

 GUIDE

Japan mobile app trends 2022

Essential app performance
benchmarks and insights

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Key takeaways



15%

GAMING

From 2020 to H1 2022, hyper casual and role-playing were the most popular gaming genres. Hyper casual titles accounted for **15% of total installs**, while RPGs came second with 13%.



29%

E-COMMERCE

E-commerce performed exceptionally well in Japan over the last two years. January 2022 was the highest charting period, with an 8% increase compared to the 2021 average and a **29% boost compared to 2020**.



13%

FINTECH

Fintech apps charted high session growth in the first half of 2022, with an **impressive year-over-year increase of 13%**.



\$6.60

DATING

Sessions for dating apps grew steadily over the last two years, but so did the cost of acquiring new users. CPI for dating apps rose in the winter and **hit a high of \$6.60 per install** in February 2022.

“Despite significant challenges to the app and mobile marketing industry over the past two years, Japan has shown its resilience as a top market for app users and advertisers. From a huge uptick in mobile payment usage to boosts in gaming and e-commerce sessions and CTV usage and campaigns, we’re excited to see how these growth patterns continue over the coming months.”

Naoki Sassa,
General Manager Japan

ADJUST



“The mobile economy has continuously grown since the pandemic started, which brings lower CPI trends in several app categories. Now is the time to consider what's next for mobile marketing to accelerate the growth of your apps. At the same time, marketers need to know how to acquire engaged users in post-install.”

Kota Amano,
Senior Country Manager Japan & Korea



Introduction

Like the global app market, Japan's mobile app market saw a burst of growth in the past two years, driven by changing habits spurred by the COVID-19 pandemic. The country's mobile users turned to apps to make essential purchases, reorganize their finances, entertain themselves, or simply pass the time. Yet as the pandemic largely winds down, user habits continue to evolve.

For app marketers looking to grow their share in Japan, the market brings both unique challenges and significant rewards. Japan's median age is relatively high (49.2), and despite being a nation known to develop cutting-edge technologies, Japan has been slow to adopt mobile technology on a population-wide scale.

That said, in the past few years, the number of mobile users in Japan has grown steadily. Smartphone ownership among internet users aged 16 to 64 passed 90%, according to a survey by Insider Intelligence. A report by social media agency We Are Social also found that 98% of social media users access platforms via mobile and that 59% of Smartphone users play games on mobile.

With usage climbing, entrants and incumbents alike have an opportunity to capitalize on the nation's app market. Drawing on data from Japan from 2020 to 2022, Adjust and Liftoff's Japan mobile app trends report provides mobile marketers across industries with an essential overview of new trends, benchmarks, and insights into the island nation. Our report examines installs, sessions, and ROAS across four key verticals—gaming, e-commerce, fintech, and dating.

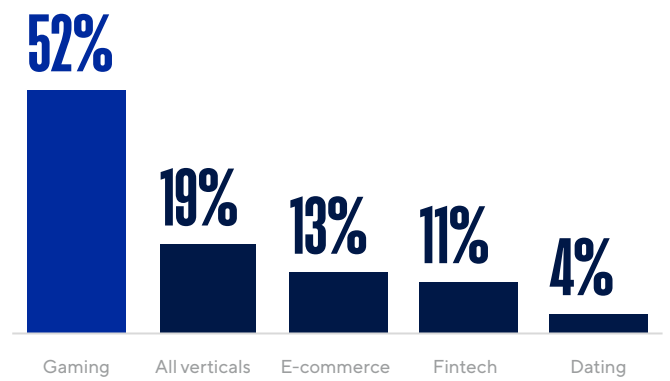
According to Adjust data, Japan's mobile app market—despite fluctuations from global changes—continues to keep pace with global growth. Year-over-year growth for app installs across all verticals in Japan increased by 19% from 2020 to 2021. To take full advantage of emerging opportunities, marketers must adapt and develop marketing strategies to fit regional trends and user preferences and habits. To assist, this report offers perspectives from marketers with extensive experience driving app growth in the country.

Japan's app market: An overview

TOTAL INSTALL GROWTH BY VERTICAL

Between 2020 and 2021, total gaming installs rose by 52%—much higher than the other verticals in the region. Of the other app categories this report covers, e-commerce grew by 13%, fintech by 11%, and dating by 4%.

App install growth percentages
YoY 2020 - 2021



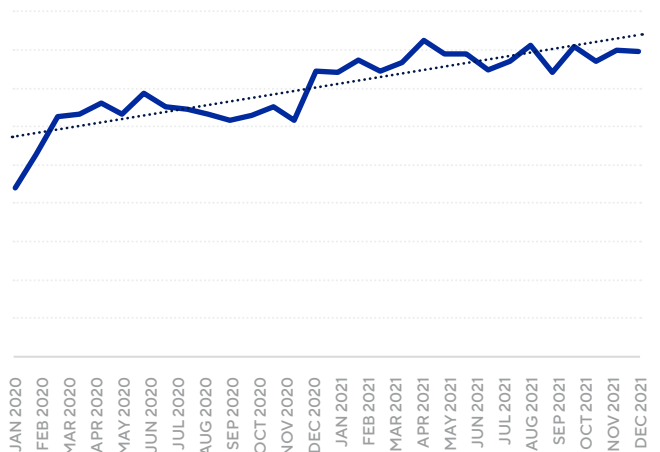
TOTAL SESSION GROWTH FROM 2020-2022

In Japan, sessions for all apps saw remarkable growth over the last two years. 2021 charted an impressive year-on-year (YoY) growth of 23%.

Total sessions hit a two-year high in August 2021, 33% higher than the 2020 average and 8% up from the 2021 average.

Sessions in Japan are also trending upwards in 2022 to date—up by 12% in H1 2022 YoY.

App session growth 2020 - H1 2022
(All verticals)

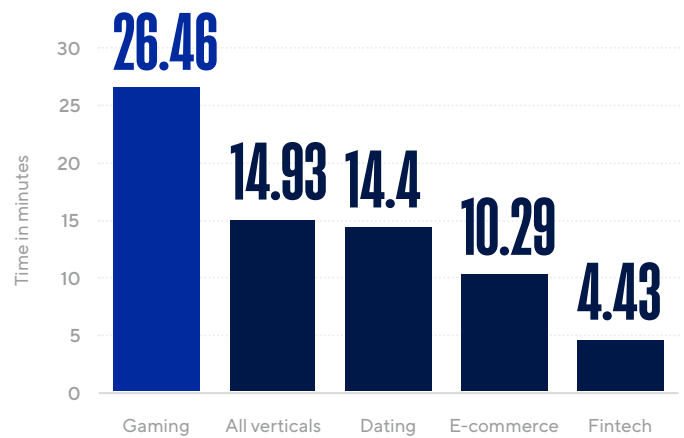


SESSIONS LENGTHS BY VERTICAL

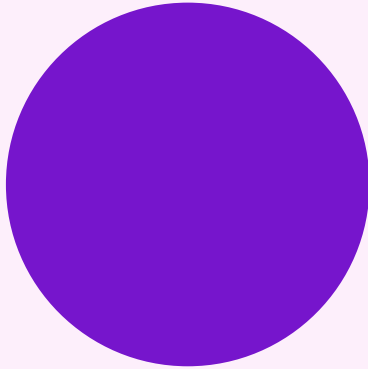
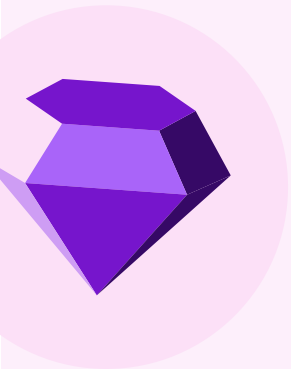
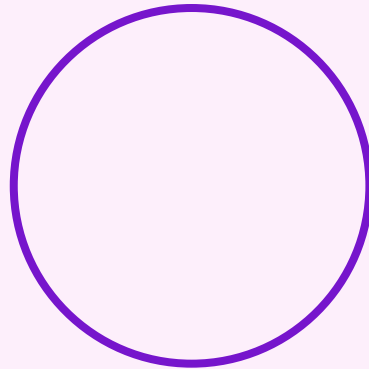
In the first half of 2022, users played gaming apps for an average session length of 26.5 minutes. This exceeded the average session length across all verticals by nearly 15 minutes.

