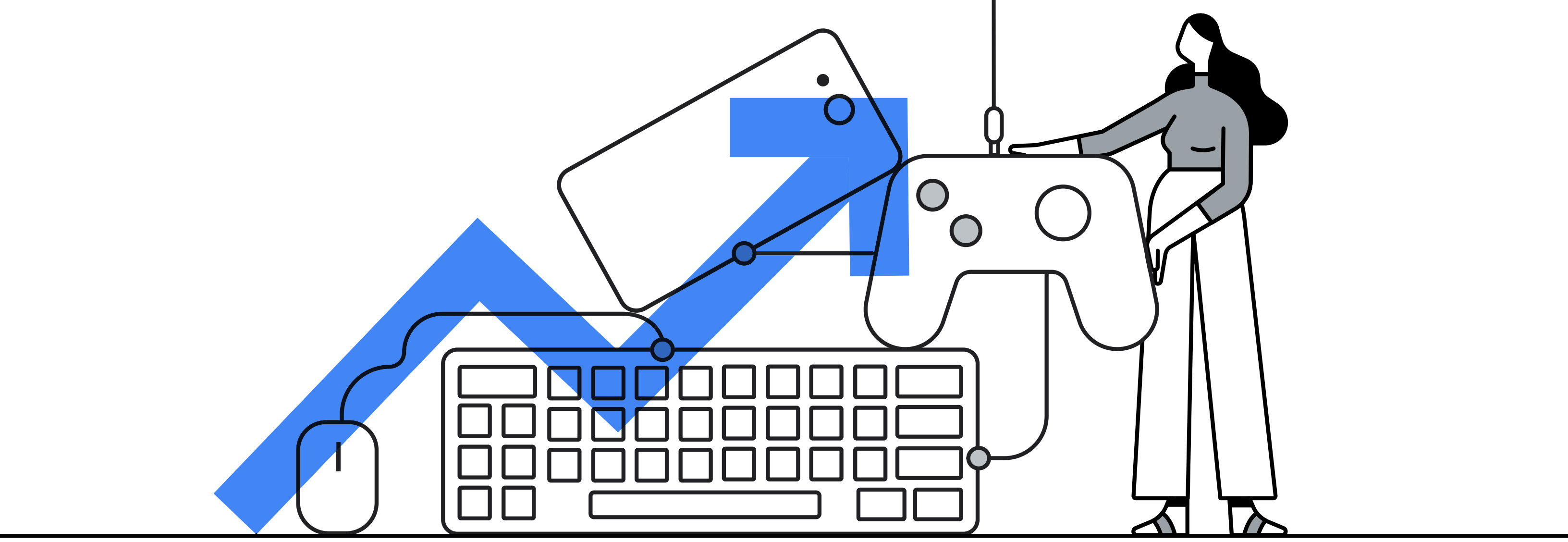
Play like a girl: Key ways to engage one of Asia's fastest growing gaming audiences



Today, the typical gamer in Asia looks a lot different than just five years ago. As widespread internet and affordable smartphones connect millions more people to the world of gaming, the number of genres have exploded, storylines have become more inclusive, and an even wider, more diverse audience is getting in on the action.

Asia's booming gaming market presents a huge opportunity for marketers and developers to connect with millions of passionate, engaged users. But there's one audience in particular that's taken the gaming universe by storm — a space that's largely been dominated by male gamers for decades.

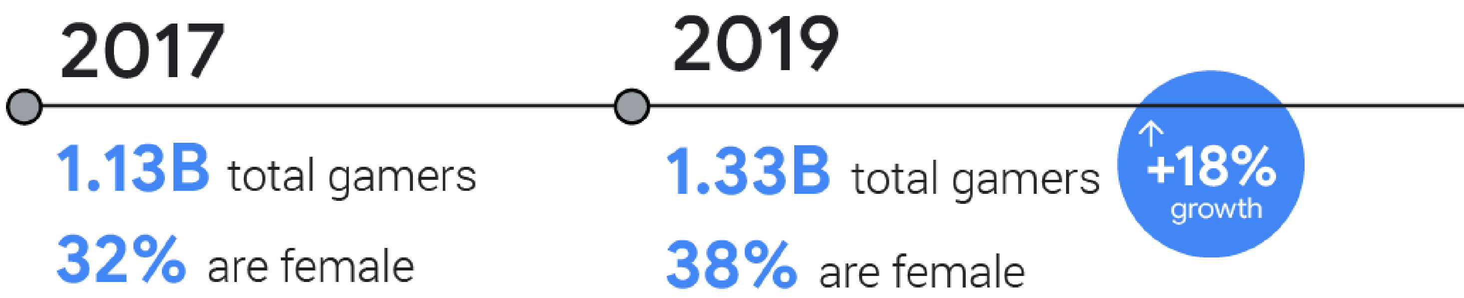
Using our existing proprietary data and market models, we took a deep dive into Asia's gaming market to explore significant growth being driven by female gamers in key regions, which genres and platforms pique their interest, and what top development teams are doing to appeal to a more diverse user base.

Females are transforming Asia's gaming landscape

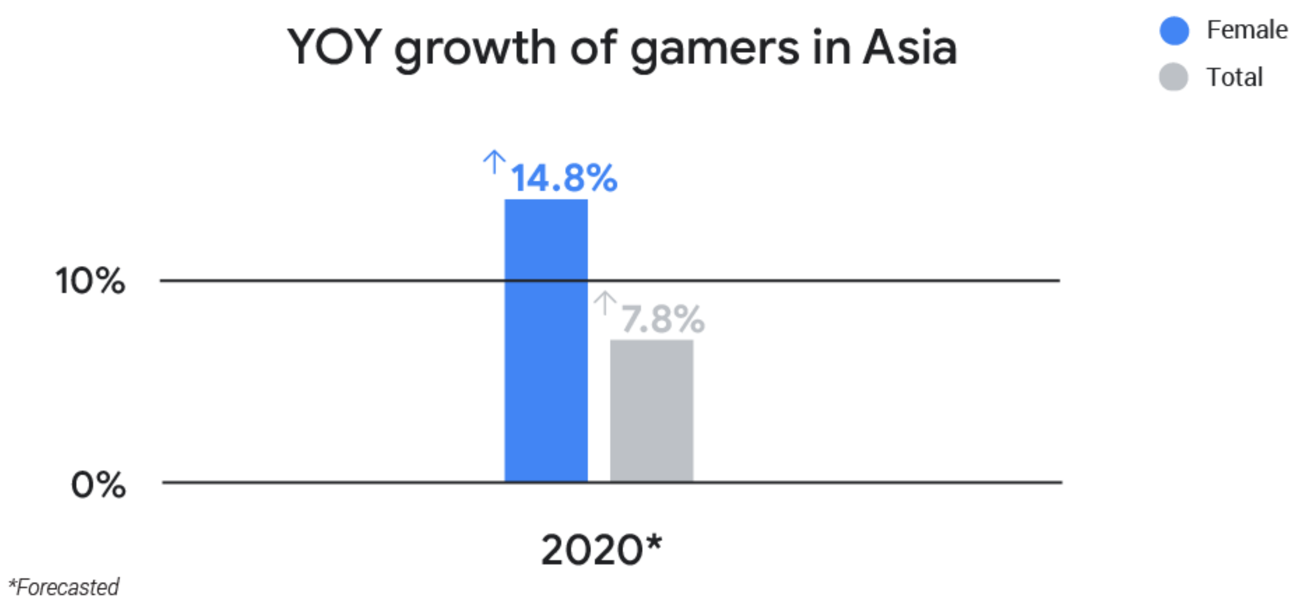
Asia has long been a global leader in the gaming industry. By the end of 2019, the region accounted for nearly half (48%) of the world's total gaming revenue.[1]

Whereas the gaming industry was once dominated by PC and console games, widespread mobile access has connected millions more gamers, giving people the ability to play more genres and titles anytime, anywhere. As a result, Asia's gaming audience has grown larger and more diverse every year — and female gamers have been an especially prominent catalyst for growth in the industry.

As recently as three years ago, there were 346 million female gamers in Asia — less than one-third of the total gaming population.[2] By the end of 2019, females accounted for 38% of all gamers across platforms at 500 million strong, and the numbers are continuing to rise.[3]



In fact, the number of female gamers in Asia is growing at a faster rate than male gamers. Asia's user base of female gamers grew 18.8% in 2019 and is forecasted to grow by 14.8% in 2020 — significantly outpacing the single-digit growth of total gamers, projected to be 7.8% in 2020.[4]



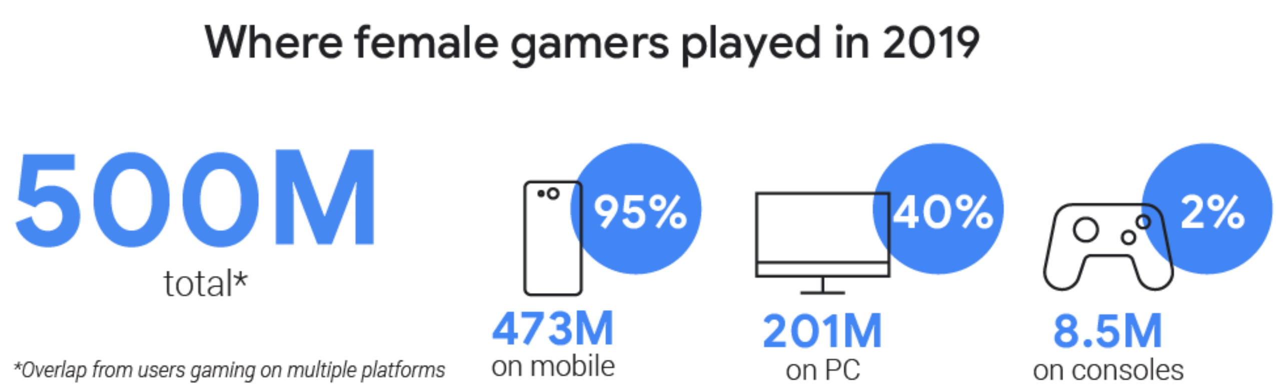
Gaming fandom among females is taking hold in all of Asia's key markets. By the end of 2019, 45% of all gamers in China were female.[5] And while Southeast Asia as a whole has a lower average percentage of female gamers than China, Indonesia is a notable standout — nearly half (49%) of the country's mobile gamers are female.[6]

Female smartphone users in India also hold huge potential to spark growth in Asia's gaming market. Right now, the country has the lowest overall percentage of female gamers in Asia at 18%.[7] On the other hand, between 2017 and 2019, the number of Indian females who opened up to accessing the internet from their smartphones more than doubled from 19% to 42%.[8] That means developers will have countless opportunities in the near future to connect with an entirely new audience of female gamers.

"PokerDangal," a popular casual poker game in India, reported that its number of female users surged by 500% in 2019 — and more than 80% of those users were younger than 25 years old.[9] This is right in line with the fact that 95% of Indian females who own smartphones use them to play mobile games, compared with just 86% of male users,[10] and 78% of females played games for up to two hours on their smartphones.[11] It's clear that more and more Indian females — especially younger generations — are poised to become avid gamers in the near future.

The unique habits and preferences of female gamers

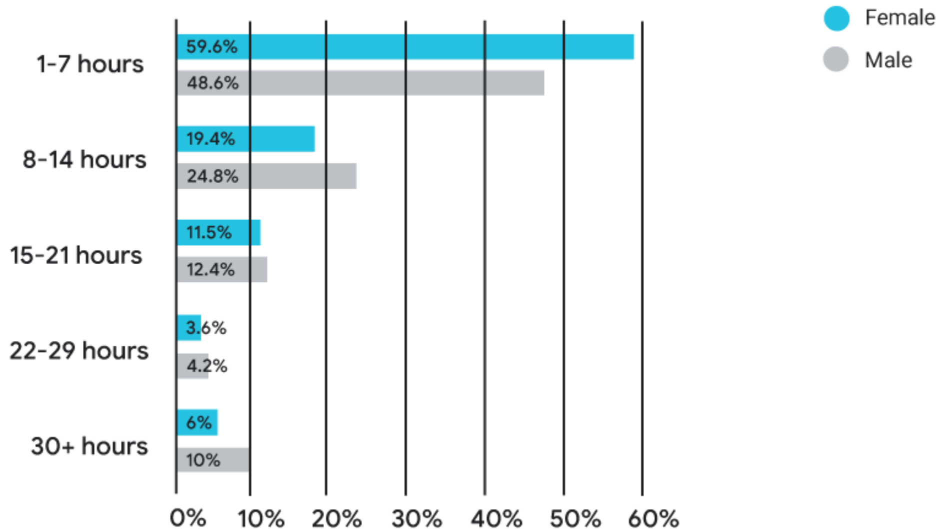
At the end of 2019, there were 500 million total female gamers in Asia — 8.5 million on consoles, 201 million on PC, and 473 million on mobile, with many choosing to play on multiple platforms (hence the overlap).[12]



