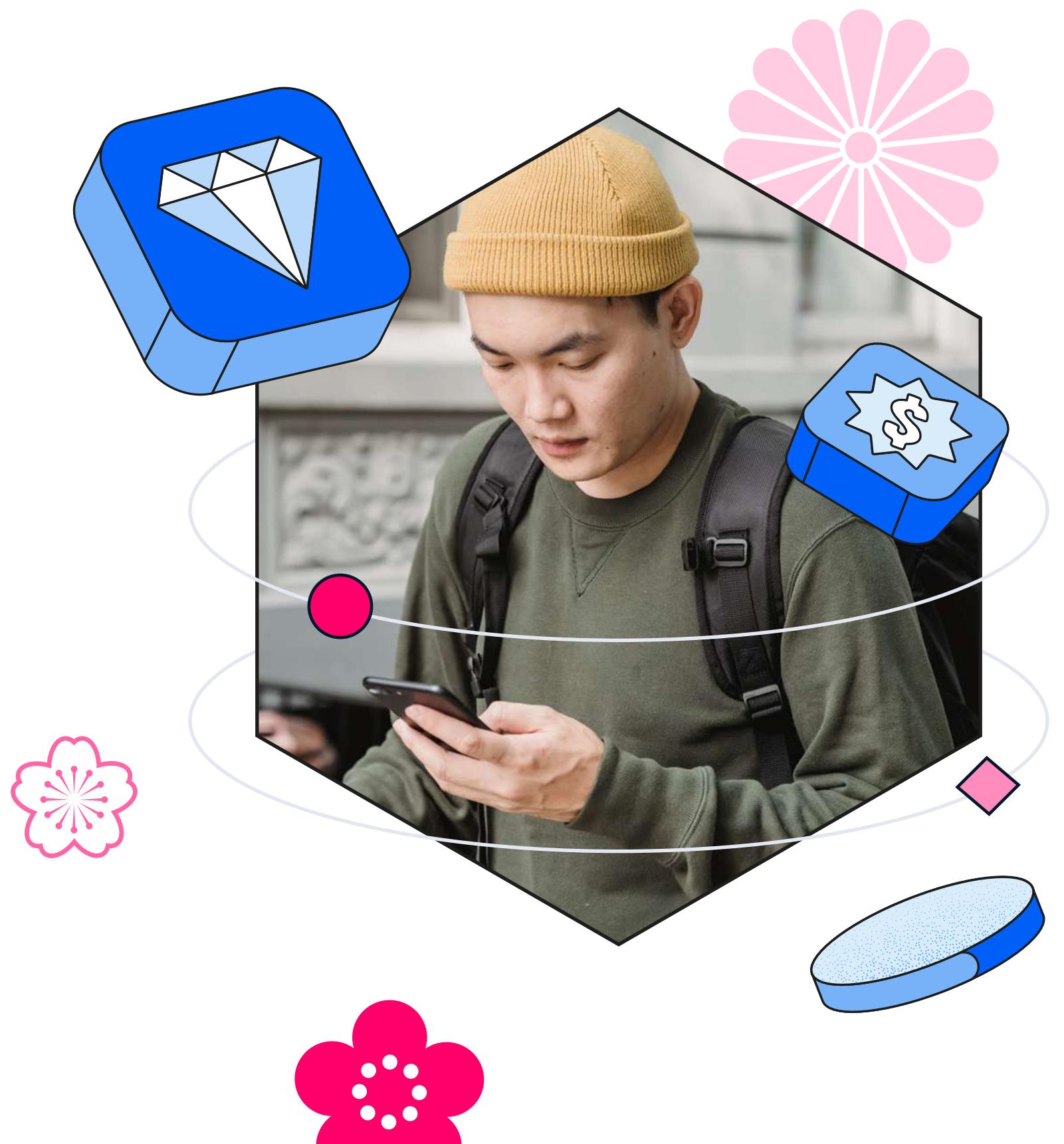




Mobile app trends 2023: Japan edition

App performance
benchmarks and insights

ADJUST ×  data.ai



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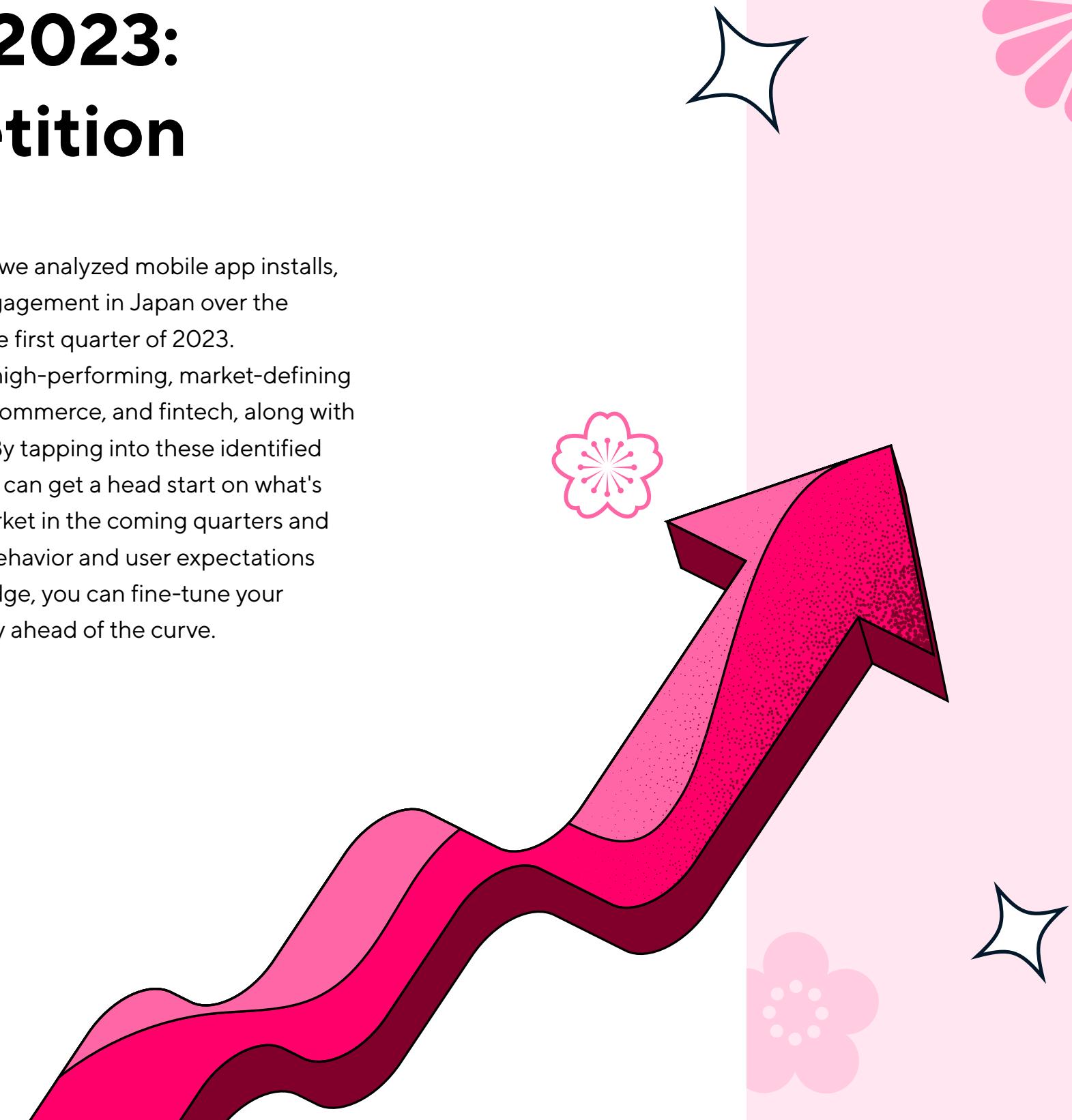
INTRODUCTION

Japan's mobile app market in 2023: Navigating growth and competition

Japan is one of the biggest and most engaged mobile app markets in the world, and the number of smartphone and mobile internet is consistently increasing. As of 2022, [85%](#) of the population uses a smartphone, with this number expected to grow to 94% by 2027. In 2022, total mobile app downloads reached [2.4 billion](#), characterizing the app market in Japan as one of innovation, but huge competition. Japanese users are also known for contributing more to the app economy through in-app purchases than users from most countries—with only China and the U.S. in front. And this trend is also set to continue—app consumer spend in Japan is predicted to surpass \$17.7 billion in 2023, according to [data.ai](#).

Much of this growth and the ongoing high adoption rate can be attributed to the Japanese app market's continued adaptability and evolution. In 2023, as ever, it is critical for mobile marketers to keep up with the latest trends, benchmarks, and user needs while considering the complex economic environment.