Dating apps, second to gaming in session lengths, kept users engaged for almost 15 minutes per session.

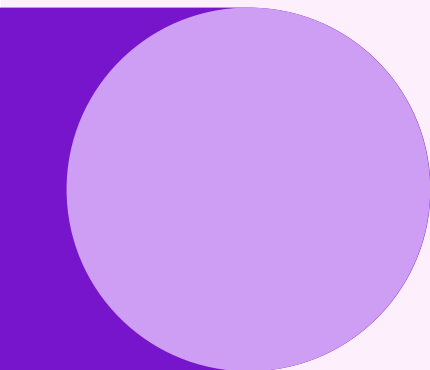
App session lengths H1 2022



Gaming



15%
of gaming installs in Japan are hyper casual games, the most popular genre.



What’s the state of play in the Japanese gaming market?

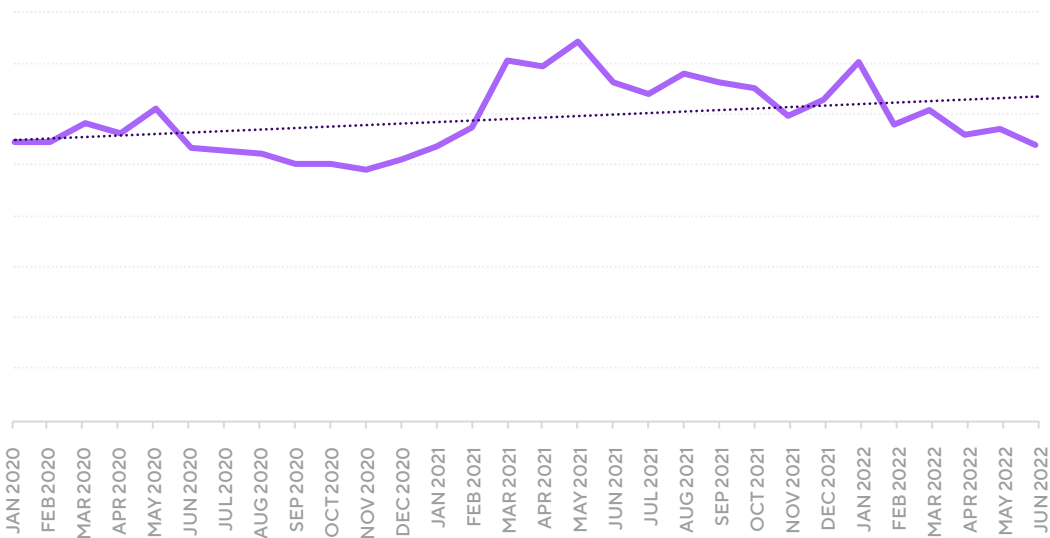
Japan is a pioneer in the gaming industry, and it’s home to some of the world’s leading names in gaming, including Sony, Nintendo, and Sega. According to analytics company [Newzoo](#), “Japan’s 75.6 million players...generate[d] revenues of \$22.1 billion” in 2021.

Despite its small size compared to other countries, Japan is the third-biggest games market worldwide because of its strong revenues. To contextualize what is happening in the mobile gaming market in Japan, we look at a few key metrics from the start of the pandemic to now.

First, let’s look at user activity. Sessions are a valuable proxy for understanding overall app growth. In 2021, the number of sessions grew significantly, with a 22% year-over-increase. As the pandemic rolled on, users embraced mobile games at scale.

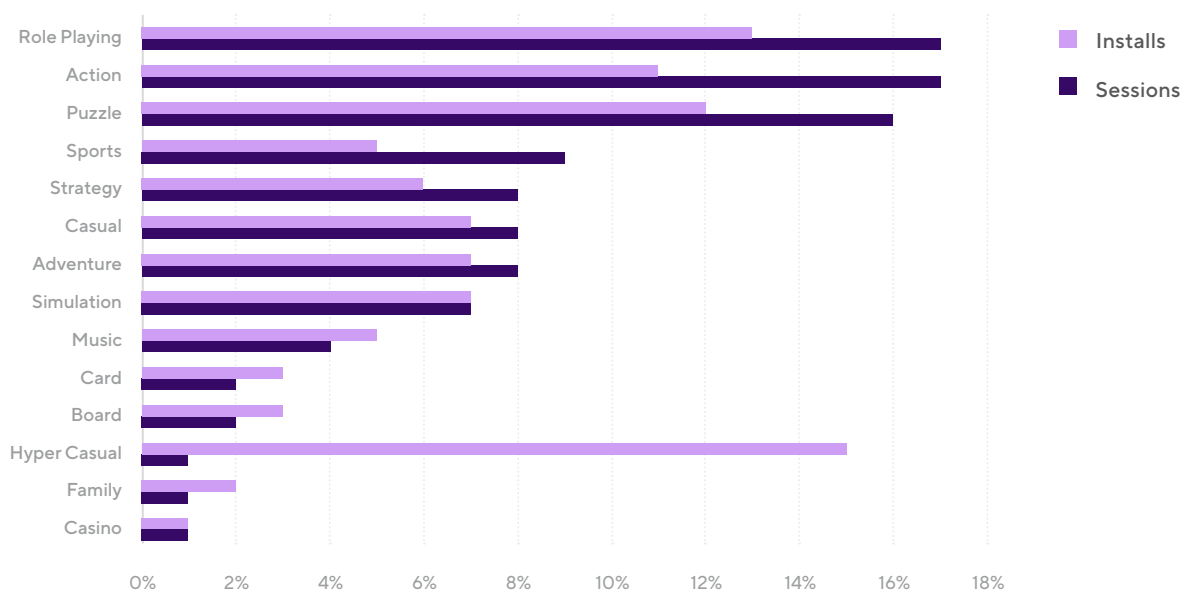
However, pandemic-driven trends seem to be winding down. Halfway into 2022, gaming sessions fell compared to last year. That said, they are still above early pandemic levels—compared to H1 2020, sessions were up 8% in H1 2022.

Gaming app session growth 2020 - H1 2022



Gaming installs by category

Gaming app installs and sessions by vertical 2020 - H1 2022



Gaming apps comprise many genres, but the Japanese market seems to favor two above all others.

Between 2020 and H1 2022, hyper casual titles took up 15% of total installs, while role-playing games (RPGs) came second at 13%.

However, session distribution differs significantly from install distribution. Action games and RPGs are still on top, with 17% of total sessions each but hyper casuals, which accounted for 15% of the total install share, only account for 1% of sessions.

THE PLATFORM WARS

Comparing the number of sessions by platform reveals that iOS hosts around two-thirds of the gaming apps tracked by Adjust in Japan, while Android only accounts for 33%.