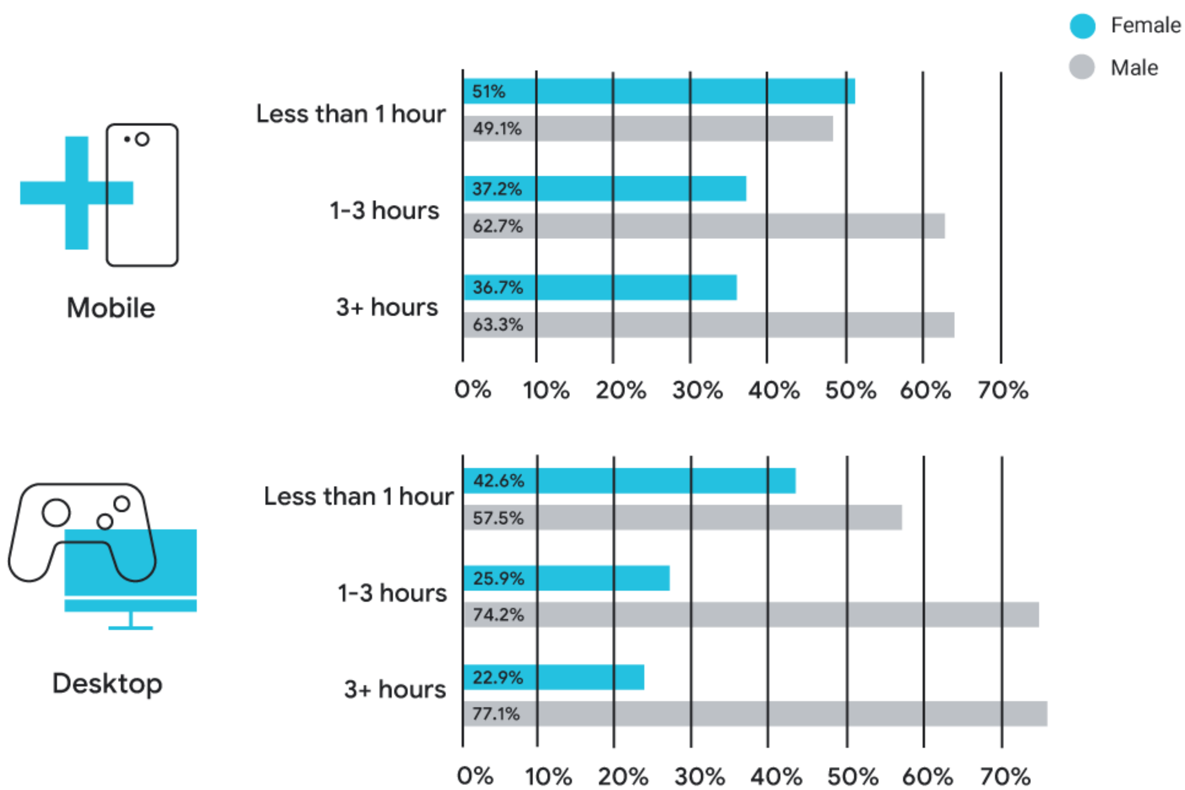
Gaming sessions and spending habits

Female gamers are unique in how long they stay wired into their favorite games. In our 2019 survey, we found that 60% of female gamers spend up to seven hours per week playing, whereas more than half of all male gamers play for more than eight hours a week.[13]

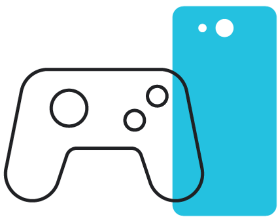
Average gaming session duration



Gaming session duration by device



As shown above, we can see that most female gamers are spending more time on mobile. This ultimately translates to higher spends on mobile gaming, which is projected to account for 56% of Asia's total gaming revenue in 2020 — 39% of which will come from female gamers, up from 35% in 2019.[14]



In 2019, female gamers accounted for **35% of mobile games revenue.** Their share of mobile games revenue is forecasted to rise to **39% in 2020.**

Looking at the total gaming spend in each country in 2019, female gamers in China spent $6.6 billion on mobile games and $4.4 billion on PC,[15] and in Southeast Asia, they spent $1 billion on mobile games and $660 million on PC.[16]

How much female gamers spent in 2019

China

$4.4B on PC games

$6.6B on mobile games

Southeast Asia

$660M on PC games

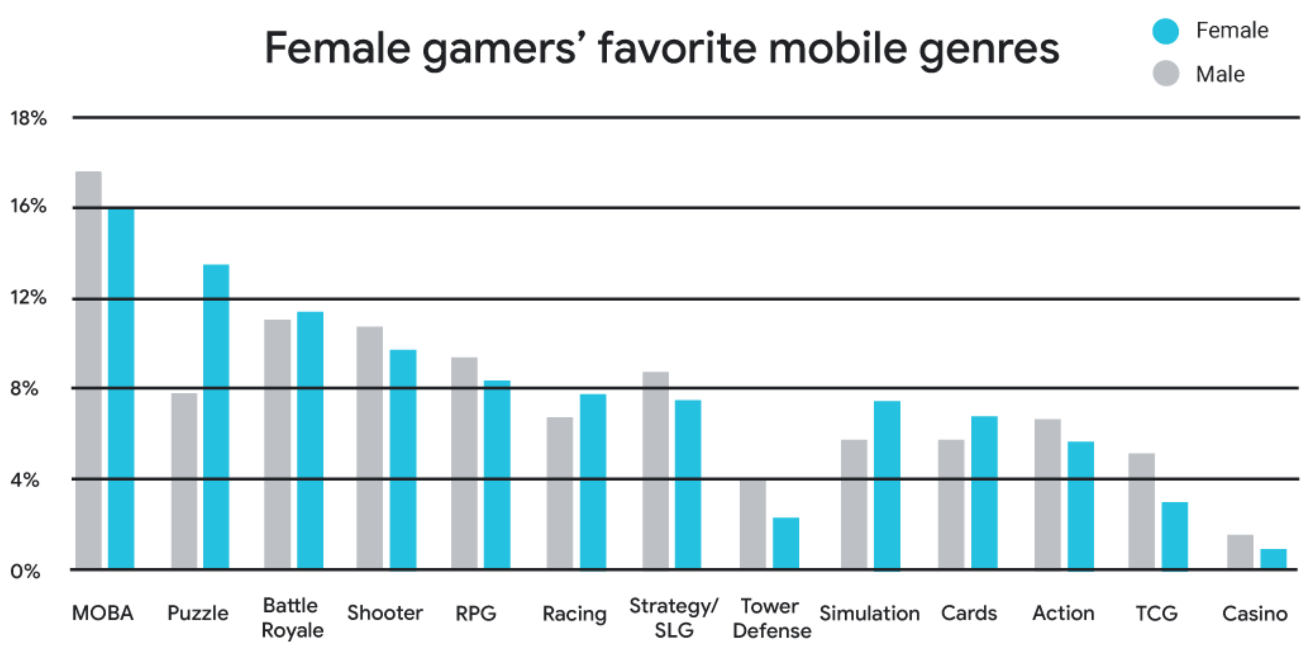
$1B on mobile games

Considering how critical mobile games are to the industry's growth as a whole, let's take a closer look at what mobile genres, elements, and experiences are most captivating to female gamers.

Appealing to female mobile gamers

Among the plethora of mobile titles and genres, female gamers tend to prefer multiplayer online battle arena (MOBA), puzzle, and shooter games.[17] Moreover, according to a study by Quantic Foundry, the user base for Match-3 category games (e.g., tile-matching and stacking games like "Candy Crush Saga" and "Jewel Quest") and Family/Farm sim games is predominantly female.[18]

Role-playing games (RPGs) and simulation titles with strategic gameplay are also hugely popular among female gamers. As one example, in 2018, Chinese developer Xishanju's CEO Guo Weiwei reported that female gamers made up nearly 50% of Jianxiaqingyuan's (JX3) user base,[19] despite females typically only accounting for 20% of massively multiplayer online role playing games (MMORPGs) in Asia.[20]



It's worth noting that unlike other MMORPGs that primarily use Japanese-style aesthetics or Western-style realism, JX3 uses a colorful and palatial visual style that evokes the Tang Dynasty's classical paintings, including people in beautiful traditional Chinese outfits flying around and battling in Wuxia martial arts style. The game also features unique functions not widely used in other MMORPGs, such as the character's ability to fly whenever the player wants and even "fall in love."

Jianxiaqingyuan (JX3)

Asia's female gamers are also flocking to RPGs with anime elements. One of the most well-known examples is "Onmyoji" from Netease, a hugely popular game based on Japanese mythology with visually striking anime art, turn-based elements, and item collection features. The game's publisher Kakao stated that in Korea, nearly 50% of the game's players are female.[21]

Onmyoji

Along with their favorite genres, female gamers also gravitate toward games where they can customize or play as female characters. China's Pape Games — the primarily female development team behind hit titles "Miracle Nikki" and "Love and Producer" — got an early start on this trend. Not only are 70% of Pape Games' developers female,[23] but so are 94% of "Love and Producer" users,[23] and "the huge success of "Miracle Nikki" with female gamers eventually helped the team land a TV show contract.

Games such as "Dragon Raja," a futuristic MMORPG, and "Identity V," an asymmetrical horror battle arena game, are also notable examples of popular titles that attracted a wide audience of both male and female gamers while avoiding oversexualized depictions of female characters that are common in many MMORPGs.

The rise of female gamers in esports

Until recently, esports has primarily been a PC phenomenon. The explosive popularity of gaming across platforms has sparked a surge in esports tournaments, fans, livestream events, and sponsored teams. And female gamers are quickly joining the fandom.

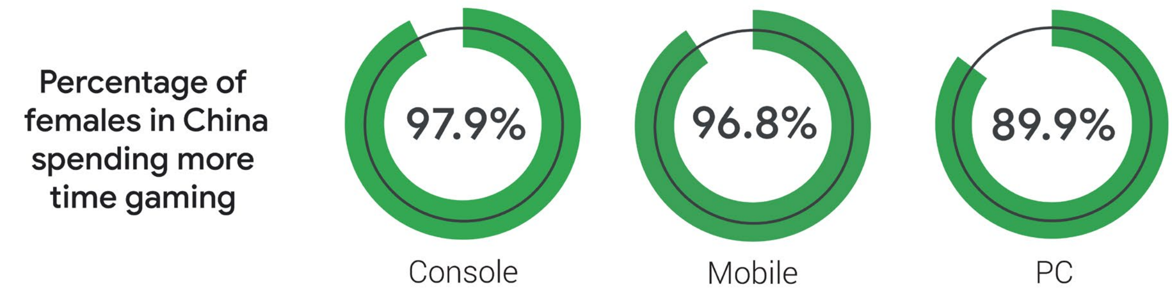
In a survey released by the Game Publications Committee and Gamma Data Corp, there were 290 million female esports players in China by the end of 2018 — an 11.5% year-on-year growth.[24] And in China and Korea alone, females make up one-third of the esports audience, compared to the global average of 22%.[25]

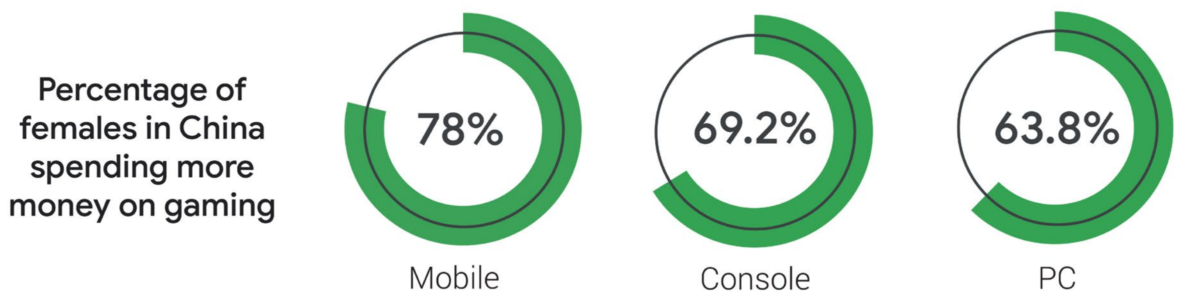
Female gamers aren't just tuning in to more esports events — entire teams and leagues of female gamers are making waves on the world stage. In Southeast Asia, the independent Female Esports League has been gaining popularity since 2012, with players competing in tournaments across titles such as "League of Legends," "DOTA2," and "Mobile Legends." Singapore's Callisto Gaming, founded in 2019, is a new esports organization exclusively focused on female gamers, and teams like Bren Female, Belletron, and Asterisk have earned huge followings and top prizes in the past few years.

Esports present an entire new ecosystem of opportunity in Asia's gaming market. Esports titles with female participation are likely to attract more female viewers on livestream videos, more female fans, and as a result, higher sponsorship values for advertisers.

How COVID-19 has impacted game time in Asia

Social distancing and stay-at-home mandates around the world have driven a surge in at-home gaming among both males and females. In April 2020, Niko Partners conducted a survey in China — the biggest gaming market in Asia — to observe the impact of COVID-19 on gaming behavior. In the survey, 94.9% of females said they spent more hours gaming during the pandemic compared to before the outbreak.[26]





As they spend more time playing at home, an average of 70.3% of female gamers we surveyed also reported spending more money on gaming compared to pre-outbreak.[27]

The impact of COVID-19 on esports

As a result of the COVID-19 outbreak, offline esports events were cancelled to protect the health and safety of players and fans, and the industry quickly shifted to a 100% online format that's both safer and cheaper to run. Esports operators in Asia took the opportunity to create a number of tournaments focused on female players to drive additional engagement during the lockdown. For example, Garena Indonesia held its first female-only Call of Duty Mobile Princess Cup that included 36 teams. Singapore's Female Esports League and Vietnam's PUBG Female Championship also held special online matches to bring female gamers together during the pandemic.

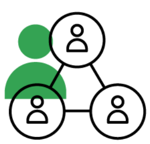
4 key ways to engage female gamers

It's clear that female gamers are a crucial piece of the foundation of Asia's fast-growing gaming market. In the next few years, their influence on gaming trends and impact on total revenue will be definitive, to say the least. And, considering how much more female gamers are playing and spending on games during the COVID-19 pandemic, we could potentially see even higher levels of engagement once the world starts returning to a new normal.