In collaboration with data.ai, we analyzed mobile app installs, sessions, and post-install engagement in Japan over the course of 2021, 2022, and the first quarter of 2023. We focused our analysis on high-performing, market-defining verticals such as gaming, e-commerce, and fintech, along with some additional standouts. By tapping into these identified user patterns, app marketers can get a head start on what's in store for the Japanese market in the coming quarters and gain insight into consumer behavior and user expectations on mobile. With this knowledge, you can fine-tune your marketing strategies and stay ahead of the curve.



Top 10 apps by downloads in Q1 2023 (Japan)		
Powered by data.ai's App and Game IQ Taxonomy		
1		Mynaportal AP Utility & Productivity
2		regionPAY Finance
3		Myna Point Finance
4		PayPay Finance
5		TVer Entertainment
6		TikTok Entertainment
7		Amazon Prime Video Entertainment
8		SHEIN Shopping
9		Instagram Social Media
10		新型コロナワクチン接種証明書アプリ Health & Fitness

Source: data.ai intelligence Note: iOS & Google Play



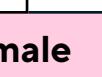
Source: data.ai intelligence Note: iOS & Google Play



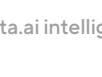
Top 5 apps by gender likelihood of use 2022 (Japan)

Powered by data.ai's App and Game IQ Taxonomy

Male

1		Twitter Social Media
2		Amazon Shopping
3		Yahoo! JAPAN News & Magazines
4		PayPay Finance
5		Facebook Social Media

Female

1		LINE Social Media
2		Instagram Social Media
3		Rakuten Ichiba Shopping
4		Mercari Shopping
5		McDonald's Japan Food & Drink