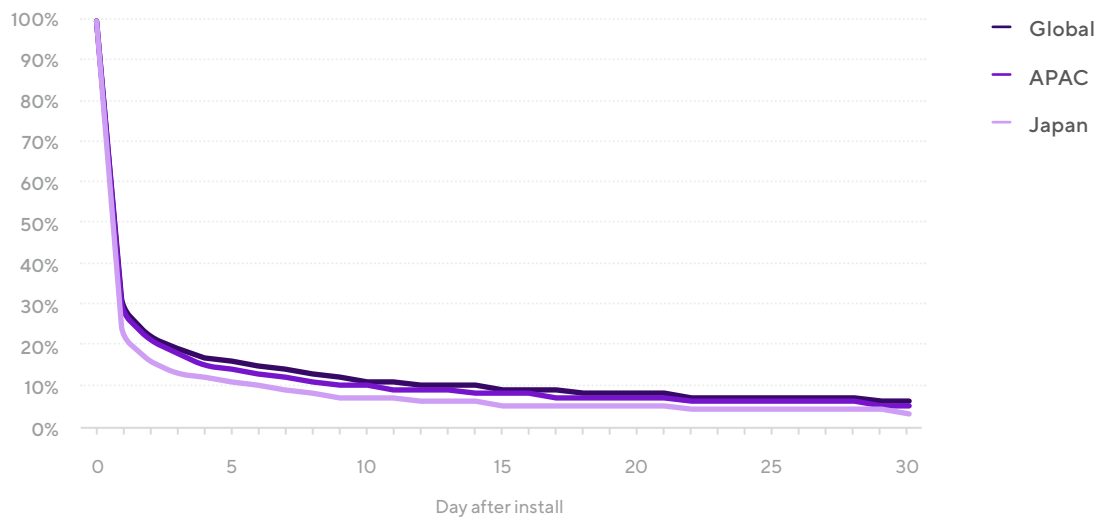
Gaming app sessions by platform H1 2022



LIFETIME VALUE STARTS WITH RETENTION

Retention rates for games in Japan are slightly lower than global figures. In H1 2022, the average Day 1 retention rate for gaming apps was 22%. Day 7 rates come in at 9% and Day 30 rates at 3%.

Gaming app retention rates H1 2022



“The Japanese gaming app market has shown incredible growth despite the impacts of privacy changes and the COVID-19 pandemic. The growth of hyper casual games was particularly impressive, and we also saw a boost at KAYAC. For hyper casual games where ad promotion is key, it is essential to acquire and leverage accurate data to effectively run campaigns in order to drive the acquisition of high quality users.”

Masaya Murakami,
Director



Marketing costs and performance for casual games in Japan

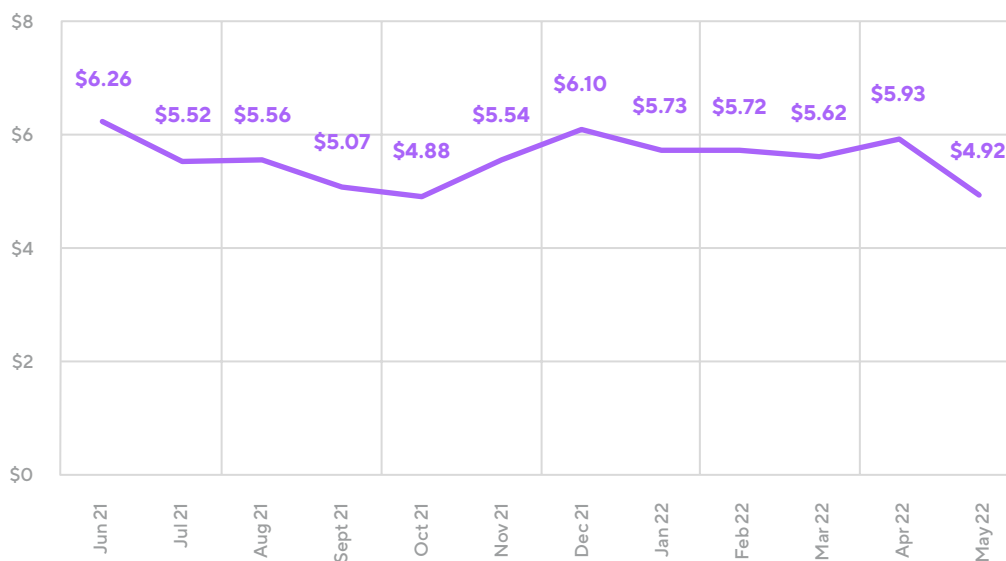
If mobile gaming as an industry received a boost from pandemic habits, then casual gaming saw unique growth opportunities. This is hardly surprising. With low barriers to entry and broad appeal, casual games are perfect for helping users pass the time. They can also be highly lucrative.

Drawing on data from its recent [Casual Gaming Report](#), Liftoff closely looks at the costs and ROAS rates for this globally popular genre.

CASUAL GAMING CPI

The cost-per-install (CPI) for casual gaming apps in the past year averaged \$5.46. For most of the year, CPI for casual gaming apps stayed below the \$6 mark. CPI declined steadily between June 2021 and October 2022 and rose again during the winter.

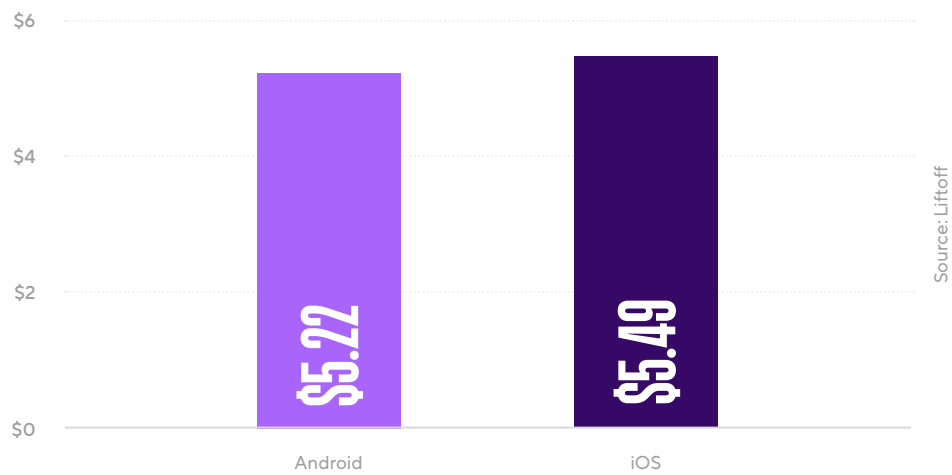
Casual gaming CPI, June 2021 - May 2022



Source: Liftoff

CPIs were similar for both iOS and Android, averaging nearly \$5.50. This is consistent with Liftoff’s analysis of Android vs. iOS performance.