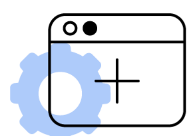
Based on what we learned about female gamers and the development teams outpacing the competition, successfully tapping into this opportunity comes down to four steps:

Plan for a mobile-first experience — where female gamers are most engaged

Add storylines, character options, and unique gameplay elements that female gamers can identify with



Tap into the esports community as more female teams and leagues dive in and compete



Build a diverse team of developers and designers to better understand female gamers' perspectives and preferences

As female gamers have more influence on global trends, it's time that more developers start rethinking their strategies and considering new ways to appeal to a diverse user base — whether by tweaking art styles and design, adding new characters and customization features, sponsoring esports tournaments, or creating entirely new games to attract a wider audience.

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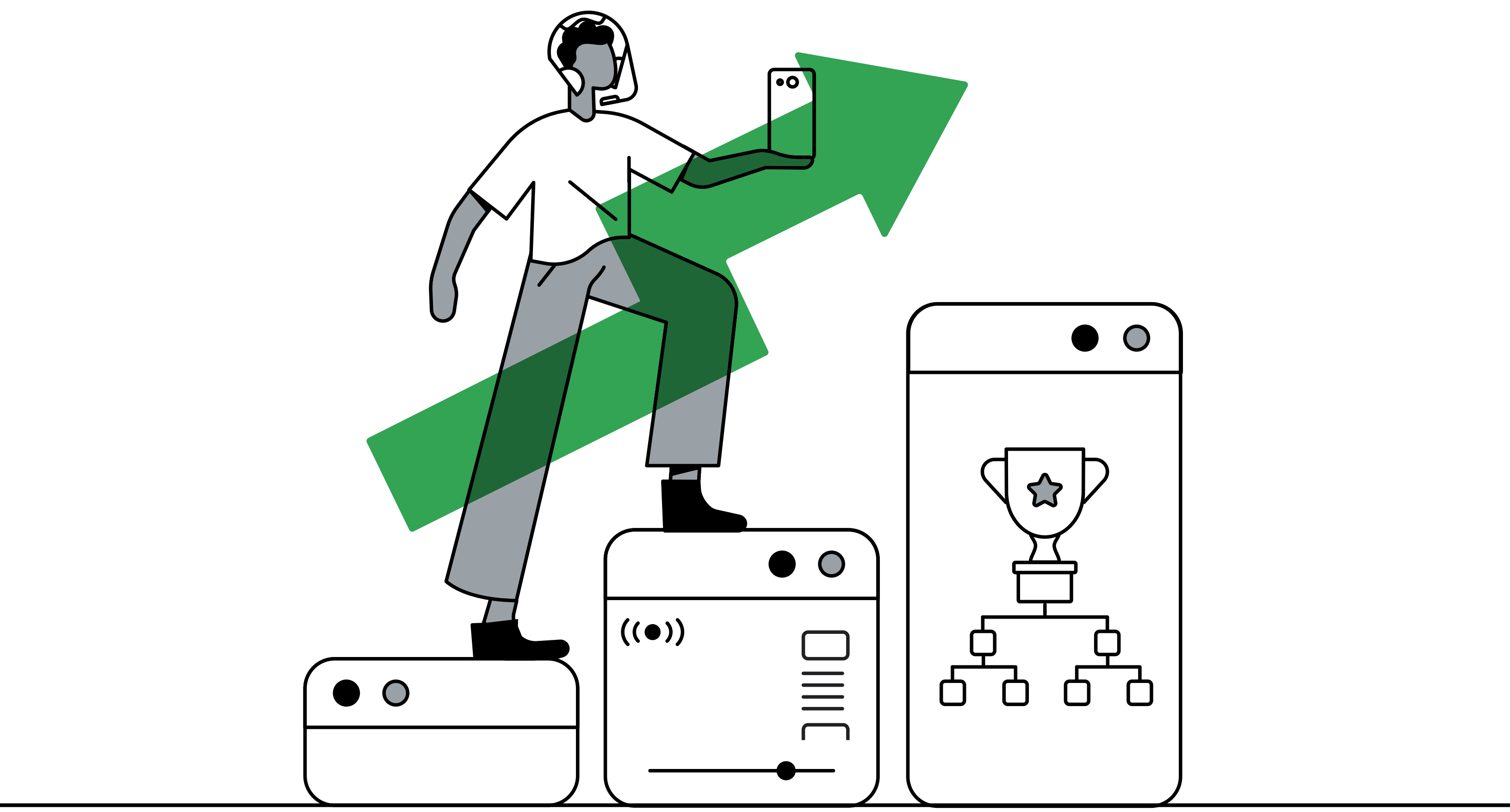
Rise of the player-fan: The growing opportunity of mobile esports in Asia



For most gamers, the only thing better than playing is being able to share the experience. And since the early days of PC and console games, people have been eager to come together and compete, conquer challenges, and join a global community of players and fans.

In the last decade, esports — organized video game competitions between fully fledged professional teams or amateur players — transformed gaming on a global scale by turning it into a spectator sport. Esports events and tournaments engaged the community in an entirely new way by going beyond the game itself to invite fans into an immersive live experience, whether in-person at local events or shared with millions via live streaming platforms such as YouTube and Twitch. And as COVID-19 lockdowns forced internet cafes (icafes) to close and gamers to follow the action from home, players and fans have more time than ever to engage with their favorite esports titles.

By helping foster a dedicated audience of player-fans, esports has propelled many of the world's top titles like "Fortnite," "PlayerUnknown's Battlegrounds (PUBG)," and "Mobile Legends: Bang Bang" to unprecedented levels of success. But more importantly, it's revealed that driving meaningful user engagement is about more than designing a great game — it's about competition, completion, challenge, and community.

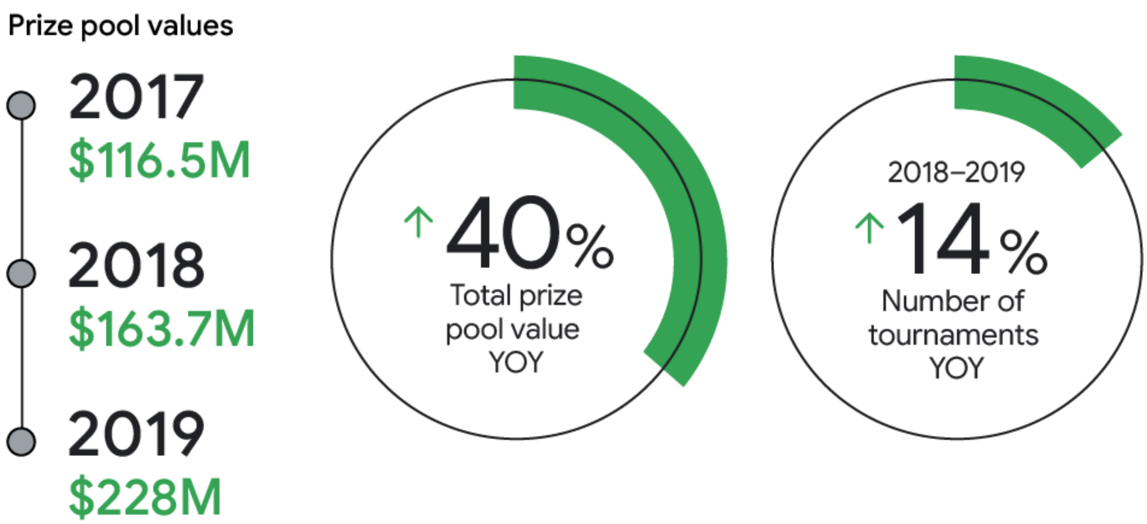
As mobile technology catches up to its PC and console counterparts, mobile esports is quickly taking the spotlight, and gamers in Asia are stealing the show. Home to more than 1.5 billion gamers[1] and a fast-growing mobile population, Asia is poised to show the world that mobile esports is the next evolution in player-fan engagement.

Asia: The home base for esports fandom

Looking back on the first organized esports events, it's hard to believe players would one day compete for million-dollar prizes. But as more people around the world gained access to the internet and the world of esports, investments from sponsors and retailers have skyrocketed.

In just the last year, there have been 14% more esports tournaments staged around the world after falling 5% between 2017 and 2018.[2] Global prize pools have also grown by 40% since 2017, eventually exceeding a quarter-billion dollars in 2019.[3]

Global esports over the years



As a long-time global hub for gamers, Asia has historically been an esports leader in key markets:

- **South Korea** — the birthplace of esports — has been a major force in the industry for over a decade and continues to be one of the largest esports markets in terms of earnings and industry development (e.g., icafes, local tournaments, and sponsored events).[4]

- **China** holds the world's largest single-country population of esports fans across all platforms at **350 million.**[5] Gamers in China drove the most esports revenue in 2019, and every one of the country's top games on mobile and PC (by revenue and player base) are esports titles.[6] China's Ministry of Education has even worked to add esports and gaming into higher education and vocational training curricula to boost the country's competitiveness on the world stage.

- **Japan and Southeast Asia** are quickly catching up. Following regulatory changes allowing esports events to offer more competitive prize pools as well as the establishment of the Japan Esports Union (JeSU) in 2018, Japan's esports market revenue grew **13X year-over-year.**[7] In Southeast Asia, the majority of gamers said they've played an esports title either casually or competitively,[8] and the 2019 SEA Games was the first Olympic Committee-sanctioned event to feature esports as a medal event.

Thanks to its robust gaming infrastructure, Asia has been equipped to foster an avid base of esports fans since the mid-2000s. Web gaming platforms as well as retail locations, internet cafes (icafes), and food and beverage locations have used small-scale PC and mobile esports events to attract gamers and sell merchandise and in-game items. Games with larger audiences bring in more advertisers and sponsors, which ultimately empowers its marketing teams to host larger, more lucrative esports productions.

While this helped grow the reach and popularity of certain PC and console games, the size of esports productions has been limited by smaller player counts having access to the right hardware. For instance, PC esports has thrived in markets like China and Southeast Asia where console ownership is low, but it only accounts for a small percentage of esports revenue in Japan, where more gamers play on consoles than PC.

That's where mobile technology has been a game-changer. Anyone with an internet connection and a mobile phone can participate in the world of esports, whether they're competing at home or watching a live stream while waiting in line at the store. With the hardware barrier to entry lifted, mobile has increased accessibility and exposure to a multitude of multiplayer games.

In 2019, Asia drove more than 22 billion total downloads of mobile games.[9] As mobile games continue to surge in popularity, top titles like "PlayerUnknown's Battlegrounds (PUBG) Mobile," "Fortnite Mobile," and "CrossFire Mobile" have demonstrated that free-to-play games have the potential to outperform the traditional giants by reaching a larger audience.

Unpacking the mobile esports revolution

Following the global explosion of esports, mobile games started to transition from simpler titles that only required a single click or swipe to mid-core and hardcore titles with complex control schemes. Mobile game developers looking to build on the success and style of PC esports shifted their focus from massively multiplayer online role-playing games (MMORPGs) to the hottest esports genres: multiplayer online battle arenas (MOBAs), shooter/battle royale games, and strategy/auto-battlers.

"Vainglory," a mobile game launched in 2014, was modeled after PC MOBA games like "League of Legends" and "Defense of the Ancients (DOTA) 2." Within a year, "Vainglory" was officially recognized as an esport by the Electronic Sports League (ESL), and other mobile esports titles soon followed. Tencent's "Honor of Kings/Arena of Valor," Supercell's

“Clash Royale,” and Moonton’s “Mobile Legends: Bang Bang” were all mobile games released in the next two years that featured high-skill, real-time, simultaneous multiplayer competition. Since then, “Honor of Kings/Arena of Valor” and “Mobile Legends: Bang Bang” have been the most profitable and most downloaded mobile esports titles in Asia since 2015 and 2016, respectively.[10]

Tencent 腾讯 — “Honor of Kings/Arena of Valor”

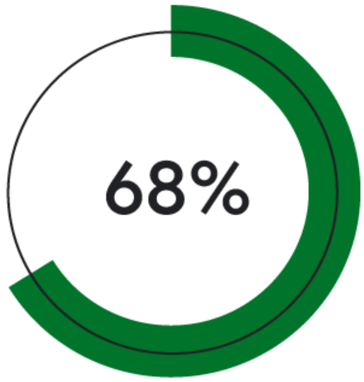
MOONTON — “Mobile Legends: Bang Bang”

Most profitable *and* ***most downloaded*** *mobile esports titles in Asia since 2016*

Within a few years, millions more gamers across Asia were joining the ranks to compete with a growing community. In 2019, battle royale games became the most popular and profitable mobile esports titles in Asia, with China as the sole exception.[11]

In 2019, **battle royale games** were the **most popular** and **profitable** mobile esports titles in Asia (excluding China).

Thanks to the ubiquity and evolution of mobile technology, more fans and players can be a part of the growing esports community, and mobile esports productions and audiences are poised to quickly outpace PC esports on a global scale. In 2019, mobile esports games generated $19.5 billion in global revenue — and 68% of that revenue ($13.3B) was generated by Asia alone.[12]



of global mobile esports game revenue in 2019 was **driven by Asia alone ($13.3B)**.

Mobile esports in the wake of COVID-19

While the COVID-19 pandemic has temporarily limited the number of local tournaments hosted at icafes, retail stores, and shopping malls, gaming and streaming have only grown more popular during quarantine. Gamers in Asia reported spending between 50% and 75% more time playing games compared to before the pandemic.[13] And in China, viewership of mobile esports titles grew between 75% and 100% over the previous year.[14]

COVID-19's impact on mobile esports in Asia

↑ up to 75%

Gamers reported spending **50–75%** more time playing games compared to before the pandemic.

↑ up to 100%

In China, viewership of mobile esports titles grew **75–100%** YOY when quarantine was implemented.