BONUS

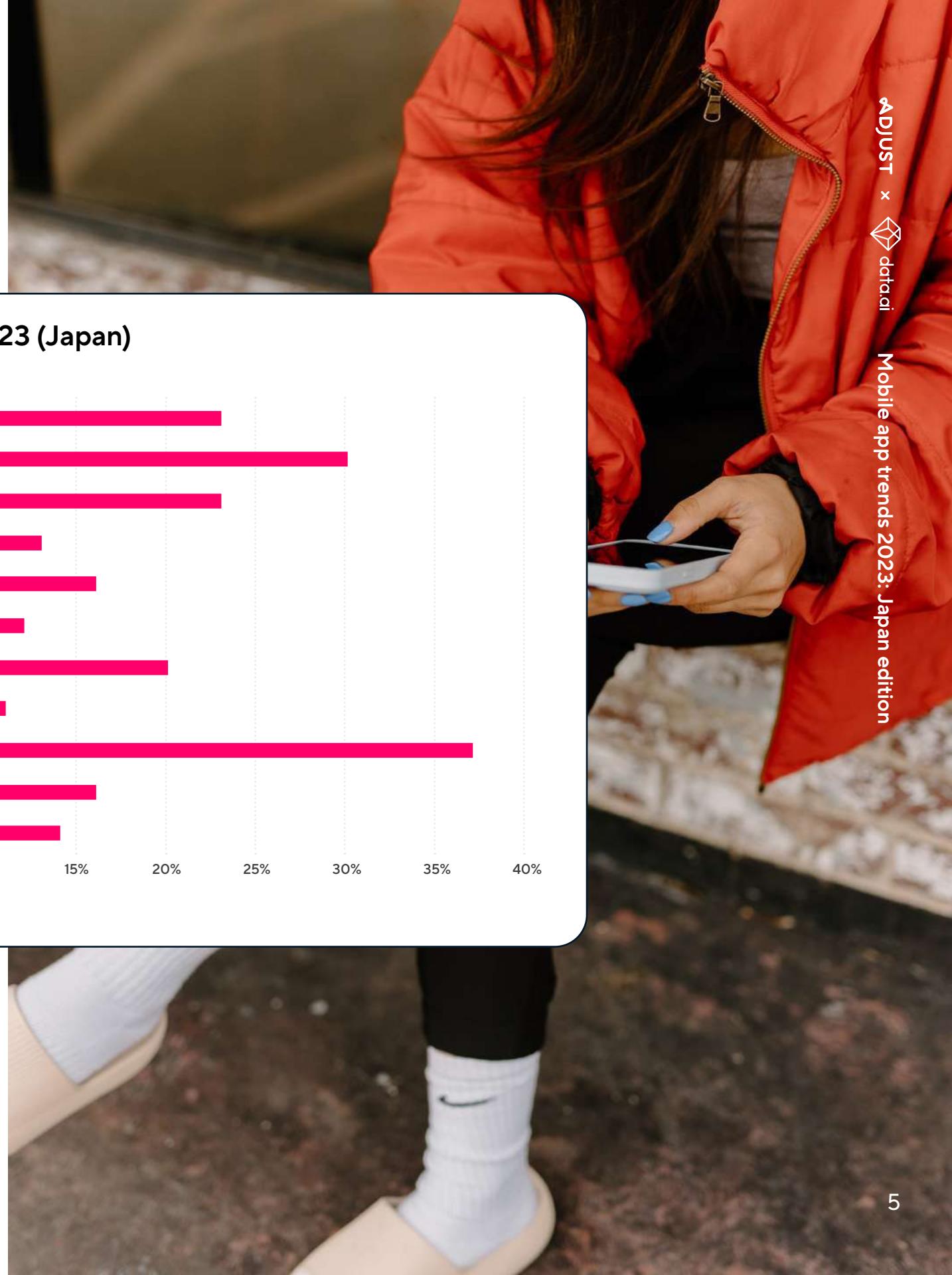
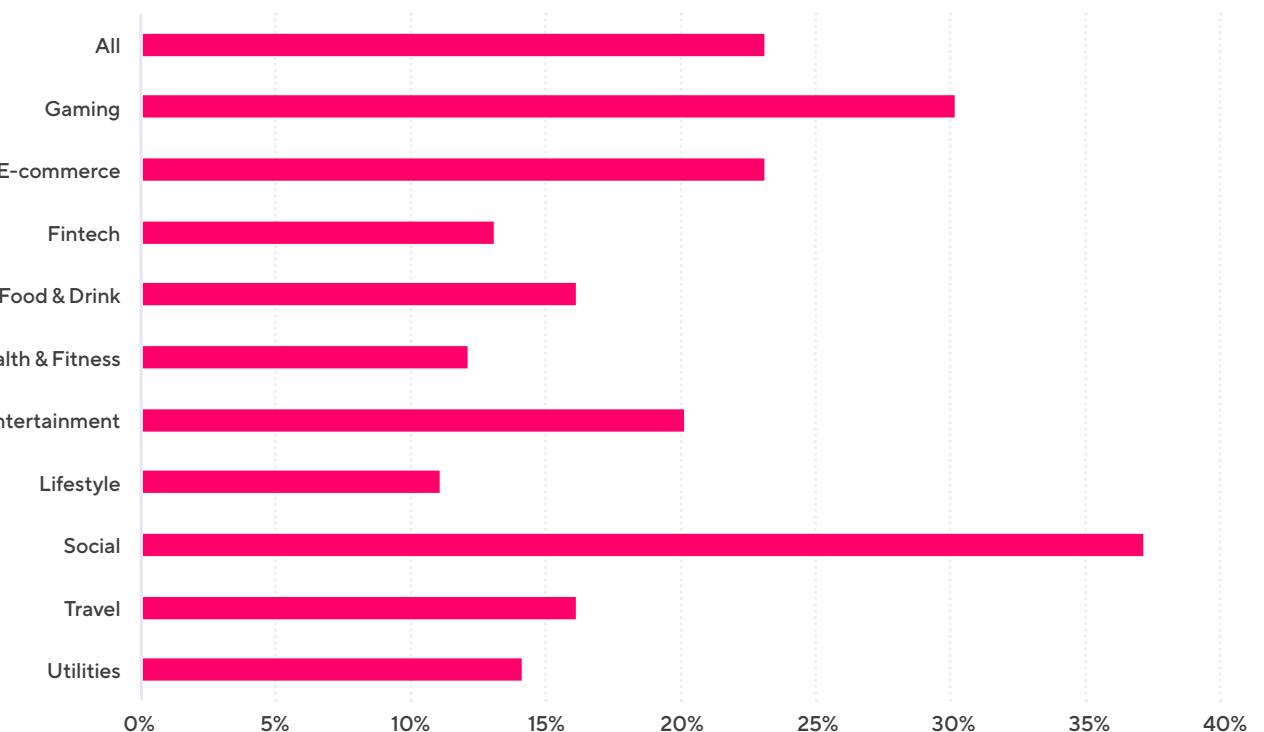
- The top apps for Gen Z (18-24) are Instagram, Twitter, and TikTok.
- Younger millennials (25-34) have a diverse range of app preferences, with Mercari being the most popular, followed by Amazon Prime Video and Rakuten Card.
- Older millennials' (35-44) top apps are LINE, Amazon, and Rakuten Ichiba.
- The top apps for Gen X and baby boomers (45+) are Yahoo! JAPAN, PayPay, and Facebook.