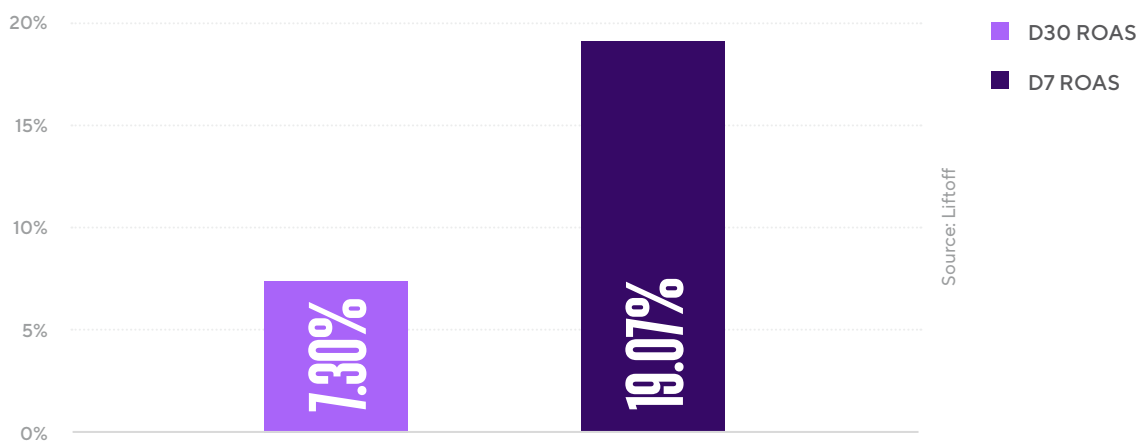
Day 7 and Day 30 CPI for iOS and Android



CASUAL GAMING DAY 7 AND DAY 30 ROAS

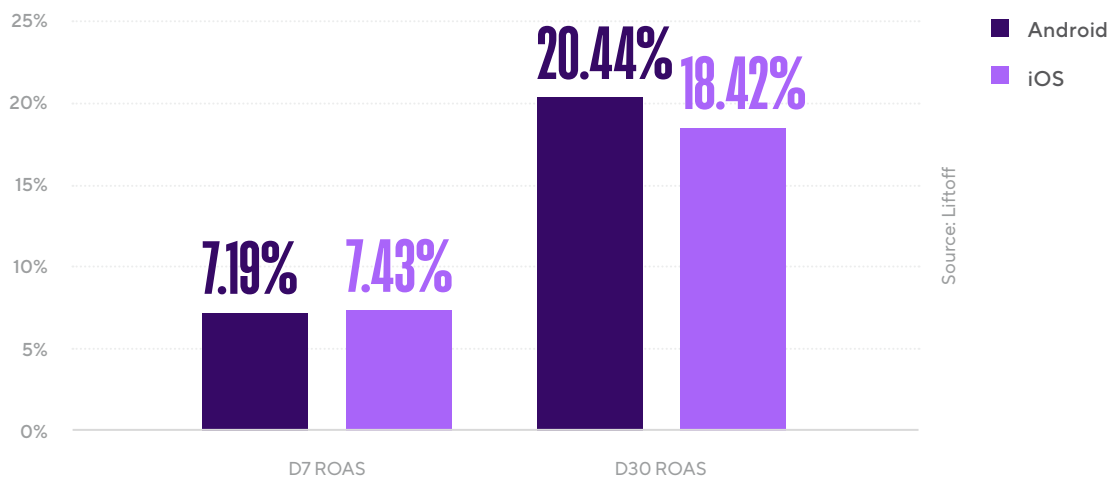
The average D7 ROAS rate was around 7%, while D30 ROAS rates hovered just under 20%.

Day 7 and Day 30 ROAS for casual gaming apps



Both platforms had similar D7 and D30 ROAS rates. By Day 30, Android users outperformed iOS by around two percentage points.

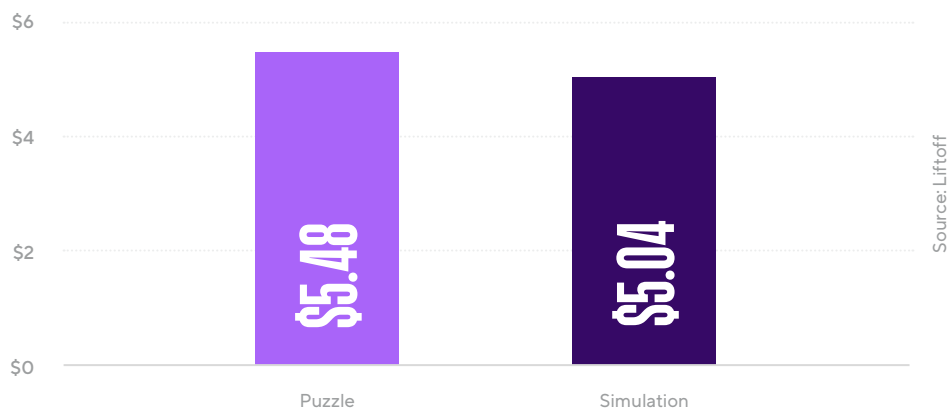
Casual gaming apps ROAS on iOS and Android



CASUAL GAMING CPI AND ROAS BY SUBCATEGORY

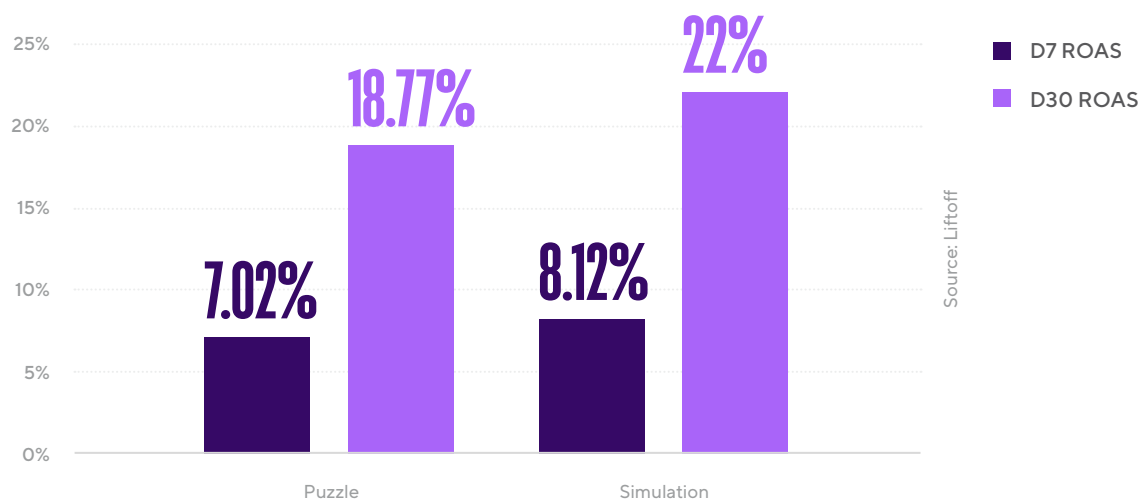
Puzzle game players cost slightly more each to acquire than simulation game players (\$5.48 compared to \$5.04).

Puzzle and simulation games: CPI

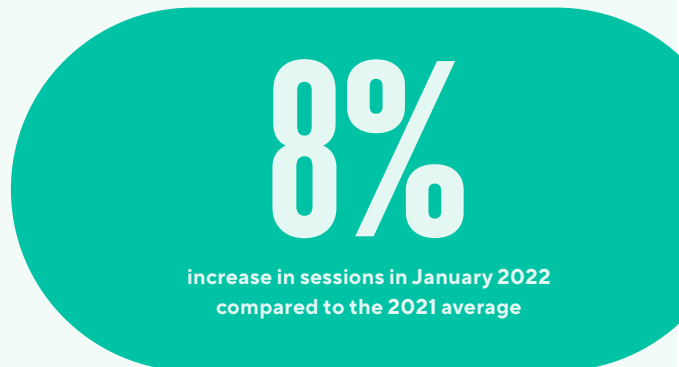
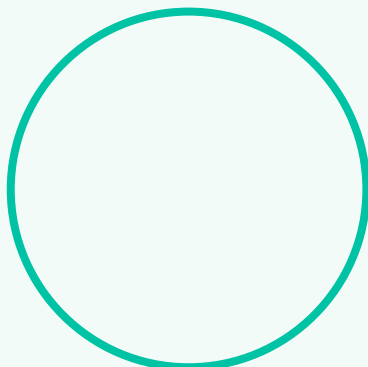


In addition to having a lower CPI, simulation games posted higher ROAS rates on both Day 7 and Day 30.