Mobile's ease of access has allowed esports fans to stay connected despite the physical distance, and as quarantine restrictions continue to loosen, gamers across Asia will be able to access the venues that have fueled esports fandom for years.

Why mobile esports are thriving in Asia

A few factors have positioned Asia as an early leader in the mobile esports realm: an established and growing audience of esports players and fans, a robust esports infrastructure for hosting events and attracting sponsors, and a prominently mobile-first (in some cases mobile-*only*) audience of gamers in emerging regions.

A huge (and growing) mobile population
The breakneck speed of mobile penetration has been a powerful catalyst for the growth of mobile esports. In 2018, 3.6 billion people (nearly half the world's population) used their mobile phones to go online.[15] The number of mobile internet users is projected to rise to 5 billion by 2025,[16] and emerging markets like India and Southeast Asia are already beginning to make a dramatic impact on mobile gaming.

In 2019, China and Southeast Asia alone were home to a combined 850 million mobile gamers and generated more than $28 billion in annual revenue.[17] But here's the kicker: Southeast Asia's impact on mobile esports is just getting started.

IMF data shows that in 2017, just 62% of the population in Southeast Asia had internet access. This rose to 70% in 2018, and by 2021, IMF projects that over 90% of the region will have internet access. And as history has proven, wherever the internet becomes readily available, an avid base of gamers is sure to follow.

World-class mobile technology and infrastructure

While PC and console games once had the upper hand on factors like connection speed and graphics, new developments including improved mobile hardware, cloud gaming, and 5G networks, are bringing mobile esports up to speed with its predecessors.

In the last few years, there's been increased investment in gaming smartphone hardware and peripherals to improve the experience for mobile esports gamers. Manufacturers Asus, Huawei, and Xiaomi have already created dedicated gaming smartphones with enhanced features, including ultra-fast display, high-speed processors, and console-inspired designs.

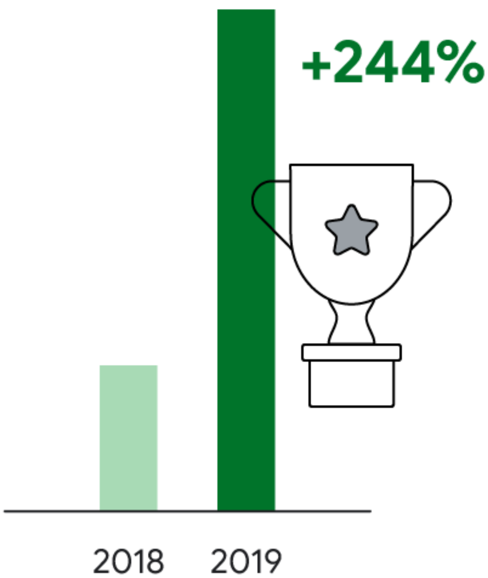
Cloud gaming will narrow the graphics and performance gap between mobile and PC/console games, therefore allowing mobile gamers to play higher-spec titles. Cloud gaming (e.g., PlayStation Now, Microsoft's Project xCloud, GeForce Now, Tencent Instant Play, and Stadia, which is currently not available in Asia) is expected to build gradually over the next few years, offering developers the opportunity to reach and engage new gamers as the market steadily grows.

5G technology will reduce latency for players and result in a better overall user experience. 5G also provides new tools for game development through edge and cloud computing. The Chinese government is already incentivizing 5G and cloud gaming investment,[18] and while markets like Malaysia, Indonesia, and Brunei will likely take longer to build the necessary infrastructure — and plans may change due to COVID-19 or other economic factors — testing is already underway.[19] Most countries in Southeast Asia plan to roll out 5G in 2020.

Widespread icafes, events, and sponsorships

Just as Asia's icafes helped the PC esports industry blossom, existing icafes in key markets such as Korea, China, and Southeast Asia have been used to host and promote participatory esports events, including mobile esports. Before the COVID-19 crisis, the number of mobile esports tournaments at local icafes across Asia was on the rise, especially in Southeast Asia where PCs and consoles are less widely adopted.[20]
As mobile esports events became more popular, they quickly outperformed other mobile

genres across Asia, inspiring new development and intensifying market competition. In 2019, revenue from mobile esports titles in China outpaced the general mobile games market by nearly 10%.[21] And between 2018 and 2019, mobile esports competitions helped drive up the total prize pool value for tournaments in Southeast Asia by 244%.[22]

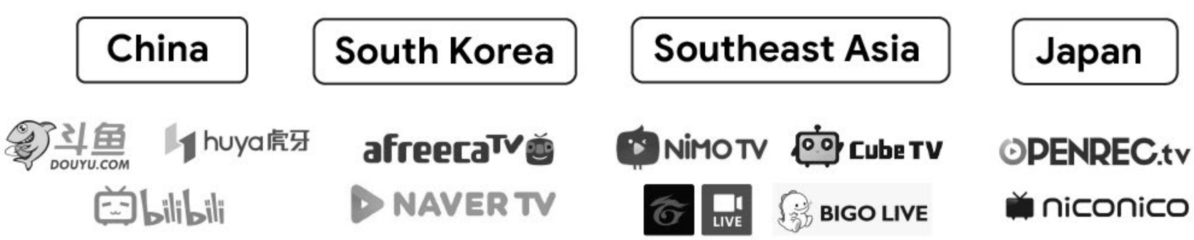


Between 2018 and 2019, **mobile esports competitions** helped drive up the **total prize pool value** for tournaments in Southeast Asia by **244%**.

Local live streaming platforms

Along with faster, more widespread mobile internet, the increasing availability of streaming platforms have helped connect more esports fans and players. While global platforms such as YouTube and Twitch have been central to the growth and promotion of esports competitions on a large scale, homegrown streaming services in Asia are also making names for themselves while helping to fuel local gaming fever.

Asia's top gaming and esports streaming platforms



Asia's mobile esports markets to watch

As mobile esports become more popular, the growth will keep snowballing — the market gets more competitive as new titles launch, more players and fans are drawn to the action, and sponsors ultimately drive up the overall value.

Southeast Asia

$1.9B+ in revenue in 2019[23]
21.1% 5-year **compounded annual growth rate** (CAGR)[24]

Most mobile esports events in 2018[25]
1. Indonesia
2. Vietnam*
3. Thailand

****largest market in SEA with a 5-year CAGR of ~28%**[27]*

Most tournament value from esports prizes in 2018[26]
1. Malaysia
2. Indonesia
3. Vietnam*

China

China is already the **biggest market for mobile and PC esports games** globally, as well as the country with the **most developed infrastructure for esports tournaments**.[28]

Mobile esports titles generated **$7.2B** in revenue in 2019 — **+28%** YOY.[29]

In 2016, **Tencent** and **Fighting Esports Group** launched the **King Pro League** — now the longest running mobile esports tournament and the largest mobile esports league in the world, reaching **24B** total views in 2019 compared to 17B in 2018.[30]

Japan

While console game publishers remain Japan's largest backers of esports, the country's **massive population of mobile gamers** — totaling **38 million** in 2019 — is fertile ground for future growth.[31]

South Korea

PC esports is well-established in Korea, leaving mobile esports less room to expand. But in late 2018, Chinese esports company **Fighting Esports Group** and long-time Korean esports organizer **OnGameNet** brought "Honor of Kings" mobile esports to Korea as the **Korean King Pro League**.

India

Mobile esports in India is likely to grow **similarly to countries in Southeast Asia**, as **neither market has a large PC or console gaming audience**, and its **per capita GDP** and rates of **internet penetration** are aligned.

Unlocking the mobile esports opportunity

Mobile esports has shown that nurturing an avid community of player-fans can rocket games to entirely new levels of success. Gamers throughout Asia crave competition, community, completion, and challenge — and mobile esports has become a universal portal to that experience.

Here are a few ways developers can tap into the world of mobile esports to engage a growing community in Asia:

- **Plan for mobile — Audiences are larger and more diverse**
  Mobile technology sparked esports communities in corners of the world where PC and consoles couldn't. In Southeast Asia, there are 50% more gamers on mobile devices than PCs.[32] Even in China, mobile gamers outnumber PC gamers two to one.[33] If your game is exclusively PC or console, adapting for mobile is critical to connect with the widest audience of avid gamers.

- **Branch out to appeal to gamers' new interests**
  The top mobile esports titles in Asia show more genre diversity than PC and console games — from casual games like "Battle of Balls" and "Pokemon GO" to mid/hardcore titles like "Honor of Kings" and "PUBG Mobile." Now is the time to experiment with creating atypical genres, gameplay options, and in-game features to entice a wider audience. Mobile battle royale games only recently rose to popularity in Asia, but by 2019, "PUBG Mobile" and "Garena Free Fire" were India's leading mobile games by revenue,[34] and Tencent's "Peacekeeper Elite" quickly became the second-most streamed game in China after being released in 2019.[35]

- **Give gamers the power to participate**
  While 60% of gamers in China and Southeast say they're strongly drawn to esports, only 10% have participated in mobile esports competitions.[36] Consider building or sponsoring tournament platforms for popular games, or incorporating esports tournament brackets into your own games to stoke new competition. Even using streaming platforms to promote small esports events, or encouraging streamers to host their own tournaments, can build excitement and visibility for your game.

With the largest audience of mobile gamers in the world,[37] it's clear that Asia is primed and ready to lead an esports revolution. As the market continues to develop, expect to see media rights, team franchising, and sponsorships become cornerstones of mass participation from devoted players and fans. Are you ready to ride the next wave into the future of gaming?

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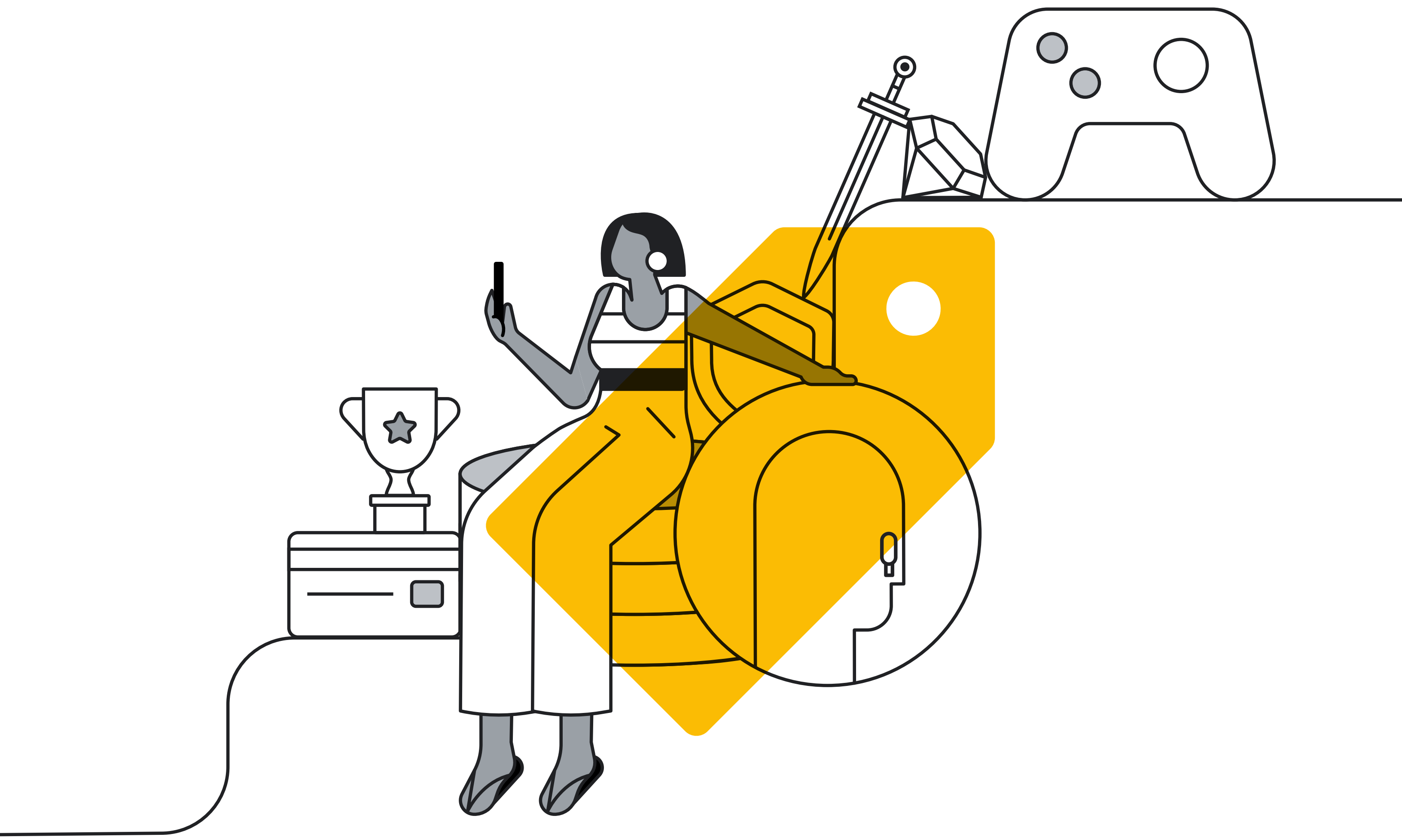
From playing to paying: The art of monetizing games in Asia



As Asia's gaming market evolves and matures, developers are continually being challenged to upgrade the overall experience. Gamers on every platform are demanding more from their favorite titles, from unique and immersive storylines to complex, skill-based gameplay. And as gamers' purchasing power rises across the region, they've shown they are willing to invest more time and money to quench their thirst for competition, completion, challenge, and community — especially in the wake of COVID-19.

While early PC and console games required access to high-end hardware, the mobile gaming boom transformed the way game developers drive revenue. Mobile technology made the gaming universe more accessible than ever, and developers were empowered to start experimenting with a variety of monetization models.