ATT opt-in rates: Data privacy a top priority for Japanese users

As Japan has a higher-than-average share of iOS users, we've taken a look at ATT opt-in rates across verticals. Interestingly, the rates are below the global averages for almost all verticals reported in our global Mobile app trends 2023 ebook, indicating that the ever-evolving data-privacy space is top of mind for users in Japan. The highest rate is seen for social at an impressive 37%, followed by gaming at 30%, and e-commerce at 23%.

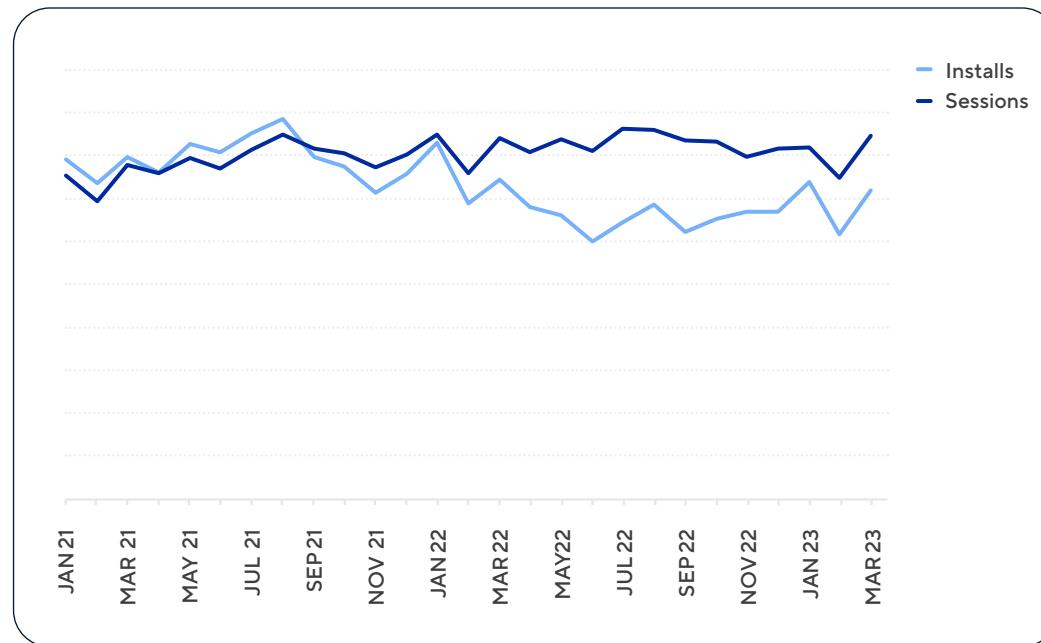
By focusing on optimized, personalized user experiences and a robust opt-in strategy, marketers and developers should be able to push the percentage points above these benchmarks. However, as we move toward an even more data security conscious ecosystem, investing in next-generation mobile measurement solutions that unlock campaign optimization via aggregated data and predictive analytics is the most future-proof and strategic approach to take.

ATT opt-in rates Q1 2023 (Japan)