Day 7 and Day 30 ROAS for puzzle and simulation games



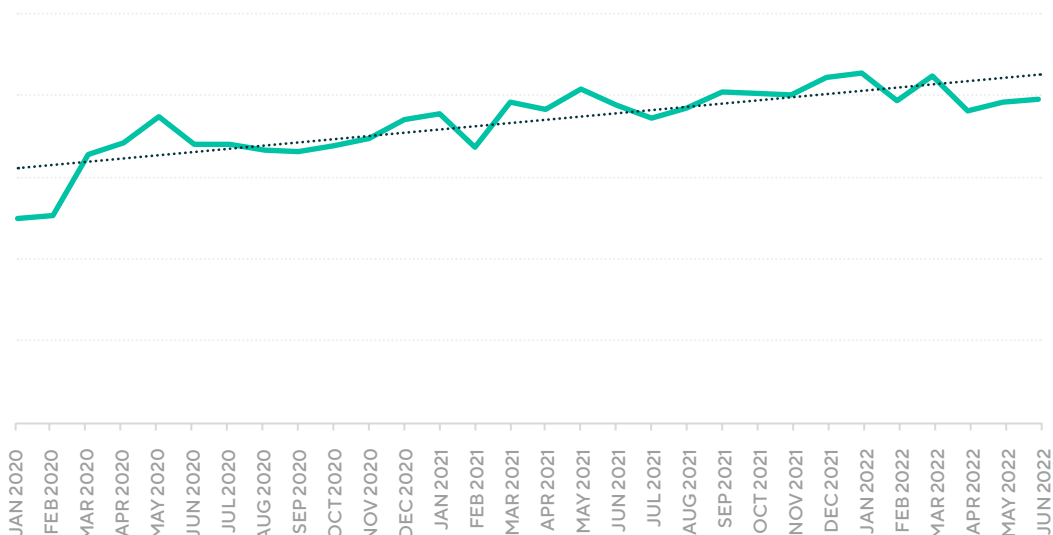
E-commerce



Charting e-commerce growth and distribution

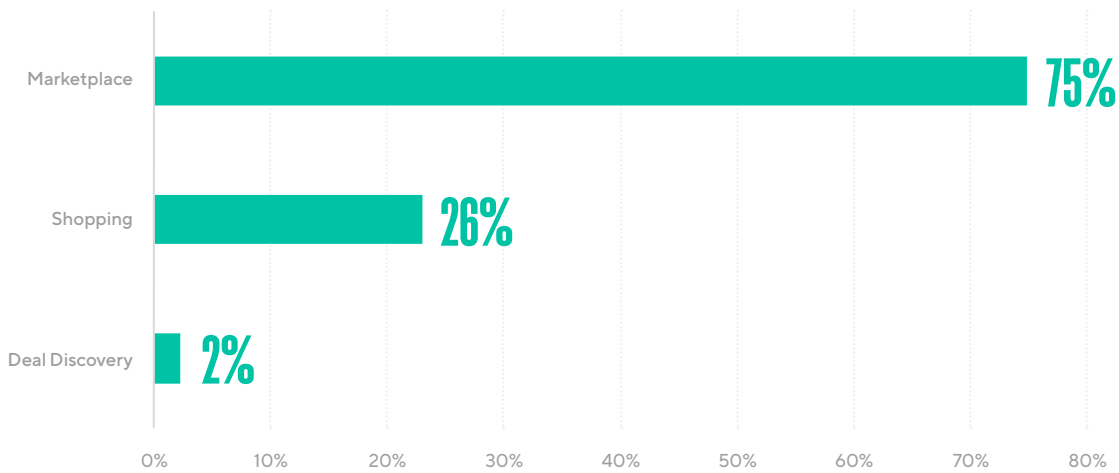
E-commerce performed exceptionally well in Japan over the last two years. Sessions surged 20% in 2021 YoY. In fact, January 2022 was the highest charting period, with an 8% increase compared to the 2021 average and a 29% boost compared to 2020.

E-commerce app session growth 2020 - H1 2022



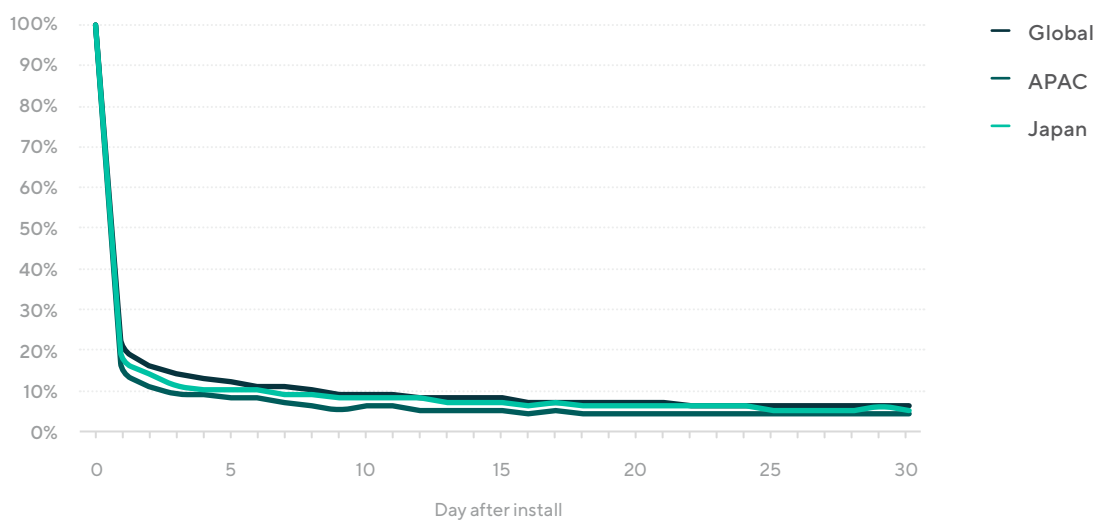
Overall, e-commerce app sessions are still up in 2022, growing 7% in H1 2022 YoY. From 2020 to H1 2022, marketplace apps take the lion's share of installs at 75%. Marketplace apps are followed by shopping at 23% and deal discovery at 2%.

E-commerce app installs by vertical 2020 - H1 2022



Retention rates for e-commerce apps in H1 2022 in Japan were lower than global rates but higher than the median of the APAC region. On Day 1 after install, APAC had a retention rate of 14%, and Japan had a rate of 17%. By day 30, retention rates dropped to 4% in APAC and 5% in Japan.

E-commerce app retention rates H1 2022



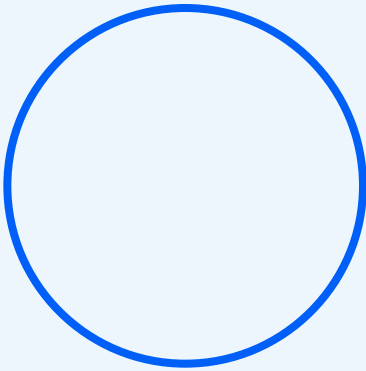
“SNKRDUNK has grown tremendously over the past four years, and is now taking on the challenge of growing its business overseas. The mission of SNKRDUNK's marketing organization is to "create the next marketplace that is enthusiastic all over the world". In order to create such a marketplace, we will expand our marketing activities through offline advertising and OMO measures along with digital advertising and CRM. We're aiming to boldly take on challenges that will allow more people to use SNKRDUNK.”