With so many different gamers to reach, market nuances to consider, and ways to drive revenue, choosing the right monetization model to succeed in Asia is a challenging but crucial exercise. In the third installment of our four-part series on Asia's gaming market, we explore how monetization models are evolving to serve Asia's diverse and growing user bases, which models have been most successful in Asia, and what developers can do to keep gamers loyal and engaged.

Asia's most commonly used monetization models

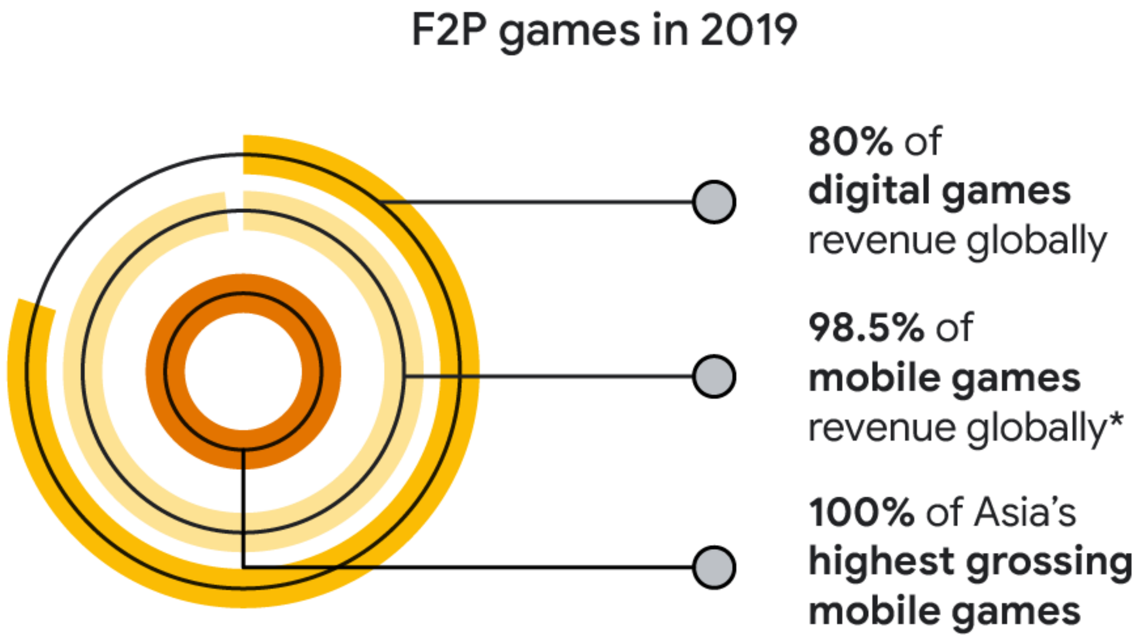
The primary models used by game developers and publishers in Asia fall under three categories: **free-to-play (F2P), premium**, and **subscription**.

F2P — Asia's most popular model for mobile games

F2P games give players free access to a significant portion of the game, and revenue comes from advertisers or from users paying for additional in-game items and content. As gamers' buying power varies across Asia, regional pricing of in-game content plays a key role in the success of F2P games.

In 2019, F2P games accounted for 80% of all digital games revenue.[1] While console games drove just 10% of that revenue,[2] popular titles such as "Fortnite," "Apex Legends," and "Call of Duty: Warzone" are helping expand F2P's appeal on the platform.[3]

When it comes to mobile games, however, the appeal of free gameplay combined with its widespread accessibility has made F2P far and away the most successful model. In 2019, F2P generated 98.5% of all mobile games revenue,[4] and every one of the top 100 highest grossing mobile games in Asia was F2P.[5]



**Excluding third-party Android app store sales in China*

Premium — Historically geared toward PC and console

After paying a one-time fee to access the game, players can purchase additional downloadable content (DLC) or expansion content that continues the base game with new storylines and gameplay updates.

While premium games are becoming more popular across Asia, they're most widely embraced in console-heavy markets like Japan where gamers are familiar and comfortable with paying higher prices. For instance, in 2019, console game sales in Japan totaled $3.85 billion, whereas gamers in China drove just $156 million in legal console game sales.[6]

Console game sales in 2019

*Sales of domestically licensed games

In countries with lower average disposable incomes, regional pricing is crucial to the success of premium games. Take, for example, the popular title "PlayerUnknown's Battlegrounds (PUBG)," which costs around $30 in Japan but only $15 in China where gamers are typically less inclined to purchase games upfront due to the popularity of F2P titles.

Subscription — Evolving from one game to multiple

Players pay a monthly fee to access an individual game or selection of games with DLC and expansion content. Subscriptions are currently more popular on PC than mobile or console, accounting for more than one-tenth of all digital PC game revenue.[7]

Single-game subscription revenue has been declining in recent years as more players gravitate toward F2P and premium games. In China, subscription game revenue is predicted to drop from $1.05 billion in 2019 to $600 million in 2024.[8] On the other hand, multi-game subscription services that offer access to several games for one fee, such as Apple Arcade, Google Play Pass, PlayStation Now, and Xbox GamePass, can potentially bring in new players or inspire lapsed gamers to return.

F2P unpacked: How developers drive revenue behind the scenes

Asia's huge and fast-growing audience of mobile gamers has been fertile ground for F2P games. As the region's most popular and prevalent monetization model, F2P will be central to the growth and evolution of Asia's games market. And as F2P titles become more challenging and competitive, developers have an opportunity to drive revenue in more ways without disrupting the experience.

Here are a few of the most common tactics used in F2P games:

In-app purchases (IAP) — "Pay-to-win"/"play-to-win," gacha, and battle pass

IAP is the most popular model among F2P games in Asia and the most significant driver for overall games revenue.[9] In 2019, Asia's 1.2 billion mobile gamers generated $39.4 billion in revenue,[10] and the top 10 grossing games utilized a F2P model with IAP.[11] That same year, 40% of mobile gamers in China spent money on IAP at least once.[12] IAP are most commonly implemented in a few ways:

Pay-to-win

Items that give players a competitive advantage (e.g., boosted stats, faster rewards, player enhancements)

As massively multiplayer online role-playing games (MMORPGs) became more popular, some developers created IAP that gave players an advantage — gameplay commonly known as "pay-to-win."

24%

of mobile gamers in China, Japan, South Korea, and India have **paid for special equipment** to gain a **competitive advantage.**

Pay-to-win games are widely accepted by players motivated by competition or completion, but they have a reputation for enabling less-skilled players to level up simply by paying more money. Still, one in four mobile gamers surveyed in China, Japan, South Korea, and India in 2020 said they've paid for special equipment to gain a competitive advantage.[13]

Play-to-win

Items to share or show off with no boosted gameplay (e.g., messages and announcements, player skins, gifts for other players)

On the other hand, competition on multiplayer online battle arena games (MOBAs) and battle royale titles is more geared toward "play-to-win" experiences that remain the same for everyone regardless of spend. Paying for cosmetic upgrades or shareable items is much more accepted by gamers in Asia because it doesn't falsely give an advantage to those who choose to spend more to level up.

Gacha

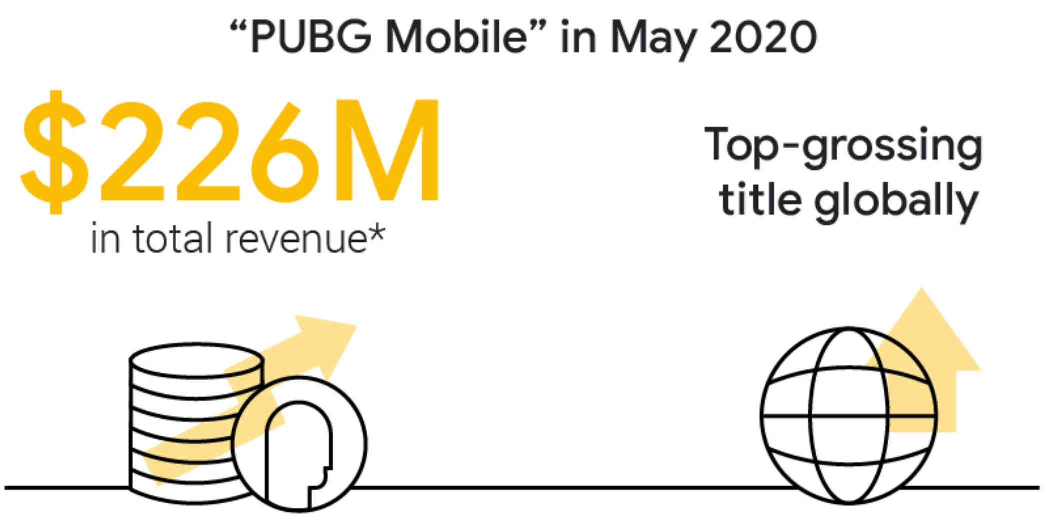
The gacha model, based on Japanese *gachapon* vending machines that dispense capsuled toys, appeals to collectors who want to complete character or item sets by purchasing "rolls" (e.g., pulling a lever or spinning a wheel). Nearly all of the top 200 grossing games in Japan have some form of gacha mechanics,[14] but it's less effective in casual games where players are more averse to aggressive monetization. Each country in Asia also has various laws on reward items and gacha mechanics that developers need to understand and comply with.

Nearly all of the **top 200 grossing games in Japan** have some form of **gacha** mechanics.

Battle pass

Battle passes, used in both F2P and premium games, require players to pay a fixed cost for a set period of time to earn extra benefits, boosts, and rewards. Popularized by "Fortnite" in 2018, a battle pass typically costs anywhere between $5 to $15 for a month or season, during which time gamers are guaranteed an ad-free experience where they can compete and progress to acquire new content.

More than 50 of the top 200 grossing mobile games in China use a battle pass or in-game subscription,[15] and some of the world's top titles have tapped into the model to drive additional revenue. For instance, after launching its Royale Pass, "PUBG Mobile" saw a global spending increase of 365% for the first week since its introduction compared to the prior three weeks.[16] And in May 2020, "PUBG Mobile" was the top-grossing title worldwide, driving more than $226 million in total revenue.[17]



*Excluding iOS revenue in China

In-game ads

In-game ads are most commonly used in casual titles like puzzle and strategy games. While IAPs as a whole typically drive more revenue, in-game ads open the doors for everyone to play, whether they're interested in buying items or not.

A snapshot of in-game ad formats

Banner	Native	Interstitial	Playable	Rewarded
Placed at the top or bottom of the screen	Built into the game environment	Occupies the entire screen	Offers a short taste of real gameplay with a link to download	Gives players items for performing an action

Unlike IAP, rewarded ads are unique in that they only require players to spend time, not money, to acquire a rare item or power-up. By bridging the gap between spenders and non-spenders, rewarded video ads have become one of the biggest sources of revenue for game publishers in India and Southeast Asia,[18] where the average gamer typically spends less money on games than other countries but far more time playing.

Hybrid monetization — A flexible mix of in-game ads and purchases

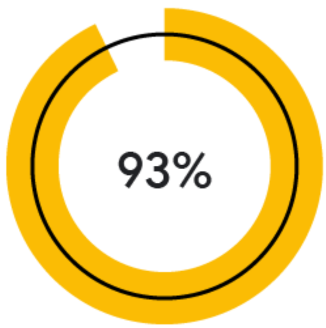
Relying solely on IAP can alienate gamers who don't want or can't afford to pay. On the other hand, developers and publishers risk limiting their revenue from ad clicks and views. A hybrid model gives developers the opportunity to engage a broader player base based on the experience they prefer, whether it's playing for free with occasional ads or paying for an upgraded in-game experience.

COVID-19 shined a spotlight on hybrid monetization as one way game developers can offset the impact and risk created by the current mobile ads market. With brands having to constantly review their levels of ad spend during COVID-19 and other economic downturns, combining in-game ads with IAP creates new avenues to reach more users without relying on a single revenue stream.

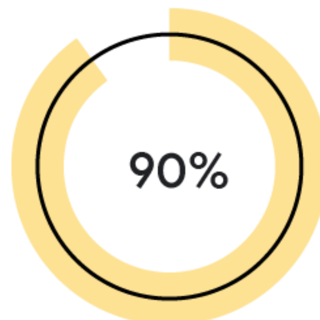
Monetizing in Asia's biggest gaming markets

Succeeding with gamers in Asia isn't a one-size-fits-all solution — gaming habits, genre preferences, and purchasing power vary from country to country. Here's a closer look at some notable insights from across the region:

China — F2P with a side of premium



of gamers in China **(637M)** are mobile gamers.



of China's games revenue across all platforms in 2019 was **driven by F2P titles**.