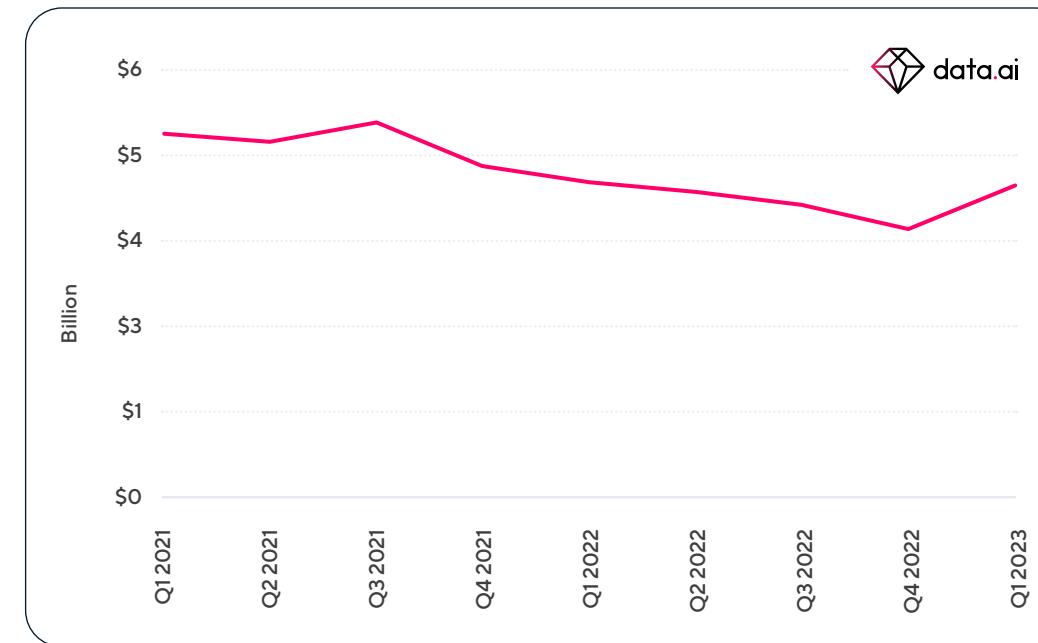


An overview of the Japanese app market

All verticals app install and session growth
January 2021 - March 2023 (Japan)



All verticals market size by consumer spend
Q1 2021 - Q1 2023 (Japan)

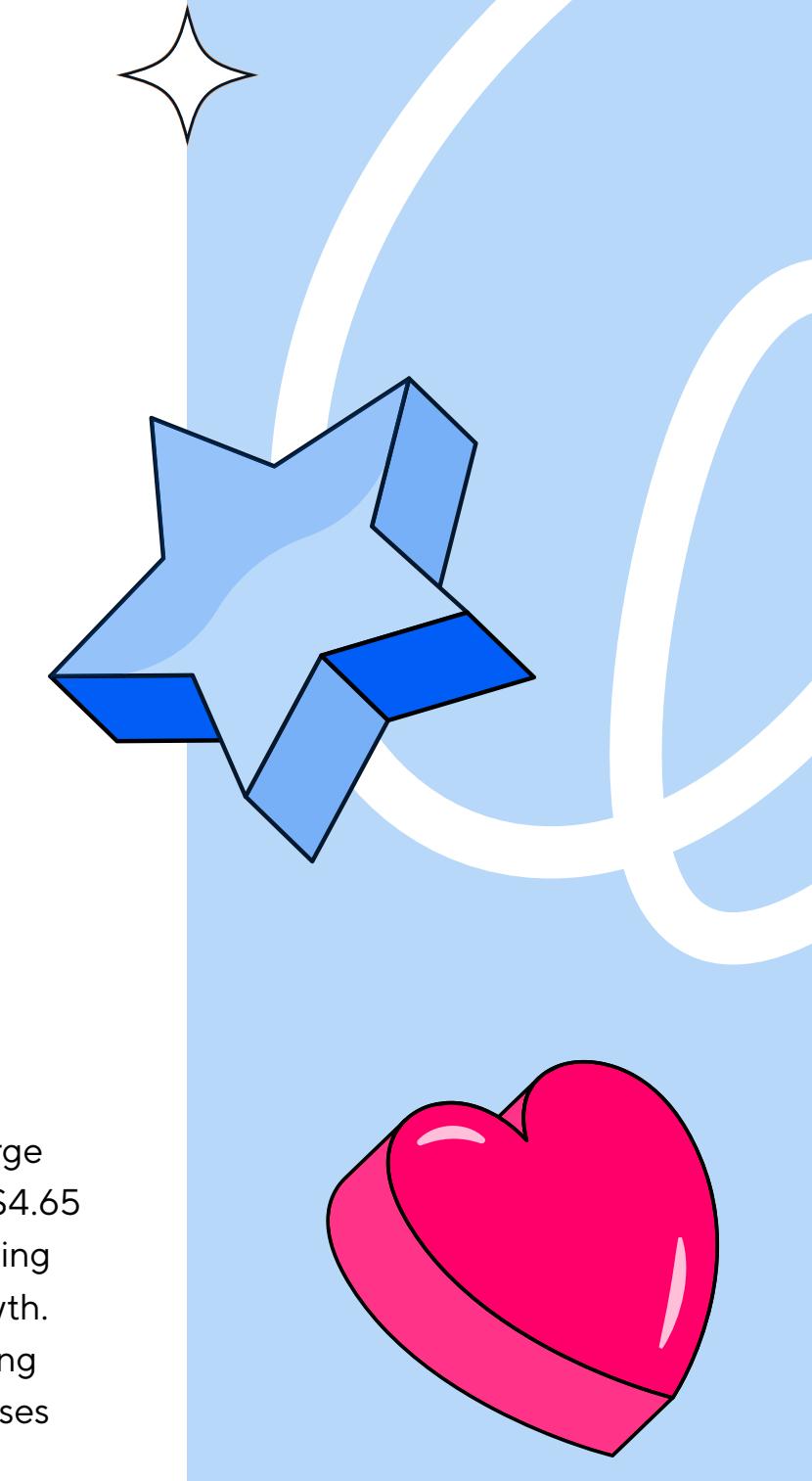


Japan experienced an overall slump in app installs in 2022, but the tide is quickly turning in 2023. The first quarter saw a 7% increase compared to the Q4 2022 average. Sessions, on the other hand, have been steadily climbing, with a YoY increase of 9% in 2022 and another 1% boost in Q1 2023 compared to Q4 2022.