Kazuhito Takahashi,
Marketing CRM leader / PM

SNKRDUNK

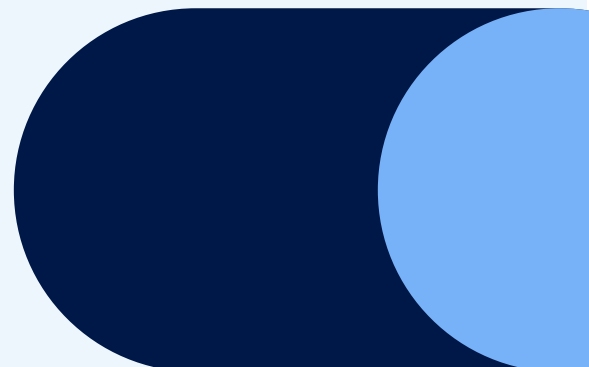
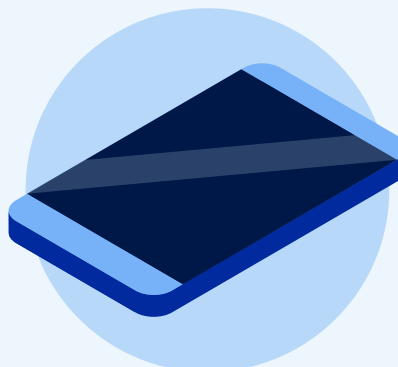


Fintech



13%

YoY fintech session growth in H1 2022, one of the biggest session increases for a vertical this year



Fintech apps know where the money's at

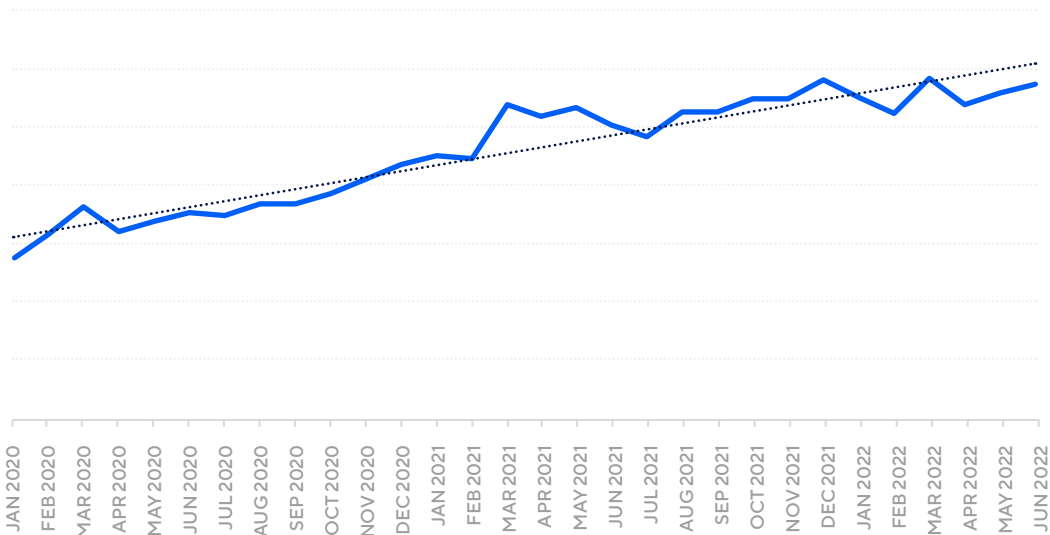
Digital payments skyrocketed during the pandemic as consumers turned to payment methods with fewer physical touchpoints. Between 2019 and 2021, cashless payments in Japan increased in use by [21%](#). Japan's government also began promoting cashless payments, hoping to achieve 40% cashless payments by 2025 to stay in line with global growth.

Worldwide, mobile wallets are taking the lead in cashless transactions. In 2021, mobile wallet payments accounted for 49% of e-commerce transactions worldwide, and this figure is predicted to reach [53% by 2025](#).

As a result of this amplification of digital payments, session growth for fintech apps in Japan exploded throughout the pandemic. Sessions increased 47% from 2020 to 2021. In the first half of 2022, they were up 13% compared to H1 2021—signs of a dynamic industry with room for further growth.

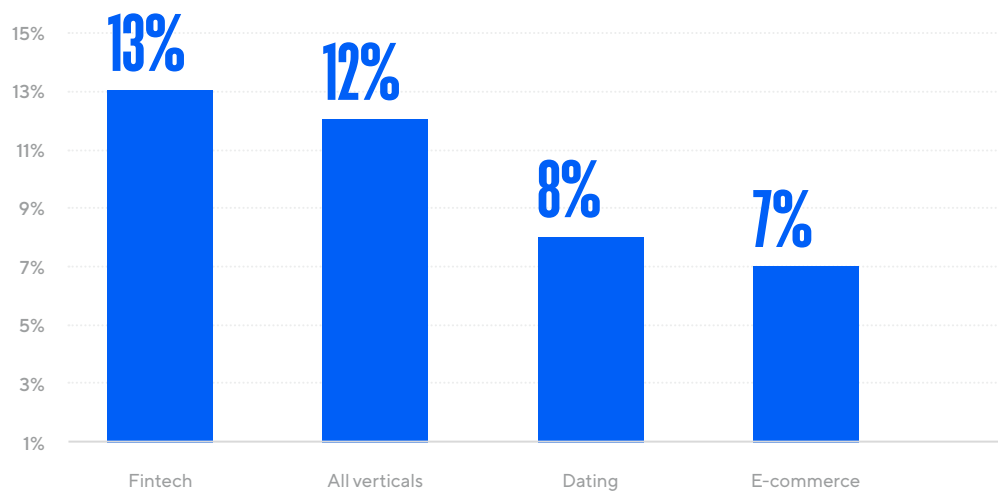
June 2022 had the highest volume of fintech app sessions. Sessions were 30% higher than the 2021 average and 79% higher than 2020.

Fintech app session growth 2020 - H1 2022



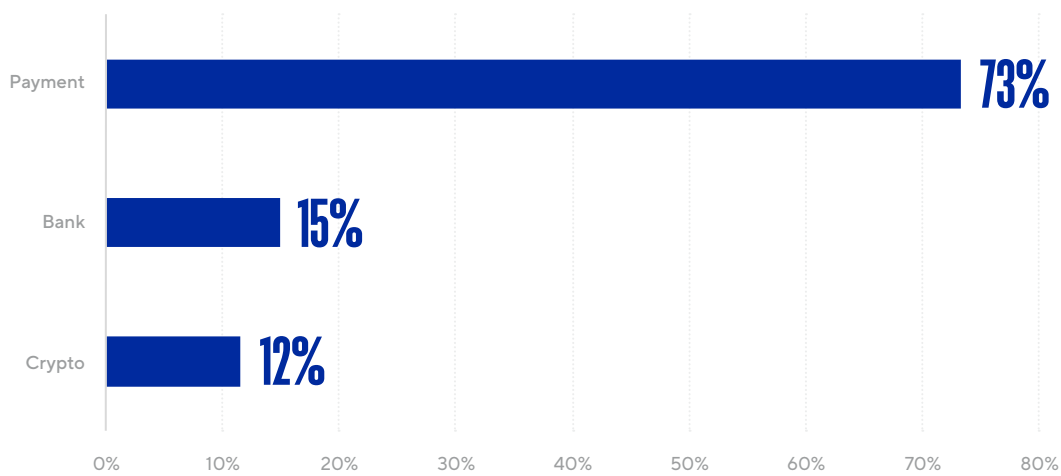
Overall, fintech apps charted impressive session growth in the first half of 2022, with a year-over-year increase of 13%. Sessions for all apps grew 12% in H1 2022 YoY, dating apps saw a hike of 8%, and e-commerce app sessions jumped 7%.