China's massive mobile user base of 637 million has helped F2P models thrive,[19] while the popularity of traditional PC massively multiplayer online games has dwindled due to the closure of internet cafes (icafes) during COVID-19. More than half (57%) of Chinese gamers surveyed in April said they don't plan to return once icafes reopen.[20] However, lockdowns during the pandemic have led to an influx of players who normally would've waited for promotional events purchasing premium games, downloadable content, and in-game items.[21]

Compared to the rest of Asia, Chinese gamers are more likely to spend on limited availability items, such as apparel and special weapons — especially during holidays or special events.[22] For example, Invictus Gaming added new World Champion skins and items to "League of Legends" after its team victory at the 2018 World Championship and increased the size of its PC player base by 9%.[23]

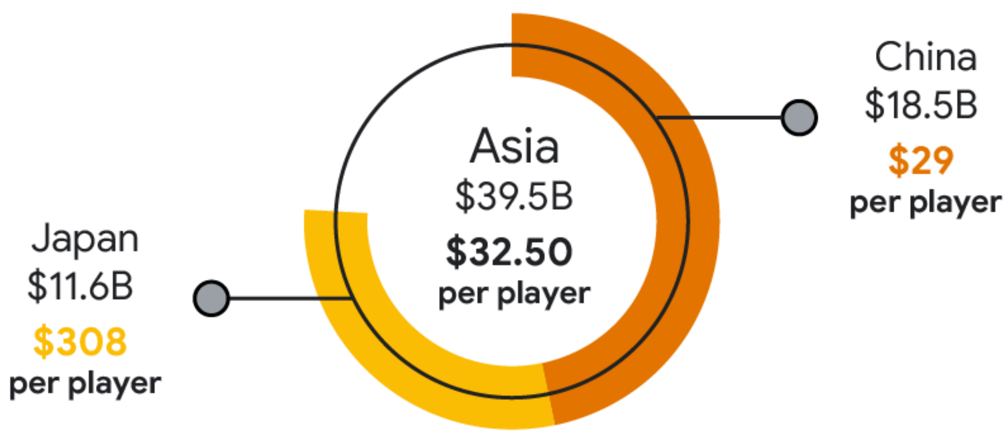
While F2P games are likely to remain the most popular among Chinese gamers, core genres such as battle royale and MOBA open the doors for premium games to succeed through advanced monetization techniques, such as battle passes and gacha mechanics.

Japan — The most valuable mobile gamers in Asia

Premium models are popular in Japan's well-developed console market, home to an installed user base of nearly 23.5 million people between PS4 and Nintendo Switch.[24] However, mobile gamers are by far Japan's largest and most valuable audience, generating around 10 times more annual revenue than the average gamer in Asia.[25]

Revenue per mobile game download in Japan was also the highest throughout Asia at $12.84 compared to a regional average of $1.53,[26] which shows how many more Japanese gamers are willing to spend on their favorite games than other markets.

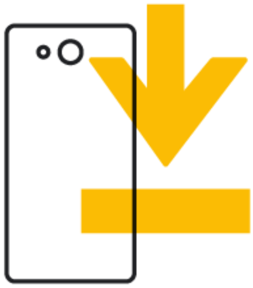
Japan's mobile gamers are 10X more valuable, on average



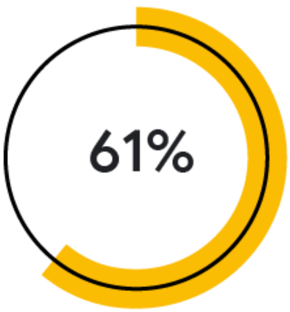
Annual revenue in 2019

Southeast Asia — A sandbox for F2P experimentation

F2P games lead most Southeast Asian countries in total downloads and annual revenue.[27] Countries with shared socioeconomic characteristics such as Malaysia, Thailand, Indonesia, and Vietnam typically use similar models and strategies,[28] but gamers' preferences for a wide variety of genres, including esports games, MOBAs, MMORPGs, and strategy titles,[29] allow developers more room to experiment.



In **Indonesia, Malaysia, Singapore, Philippines, Thailand, and Vietnam**, all of the top 10 mobile games with the **most downloads** and **highest revenue** in 2019 were F2P.



of "Mobile Legends" total revenue in 2019 **($307M)** was **generated in Southeast Asia alone**, with **Malaysia** and **Indonesia** as the lead drivers.[30]

South Korea — A diverse range of F2P tactics

Similar to Southeast Asia, the top 10 games with the most downloads and highest revenue in South Korea in 2019 were F2P.[31] Popular mid-core F2P games such as "Kart Rider Rush +" and "Arknights" have shown how different monetization tactics can appeal to South Korean gamers at various skills levels. For example, Nexon's "Kart Rider Rush +" is popular for its social elements and other gaming modes aside from competitive racing, and monetizes through newer techniques such as gacha and battle pass elements. After it launched in May 2020, "Kart Rider Rush +" quickly rose to the top 10 in downloads and revenue.[32]

Meanwhile, Yostar's "Arknights" has been a top-50 grossing game since it launched in January 2020,[33] despite driving fewer downloads than "Kart Rider Rush +".[34] The strategy RPG game keeps players engaged with a steady stream of in-game events featuring IAP and gacha mechanics — and it regularly cracks the top 20 revenue-driving titles as a result.[35]

In 2019, the **top 10 games** with the **most downloads** and **highest revenue** in South Korea were **F2P**.

It's also worth keeping an eye on the growing opportunity for F2P console games in South Korea. In 2019, the country's installed base of PS4 and Nintendo Switch users surpassed 1 million units each, making it the third-largest console market in Asia behind Japan and China.[36]

India — A savvy F2P audience beyond its years

A prime example of a mobile-first country, India's gamers quickly embraced core genres and advanced monetization models, but always on F2P titles.[37] Given the country's large player base but low overall spend, hybrid models are the best bet for boosting average revenue per user by tapping into Indian gamers' clear desire to play — especially on mobile — and turning players' attention and engagement into long-term growth.

The most popular games in India show how monetization models tend to leapfrog in emerging areas; developers in India have adopted advanced mechanics more quickly than other countries. For example, five of the top 10 grossing games in the first half of 2020 featured a battle pass[38] — a relatively advanced monetization technique for one of Asia's newest mobile markets.

In the first half of 2020, **5 of the top 10** grossing games in India featured a **battle pass.**

Tips to score with the right monetization model

As Asia's gaming market continues to develop and players' preferences and behaviors evolve in different countries, developers should focus on monetizing in a way that enhances, not interrupts, the experience.

Consider these three steps when choosing the right model for your game:

1. **Start with your core audience and platform**

   While F2P is clearly the most common and widely accepted model in Asia, premium titles can thrive in console and PC-heavy countries where gamers are familiar with paying a higher cost. Casual gamers are more averse to aggressive monetization in F2P games, but it can potentially appeal to mobile gamers looking to exchange gifts with other players, level up quickly, or show off by buying new items and player skins.

2. **Experiment with a hybrid approach**

   As COVID-19 impacts the number of brands investing in mobile game ads, developers can help fill the revenue gap by testing new mixes of IAP and in-game ads. Many IAP-heavy games are starting to roll out in-game ads in order to reach a larger audience and offset the potential risk of gamers buying fewer IAP in the near future.

3. **Create more dynamic experiences**

   Innovation in monetization opens the doors to innovation in development. Casual and core genres that solely used ads now benefit from hybrid models, while core games that relied on IAP are tapping into subscriptions and battle passes. An effective model empowers developers to create more engaging titles that players can enjoy in short, casual sessions or longer, in-depth experiences.

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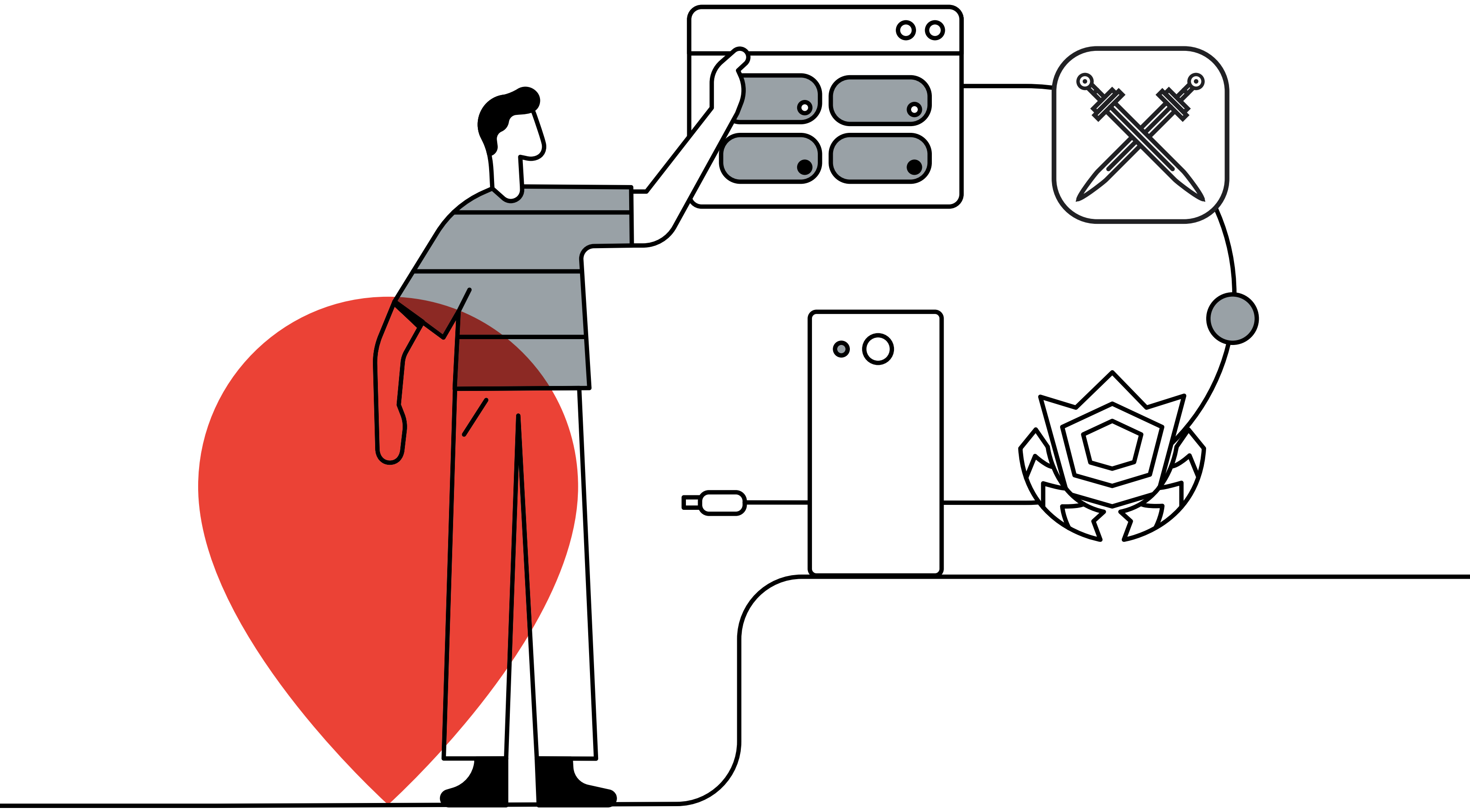
For the win: Breaking down the preferences of Asia's mobile gamers



No platform is more ripe with opportunity for game developers and publishers than mobile. That's especially true in Asia, where 1.21 billion mobile gamers — more than half of the world's mobile gaming population[1] — consistently drive the lion's share of global mobile games revenue.[2] More universally accessible and affordable than their PC and console predecessors, mobile games offer publishers a direct line to a wider audience of players than ever before, and empower developers with more freedom to experiment with a growing assortment of genres, monetization models, and styles of gameplay.

As mobile titles have evolved from simple control schemes to more complex and immersive experiences, they've also revealed even more nuances among Asia's growing audience of mobile gamers. Considering the rich diversity of local customs, traditions, and player preferences across the region, launching a successful mobile game can be a tricky science — and it starts with getting to know the local landscape.

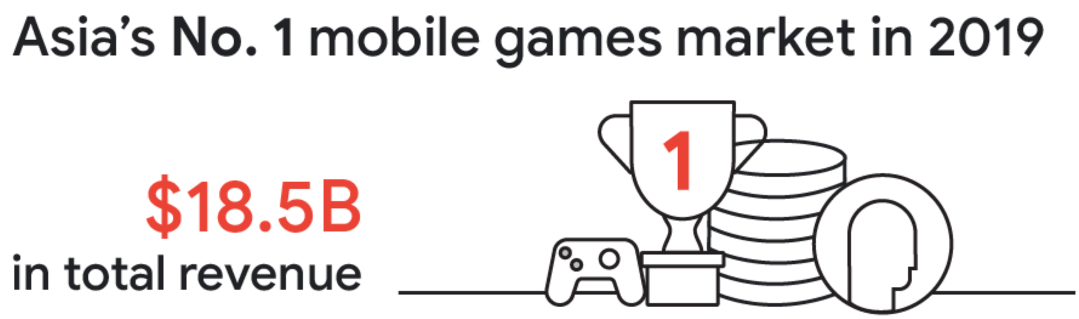
In the final installment of our series of insights on Asia's gaming market, we'll take a look at the region's top-grossing mobile games and genres to explore how evolving player preferences, culture, and game developers have uniquely shaped the landscape of each country.

Let's start with Asia's most prominent hub for mobile gamers — China.

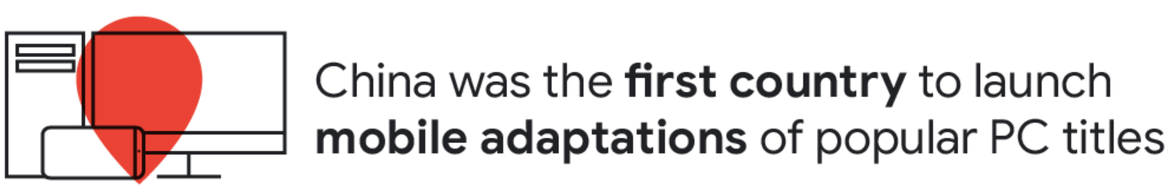
China

Leading the way from PC to mobile

China is Asia's largest and arguably its most engaged mobile gaming community. In 2019, China's 637 million mobile gamers generated $18.5 billion in revenue[3] — nearly half (46.8%) of Asia's total mobile games revenue.[4]



PC games dominated the Chinese market for decades, exceeding mobile games' total revenue until 2018.[5] As mobile gaming rose in popularity and more Chinese developers started building for the platform, China eventually became the first country to launch mobile adaptations of popular PC titles. Within a few years, China's mobile power users showed that PC and console titles can be just as, if not more, successful on mobile.