BONUS

According to data.ai, market size by downloads for all apps in Japan increased by 4% in Q1 2023, up from 612.5 million in Q4 2022 to 636.6 million in Q1.

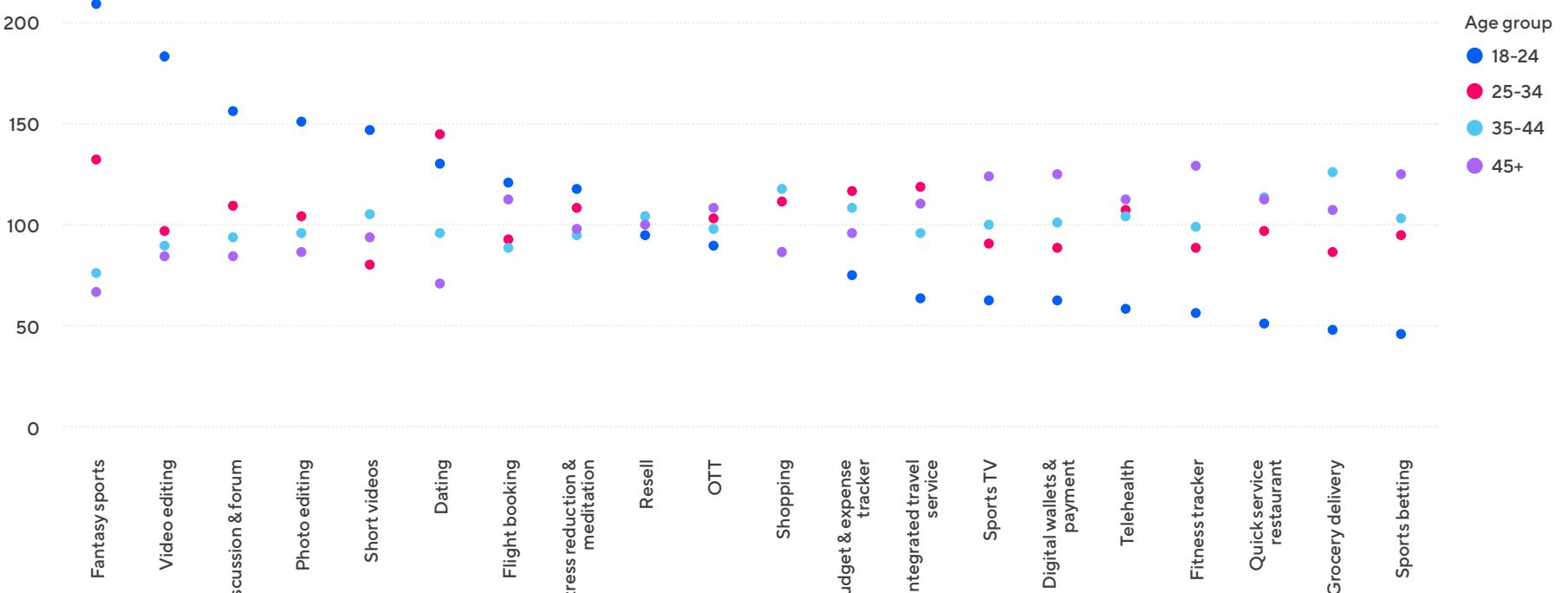
In Q1 2023, the Japanese app industry bounced back with a 13% surge in consumer spending compared to the previous quarter, reaching \$4.65 billion. Entertainment apps, particularly OTT and short video, including Abema TV, Disney+, and Tiktok were the primary drivers of this growth. Social media apps such as WakuWaku and other categories, including comics, file management, and live sports, also saw significant increases in consumer spending.



Looking at the Japanese market's app download patterns according to age demographics, we see that the most overrepresented category is fantasy sports among Gen Z users—they are 108% more likely to use fantasy sports apps than the average population. Their next favorite app categories are video editing and discussion and forum. Meanwhile, younger millennials are all about dating apps, with a 44% higher likelihood of using them. And older millennials are 25% more likely to use grocery delivery apps. It's clear that each generation has its own unique app preferences and habits.