App session growth percentages YoY H1 2021 - H1 2022



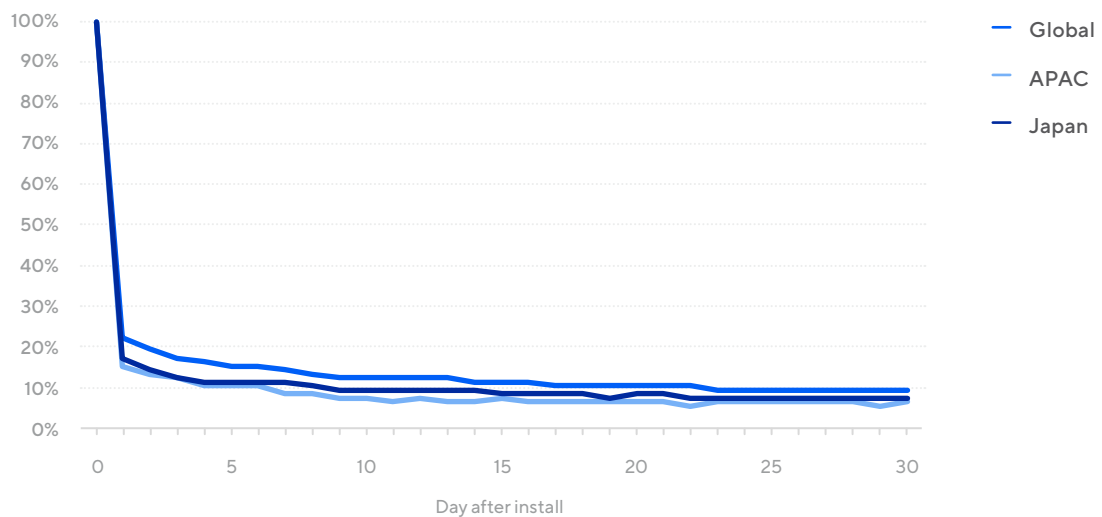
A breakdown of sub-verticals shows that payment apps had the most sessions at 73%. Banking apps came second, accounting for 15% of the total fintech sessions, followed by crypto at 12%.

Fintech app sessions by vertical 2020 - H1 2022

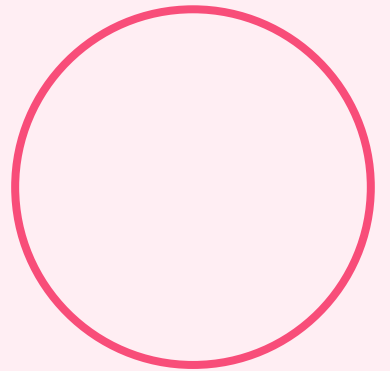
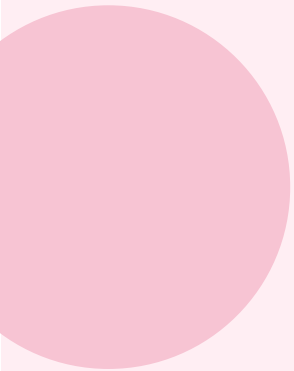


For the fintech vertical in H1 2022, Japan had better retention rates than APAC overall. In Japan, the median retention rate on day 1 was 17%, 11% on day 7, 9% on day 14, and 7% on day 30.

Fintech app retention rates H1 2022



Dating



13%

increase in dating app sessions YoY in H1 2022



Falling in love with mobile

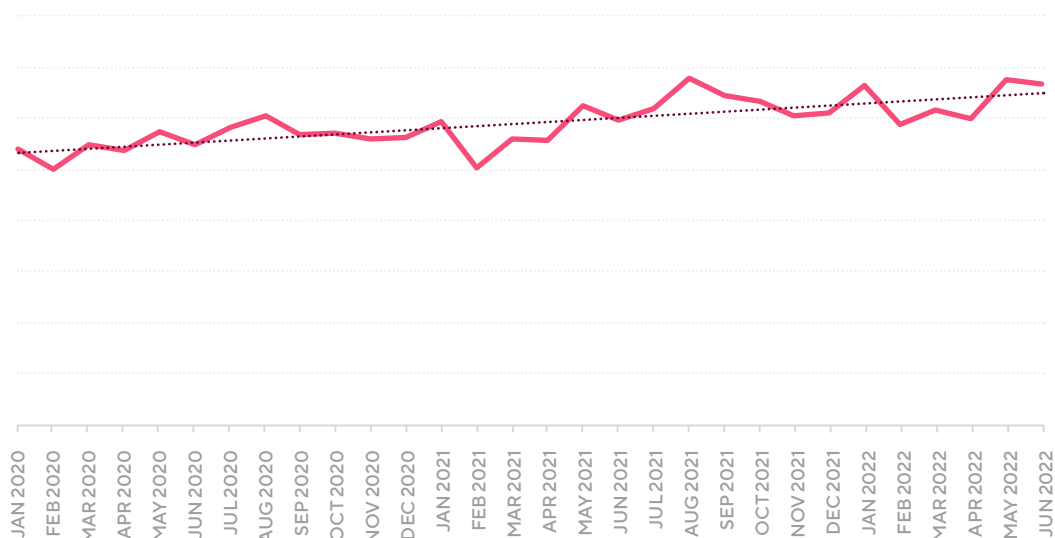
Like their global counterparts, dating apps in Japan [saw an initial boost](#) in 2020. And the sector is expected to continue to grow in the coming years as cities and public venues reopen. Singles will have better opportunities to meet in real life, and users who put dating on pause will be looking to return to dating apps.

For marketers looking to capitalize on new developments in dating, here's a look at growths in session length and trends in costs per install and registration over the past year.

Sessions for dating apps grew steadily over the last two years, with H1 2021 posting a 7% YoY growth compared to H1 2020 and H1 2022 enjoying a 13% uptick from H1 2021.