The popularity of well-known, locally developed PC games such as "Fantasy Westward Journey," "Perfect World," and "Peacekeeper Elite" skyrocketed after being adapted for mobile. The games were able to not only attract their original PC audience, but also acquire an entirely new group of mobile users that wanted to check out the hype and play with friends on a familiar title — not to mention at a lower user acquisition cost, as they'd already generated large followings. All three titles quickly rose to become a few of China's top-performing titles after they launched on mobile.[6]

Mobile gamers in China are also highly attentive to new developments in the market, with fellow players as well as popular streamers, influencers, and opinion leaders such as Liu "PDD" Mou, TuanZi, Xu "Fy God" Linsen, and Lu Han helping to promote exciting new titles as well as perennial favorites like "League of Legends" and "Dota 2."

The importance of local partnerships

Development teams based in China have consistently dominated the country's list of top-grossing mobile games by tapping into local art styles, heroes, and storylines. As of May 2020, four of China's top 10 mobile games are based on legends from the Three Kingdoms era in Chinese history[7] — a period from 220–280 AD where three factions fought for control of the country. The Three Kingdoms was widely popularized by Luo Guanzhong's "Romance of the Three Kingdoms" novel, and the period has been the subject of Chinese movies, TV shows, and games for years.

4 of China's top 10 mobile games are based on legends from the **Three Kingdoms era** in Chinese history.

For developers outside of China, launching a successful mobile game in the country can be challenging as every mobile game is required to have an international standard book number (ISBN, a publishing license used for content including games) issued by the government prior to being published or distributed. And while the ratio of ISBN granted to foreign games has remained somewhat constant over the years, the absolute value declined from 467 in 2017 to 185 in 2019.[8] Because domestic partnerships are required by law to publish foreign games in China and only a small number of games are approved every year, finding the right domestic publisher is a must for overseas developers.

Tencent and NetEase are currently China's largest and most well-known game publishers, accounting for nine of the country's top 10 mobile games in 2019.[9] Even though the number of foreign ISBN has dropped, publishers from outside of China — primarily from Japan — have recently risen to the top 10.[10] In 2019, Japan accounted for one-third of China's imported games.[11]

of China's **imported games** in 2019 were **developed in Japan.**

Anime's influence on art styles

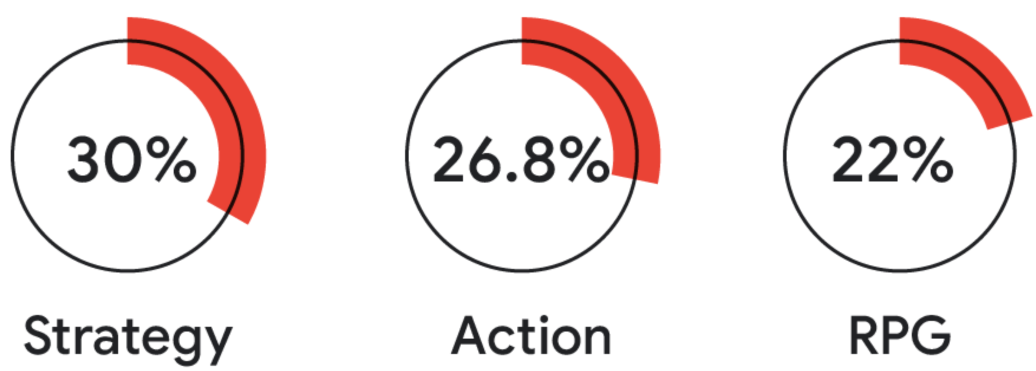
Anime, Comic, and Games (ACG) titles are a popular focal point for Chinese developers as many Chinese gamers (especially those born in the 1990s) grew up with Japanese TV anime like "Detective Conan," "Slam Dunk," and "One Piece." Japanese developers have partnered with local publishers to launch new games inspired by those art styles, and similarly, Chinese developers including NetEase, Yostar, and Zlongame have worked with Japanese companies to localize popular Japanese games for a Chinese audience.

Take "Onmyoji," a turn-based role-playing game (RPG) from NetEase, for example. The No. 7-ranked mobile game in China is based on Japanese mythology and features ACG art styles and Japanese voice actors that give the game an authentic feel. "Onmyoji" has grown to become one of NetEase's key titles, spawning an assortment of spin-off games, movies, and comics.

A shift to competitive genres

While massively multiplayer online role-playing games (MMORPGs) — which dominated in the early days of PC gaming — are still popular in China, the country's top mobile games in 2020 show how local developers are branching out into action-packed titles and immersive genres beyond MMORPGs to appeal to gamers' evolving preferences.

China's top mobile game genres[12]



Ratio of total iOS revenue in H1 2020

In 2016, seven of the top 10 biggest mobile hits were MMORPGs adapted from popular PC games,[13] such as “Asktao” (G-Bits) and “New Ghost” (NetEase). But in the first half of 2020, three of those titles were replaced by multiplayer online battle arena (MOBA — “Honor of Kings”) and battle royale (“Peacekeeper Elite”) games with competitive elements.[14]

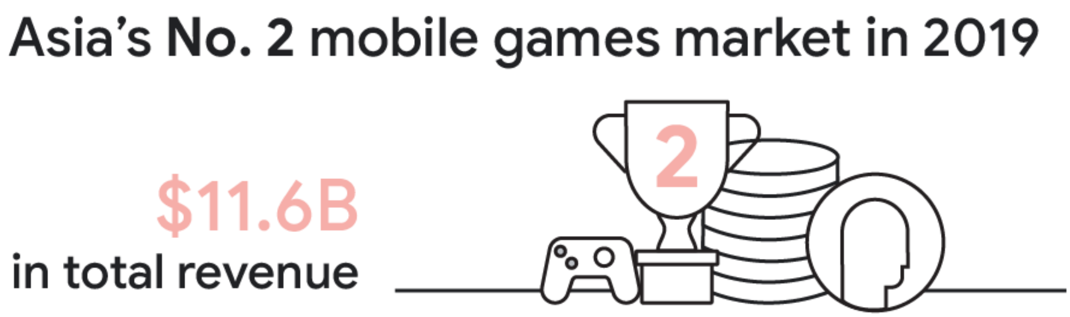
China’s top-grossing mobile games[15]

Rank	Title	Developer region	Genre
1	“Honor of Kings”	Local	MOBA
2	“Peacekeeper Elite”		Battle royale
3	“Romance of the Three Kingdoms: Strategy Edition”		Strategy
4	“AFK Arena”		Auto battler
5	“Fantasy Westward Journey”		RPG
6	“Immortal Conquests”		Strategy
7	“Onmyoji”		RPG
8	“New Swordsman M”		RPG
9	“Shenwu 4”		RPG
10	“QQ Speed”		Racing

Japan

Heavy anime and console history

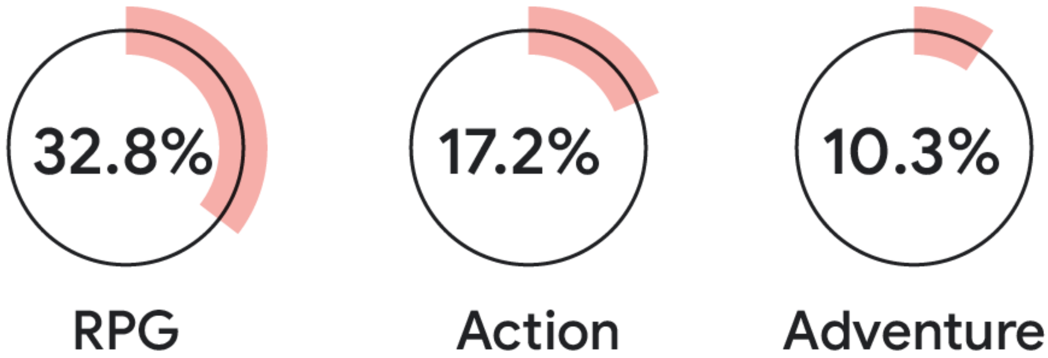
Japan is currently Asia's second-largest mobile game market by revenue ($11.6B in 2019),[16] and third globally behind China and the U.S.[17] As the home base for Nintendo and Sony, Japan's influence on gaming culture worldwide spans decades.



One of Japan's most notable contributions to Asia's gaming industry — and the spread of Asian culture around the world — has been the export of Japanese comics (*manga*) and animations (*anime*). Considering most Japanese gamers grew up enjoying those parts of pop culture, it's no surprise that Japan's local developers continue to dominate by staying true to familiar ACG elements. Apart from "Pokémon GO" (U.S.), "Lineage II Revolution" (South Korea), and "Knives Out" (China), no games developed outside of Japan have cracked the country's annual top 10 list since 2016.[18]

Since 2019, approximately half of Japan's total mobile games revenue was generated by RPG titles,[19] which can easily be monetized through items and gacha mechanics (e.g. rewarded items from "rolls" or spinning a wheel) as players progress. Moreover, at least five of the top 10 mobile games every year since 2016 have used ACG art styles, including mainstay titles like "Fate/Grand Order," "Monster Strike," and "Granblue Fantasy."[20]

Japan's top mobile game genres[21]



Ratio of total iOS + Google Play revenue in H1 2020

While games developed outside of Japan don't necessarily need to feature ACG-inspired characters and art styles to succeed, they can be a valuable addition to special events and promotions that appeal to Japanese gamers. NetEase's "Knives Out," a popular action game from China near the top of Japan's top 10 list, is a notable example. While the game uses realistic art styles, NetEase has made an effort to attract local audiences through in-game events and themed collaborations featuring recognizable elements from *anime* and *manga* series like "Evangelion," "Attack on Titan," "Gintama," and "Tokyo Ghoul."

Capturing console gamers on mobile

Many of Japan's game development studios such as Square Enix, Konami, Bandai Namco, and SEGA are well-versed in launching hit PC and console games, and they've continued to build on that success by adapting popular titles for mobile. Several of Japan's top mobile games are based on existing console titles (e.g., "Professional Baseball Spirits A" and "Pokémon GO"), including a few from popular *anime* and *manga* series like "Dragon Ball" and "Fate/Grand Order."[22] And as of June 2020, eight of the top 10 mobile games in Japan are based on licensed PC and console titles.[23]

8 of the **top 10** highest-grossing mobile games in Japan are **based on licensed PC and console titles.**

Japanese gamers' experience playing competitive PC and console games has also helped esports titles gain momentum on mobile. However, Japan's regulations on prize pool values make it more difficult to host and run esports events compared to in South Korea or China,[24] so there hasn't been a strong push from local developers to create new mobile esports games. But as mobile esports tournaments across Asia continue to rise in popularity and sponsorship value, expect to see more Japanese developers and publishers tapping into this promising growth opportunity.

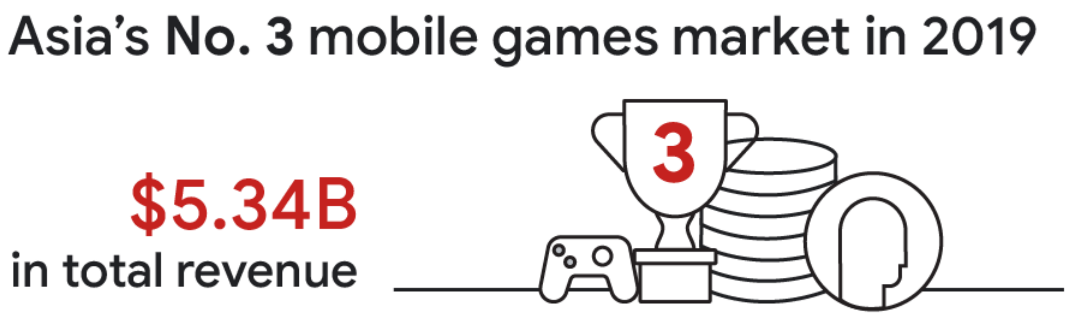
Japan's top-grossing mobile games[25]

Rank	Title	Developer region	Genre
1	"Monster Strike"	Local	Puzzle
2	"Fate/Grand Order"	Local	RPG
3	"Dragon Quest Walk"	Local	Augmented reality (AR)
4	"Knives Out"	China	Action
5	"Puzzle and Dragons"	Local	Puzzle
6	"Professional Baseball Spirits A"	Local	Sport
7	"Pokémon GO"	U.S.	AR
8	"Dragon Ball Z: Dokkan Battle"	Local	Action
9	"Princess Connect! Re:Dive"	Local	RPG
10	"Houchi Shojo - Hyakka Ryoran no Moehime Tachi"	Local	RPG

South Korea

Birthplace of esports and PC bang culture

Asia’s No. 3 mobile games market by revenue ($5.34B in 2019 — No. 4 globally),[26] South Korea’s rich PC gaming history, robust mobile infrastructure, and widespread internet cafes (icafes, locally known as “PC bang”) have made a lasting impact on the evolution of its mobile games market.



In May 2019, South Korea was one of the first countries to offer 5G mobile service to all consumers — drastically improving the mobile gaming experience — and the government recently announced a five-year plan to grow the local games industry. South Korea also developed the first-ever MMORPG on PC — “Lineage” — which, along with its sequel “Lineage II,” has remained one of South Korea’s top titles, especially after they were later adapted for mobile.[27]

This unique combination of social PC bang culture and widespread, high-speed mobile internet has contributed to the growing popularity of challenging, immersive mobile titles that allow gamers to play with or against other players — a motivation that’s consistently reflected in South Korea’s top games and genres.