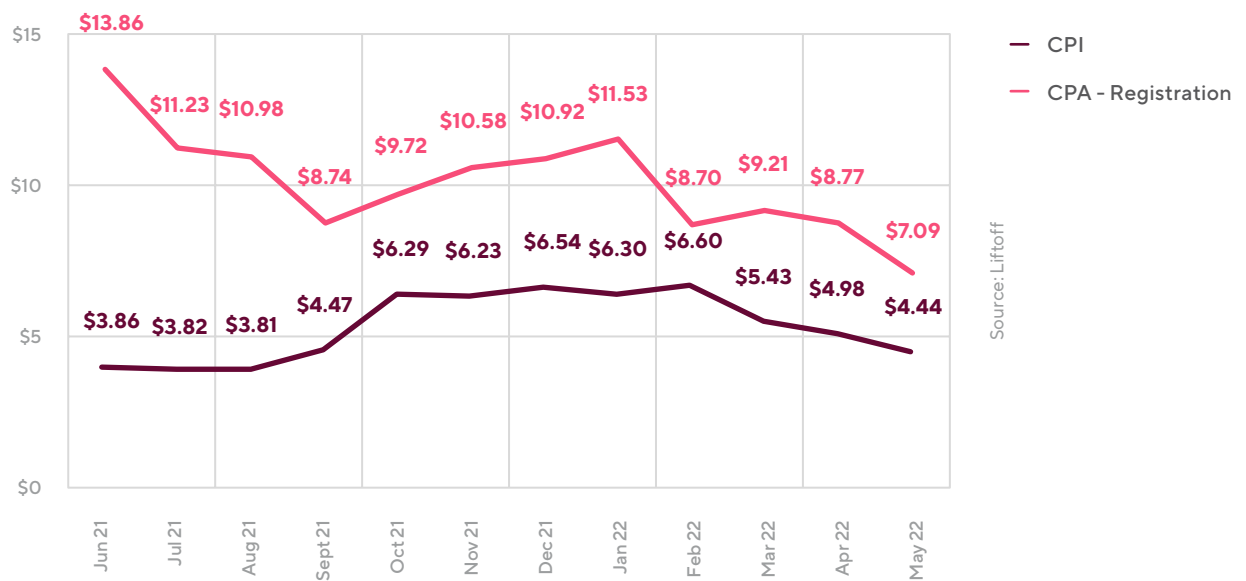


Dating app session growth 2020 - H1 2022



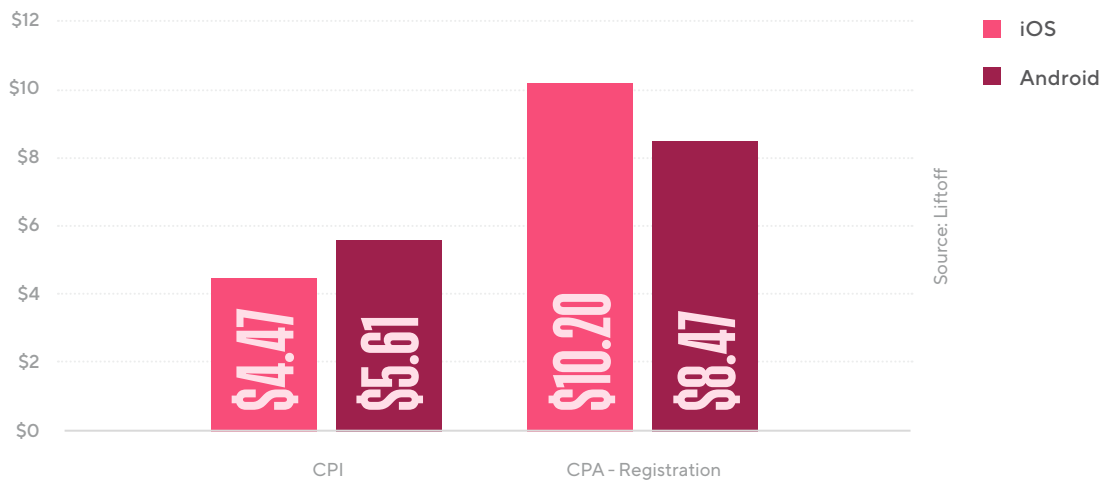
Cost data from Liftoff can help broaden this picture. In the past year, CPI for dating apps averaged \$5.46 while CPA-Registration was \$9.92. CPI for dating apps rose in the winter and hit a high of \$6.60 per install in February 2022. The cost per registration dropped in the summer of 2021 to \$8.74 before rising again in winter. Later, CPA-Registration hit a new low in May of 2022 at \$7.09.

Dating apps CPI and CPA Registration, June 2021 - May 2022



Overall, iOS users cost slightly less per install, but Android users convert more easily with an \$8.47 price tag.

Dating apps on iOS vs Android



“As dating apps have grown, so has the competition. It isn't easy to stand out if we just do the same thing that other apps are doing. Uniqueness is the key to building a competitive advantage.”

Masatoshi Takahashi,
CMO





CTV: A new frontier for app marketers

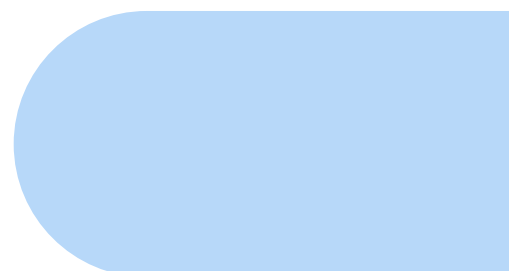
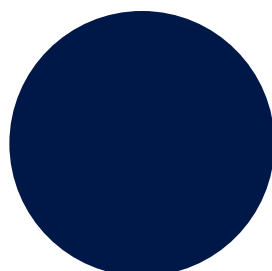
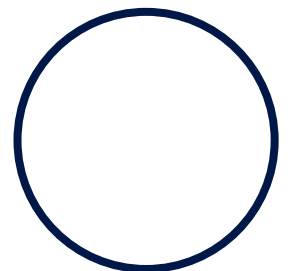
Japan is rapidly becoming a major market for Connected TV (CTV) and Over-the-Top (OTT). Currently, [21% of Japan's population use CTV](#), with this number predicted to reach 23.2% by 2025. App marketers are beginning to recognize the broad reach of CTV ads, with CTV ad spend in Japan forecast to hit [¥58.8 billion by 2024](#).

Success in the CTV space is only possible if marketers utilize cross-device measurement. Marketers must have the ability to track app conversions and events resulting from

Connected TV ads, including multi-touch attribution, given that users often interact with a brand on more than one device. Adjust's comprehensive CTV measurement solution, [CTV AdVision](#), allows app marketers to analyze the assist value and assess the impact of CTV ads on other channels, in addition to measuring the performance of CTV campaigns. With mobile penetration in Japan high, CTV campaigns are set to become a fixture in app marketers' user acquisition strategies.

“The number of viewers who enjoy video content on Connected TV is growing rapidly, and as a new marketing channel, the advertising industry is increasingly paying attention to it. In addition to the appealing power of large screens familiar to terrestrial TV commercials, CTV enables effective advertising operations through targeting and data visualization similar to digital marketing, providing advertisers with unprecedented new value. We believe that the collaboration with Adjust with ABEMA's CTV will provide new opportunities—especially for app marketers—and lead to a major industry shakeup. ABEMA will continue to cooperate with Adjust to develop initiatives that drive growth in the CTV market.”

Ryuichi Ayase,
Senior Product Manager



The methodology

ADJUST



Dataset

A mix of Adjust's top 2,000 apps and the total dataset of all apps tracked by Adjust. Our data comes from two sources, one including a list of 45 countries and one with approximately 250 based on the ISO 3166-1 standard.



Date

January 2020 - June 2022

liftoff



Liftoff looked at data between June 2021 and June 2022 for two verticals—casual gaming and dating.



All dollar amounts are represented in USD.

ADJUST

ABOUT ADJUST

Adjust is the mobile marketing analytics platform trusted by growth-driven marketers around the world, with solutions for measuring and optimizing campaigns and protecting user data. Adjust powers thousands of apps with built-in intelligence and automation, backed by responsive global customer support.

Adjust is a subsidiary of AppLovin (Nasdaq: APP), a leading marketing software platform providing developers with a powerful, integrated set of solutions to solve their mission-critical functions like user acquisition, monetization and measurement. Learn more about Adjust at

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liftoff

ABOUT LIFTOFF

Liftoff is the leading growth acceleration platform for the mobile industry, helping advertisers, publishers and game developers scale revenue growth with solutions to market and monetize mobile apps.

With a suite of solutions including Vungle, JetFuel and GameRefinery, Liftoff supports over 6,600 mobile businesses across 74 countries, including gaming, social, finance, e-commerce, entertainment and more. Liftoff is proud to be a long-term partner to leading advertisers and app publishers since 2012. Headquartered in Redwood City, CA, Liftoff has a growing global presence with offices around the world.

liftoff.io