South Korea's top mobile game genres[28]

Ratio of total iOS + Google Play revenue in H1 2020

Foreign developers branching out beyond RPGs

With such a close connection to classic, competitive PC titles, South Korean gamers are still loyal fans of RPGs — a genre that drove approximately 58% of the country's total mobile games market revenue in the first half of 2020. RPGs notably feature both social and competitive elements that appeal to South Korean gamers, such as live online gameplay, team-based strategy, and sharing in-app purchases with other players. Since 2016, RPG has been South Korea's top-grossing genre and accounted for at least five of the top 10 games each year.[30]

RPGs drove more than half (**57.9%**) of South Korea's total **mobile games revenue in H1 2020.**

Similar to China, South Korea's top mobile games have been dominated by local developers since 2016. Seven of the top 10 games in the first half of 2020 were developed locally, and every year since 2016, at least half of the top 10 games have been based on well-known PC titles.[31]

On the other hand, developers from outside South Korea have joined the rankings by bringing a wider range of genres into the market. For example, Lilith Games' strategy title "Rise of Kingdoms" and role-playing game (RPG) "AFK Arena" were both top-grossing titles in 2020, as was "FIFA ONLINE 4M by EA SPORTS™" from the U.S.[32]

Competitive play spreads to mobile

As South Korean mobile gamers have become more skilled over time, they've shifted their attention toward more challenging, core titles that bode well for esports competition. That's even clearer looking at the top-10 grossing games in the first half of 2020 — none of which were casual titles.[33]

However, despite the growing popularity of mobile esports games, South Korea's long history in PC gaming has meant that PC esports tournaments are still much more prevalent and lucrative overall.[34] While hit mobile titles such as "PlayerUnknown's Battlegrounds (PUBG) Mobile" and "FIFA ONLINE 4 M by EA SPORTS™" generate a lot of downloads and revenue, they've yet to spark a large esports scene — no doubt an opportunity for developers looking to stoke competition among mobile esports fans.

South Korea's top-grossing mobile games[35]

Rank	Title	Developer region	Genre
1	"Lineage 2 M"	Local	RPG
2	"Lineage M"	Local	RPG
3	"Rise of Kingdoms: Lost Crusade"	China	Strategy
4	"AFK Arena"	China	Auto battler
5	"V4"	Local	RPG
6	"Miracle Sword"	Local	RPG
7	"Lineage 2 Revolution"	Local	RPG
8	"Blade and Soul Revolution"	Local	RPG
9	"A3: Still Alive"	Local	RPG
10	"FIFA ONLINE 4 M by EA SPORTS™"	U.S.	Sport

India

Open doors for local developers

With more than 400 million smartphone users (second only to China),[36] India is one of the world's fastest growing mobile games markets. The popularity of mobile games in India has exploded over the past few years, driven largely by widespread availability of low-cost smartphones, affordable 4G service, and F2P titles.[37] India's population is also overwhelmingly young — 65% of the population is under the age of 35[38] — making the country a prime location for capturing an increasingly savvy audience of teen and young adult gamers.

of India's population in 2019 was **under the age of 35.**

In September 2016, Indian telecommunications company Reliance Jio helped spark a boom in mobile gaming by offering to distribute free 4G service to all of its 52 million customers, immediately broadening the country's mobile user base and allowing game developers to reach a larger segment of the population.

Local developers starting to grab top spots

In stark contrast to established markets like China, South Korea, and Japan, India's local game developers are relatively new to the industry, so development teams from Asia and elsewhere around the world have had more recent success. Non-Indian developers have accounted for most of the country's top titles since 2016,[40] and in the first half of 2020, only two of India's top-grossing titles were developed locally.[41]

However, India's recent ban on apps and games from China presents an opportunity for local developers to cultivate homegrown talent and develop new titles for a domestic audience. Indian prime minister Narendra Modi has spoken out in support of the national games industry,[42] encouraging the creation of games inspired by Indian culture and folk tales. Prior to the ban, Indian mobile gamers' preferences were noticeably shifting from casual games to more complex, core genres including MOBA and battle royale, leaving ample room for local developers to fill the gap. Leading up to June 2020, "Garena Free Fire" and "PUBG Mobile" were two of India's most popular and highest-grossing games.[43]

Local game developers Octro and Moonfrog have started to establish a stronger presence with themed social casino games such as "Teen Patti — Indian Poker" and "Teen Patti Gold," which are exclusively top-grossing games in India.[44]

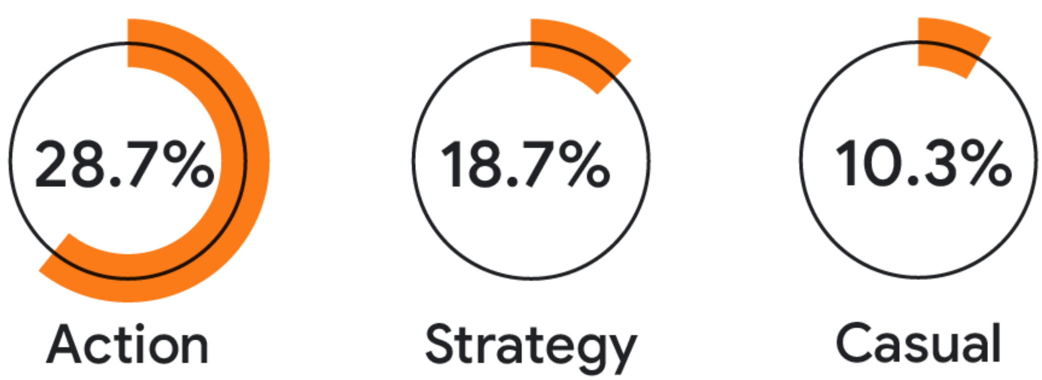
Keep it "lite"

In a region where mobile gamers are more likely to use lower-spec devices, "lite" versions of popular games are more likely to succeed as they're compatible with a wider range of hardware. For instance, "Garena Free Fire" is able to deliver the same gameplay experience across low-end and high-spec smartphones, but "Fortnite Mobile" — which requires higher memory and processing power to run smoothly — hasn't cracked India's top 10 list.[45] In the first half of 2020, the lite version of Tencent's "PUBG Mobile" drove 36 million downloads (66% of the game's total downloads) compared to 1.2 million on "Fortnite Mobile."[46]

An early esports opportunity

The "PUBG Effect" in India — fast-rising adoption of high-performance gaming smartphones as people gravitate toward playing complex, core titles on mobile — has led to a rise of genres built for esports competition like action, battle royale, MOBA, and shooters. Furthermore, many of India's top mobile games and genres have social, online, and competitive components that make them ideal for inclusion in esports — still a relatively undeveloped sector in the country.

India's top mobile game genres[47]



Ratio of total iOS + Google Play revenue in H1 2020

In 2020, the top-grossing games in India included two battle royale titles (“PUBG Mobile” and “Garena Free Fire”), one shooter game (“Call of Duty Mobile”), and a MOBA (“Mobile Legends”).[48] None of these genres appeared in the country’s top 10 prior to 2018,[49] indicating a trend of increasing player skill and demand for competitive titles.

To that end, top game publishers including Tencent and Garena have recently invested in creating professional esports leagues and tournaments in India based on hit titles, such as the “PUBG Mobile India Tour” and Garena’s “Free Fire Esports India” league.

India’s top-grossing mobile games[50]

Rank	Title	Developer region	Genre
1	“PUBG Mobile“	China	Battle royale
2	“Garena Free Fire: Rampage“	Singapore	Battle royale
3	“Coin Master“	Israel	Casino
4	“Teen Patti - Indian Poker“	Local	Casino
5	“Candy Crush Saga“	Malta/U.S.	Casual
6	“Call of Duty®: Mobile“	U.S.	Shooter
7	“Clash of Clans“	Finland	Strategy
8	“Teen Patti Gold –3 Patti, Rummy, Poker Card Game“	Local	Casino
9	“Gardenscapes”	Russia	Casual
10	“Mobile Legends: Bang Bang”	China	MOBA

Southeast Asia

Connected by competition and community

Southeast Asia is an especially diverse region with a variety of cultures, communities, and characteristics. Southeast Asians are also among the most engaged mobile internet users in the world.[51] In 2019, 90% of Southeast Asia's 360 million internet users (two-thirds of the region's population) accessed the internet via their mobile phones,[52] and mobile games in the region outpaced PC and console in both revenue and downloads.[53]

Mobile games in Southeast Asia outpaced PC and console in both **total revenue and downloads** in 2019.

In the last five years, non-Asian developers have been outranked by teams based in the region with a closer ear and eye on local preferences.[54] In Southeast Asia especially, appealing to a local audience is about much more than the language or art style — understanding and respecting local customs and beliefs is crucial. Compared with most countries around the world, religion is a particularly important part of people's daily lives,[55] which translates into what is culturally acceptable in some markets is not so in others. Developers should be mindful of respecting local norms and customs when promoting games in each market.

Take, for instance, how Facebook Gaming staged a multi-country Ramadan event that attracted gamers from Indonesia and Malaysia, or the 2020 "Mobile Legends" TET New Year event in Vietnam. Similarly, developers and publishers based outside of Southeast Asia have worked with local celebrities and public figures to promote games across the region, like when "Garena Free Fire" recently partnered with Indonesian actor Joe Taslim and Gravity Interactive tapped K-Pop star Lisa from Blackpink to promote "Ragnarok M: Eternal Love" in Thailand.

A booming esports universe

Another important commonality for developers to consider is the role of community. A 2019 survey by GameStart found that 60% of Southeast Asian gamers prefer to play with friends,[56] and many of the region's top-grossing titles and genres over the years feature social elements and team-based gameplay, such as "Free Fire," "Lineage," "Mobile Legends," and "Ragnarok Online."[57]

Southeast Asia's top mobile game genres[58]

Ratio of total iOS + Google Play revenue in H1 2020

Southeast Asian gamers' strong desire for community play — combined with policies and government support in Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Vietnam — has helped esports titles and tournaments thrive. Between 2018 and 2019, the total value of prize pools in local Southeast Asian tournaments grew 244%,[59] and the region progressed from only having two esports titles in the top 10 grossing chart in 2016 to five of them in 2019.[60]

5 of Southeast Asia's **top 10** highest-grossing mobile games in 2019 were **esports titles.**

Garena's "Free Fire" was the highest grossing mobile game in Q1 2020, reaching 80 million peak daily active users.[61] To engage its growing user base in the wake of COVID-19, Garena organized more than double the number of online "Free Fire" esports tournaments in that quarter compared to the previous year, which accumulated more than 90 million total views.[62]

Taking esports appeal beyond the game

"Mobile Legends" is a great example of how community-building and creating competition via live events and tournaments can significantly expand a game's appeal. In April 2020, the grand finale of Indonesia's Mobile Legends Premier League (MPL) Season 5 reached 1.1 million peak concurrent views,[63] and Indonesian streamer Jess No Limit, whose content focuses on "Mobile Legends," became the first Asian YouTube game streamer to reach 15 million subscribers.[64] Similarly, Maharaja Soloz, a Malaysian "Mobile Legends" streamer, reached more than 1.2 million subscribers on Facebook Gaming — the highest of any game streamer in the country.[65]

Southeast Asia's top-grossing mobile games[66]

Rank	Title	Developer region	Genre
1	"Garena Free Fire: Rampage"	Singapore	Battle royale
2	"Mobile Legends: Bang Bang"	China	MOBA
3	"Rise of Kingdoms: Lost Crusade"	China	Strategy
4	"Lineage M"	Korea	RPG
5	"Honor of Kings/Arena of Valor"	China	MOBA
6	"PUBG Mobile"	China	Battle royale
7	"Call Me Emperor"	China	Strategy
8	"MU"	South Korea	RPG
9	"One Punch Man: The Strongest"	China	RPG
10	"AFK Arena"	China	Auto battler

Tips to entice a local audience

The dominance of Asia-based developers shows how important it is to learn from titles that tap into local interests, culture, aesthetics, and genre preferences. Looking at the top games across the region, it's clear that success in one country doesn't guarantee success in another. Appealing to local audiences requires keeping up with trends, preferences, and regulations in each country, learning from domestic publishers and influencers, and experimenting with new and popular genres to deliver experiences that entice the gamers you want to reach.

Here are a few things developers can do to break through with gamers in each country:

- **China**
  Take your time to find an ideal publishing partner depending on your game's primary platform and genre, and the audience you're trying to reach. Striving for mass reach from dominant publishers isn't always the best solution.
- **Japan**
  Incorporate pop culture elements from well-known movies, *manga*, and *anime*, and take note of historically successful PC and console titles to understand what kept gamers coming back and how those elements can translate to engaging mobile experiences.
- **South Korea**
  Give gamers the opportunity to compete on titles that tap into the country's PC and esports history — especially on mobile, where tournaments are attracting serious attention and investment from advertisers.
- **India**
  Take inspiration from Indian culture, traditions and folklore, make sure your game can run smoothly on low-spec devices, and explore opportunities to spark new competition in the country's blossoming esports universe.
- **Southeast Asia**
  Promote new games in a way that respects local cultures, holidays, religions, and customs in each country, and incorporate gameplay elements that allow players to connect with friends or a wider community.

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Methodology

Niko Partners combines data from game developers and publishers, publicly available data from other sources such as retailers and Chinese app markets, and our own assumptions and qualitative gamer survey results to calculate market estimates and generate lists of leading games. We also regularly interview executives at games and hardware companies as well as government officials. We leverage our own proprietary primary data combined with direct access to a panel of more than four million consumers in China, and millions more throughout Asia, to create deep qualitative and quantitative analysis, market models, and five-year forecasts. Our analysts regularly conduct gamer surveys, interviews, and focus groups throughout China as well as Indonesia, Malaysia, the Philippines, Singapore, Thailand, Vietnam, Chinese Taipei, Japan, South Korea, and India.

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