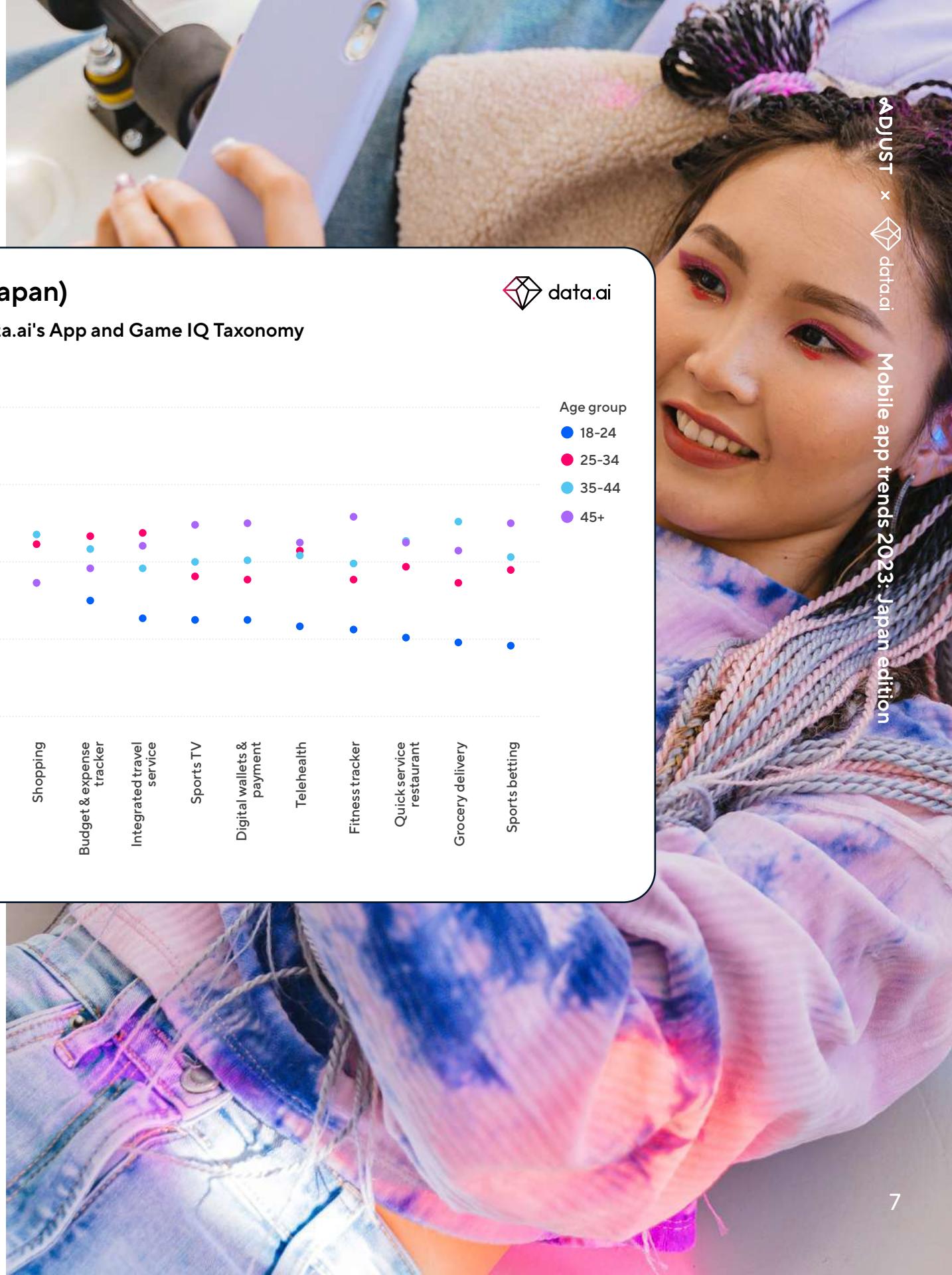
Average age group index by vertical 2022 (Japan)

Index>100 Skews Towards Demographic Group. Powered by data.ai's App and Game IQ Taxonomy



Source: data.ai Intelligence

Note: 2022, Android Phone. Average of Demographic Index: measure of demographic cohort compared to the overall population) among top 20 apps by average MAU per Genre.



“

The Japanese mobile app market is dynamic and far reaching. With one of the highest adoption rates in the world and continually increasing spend across verticals, **the opportunity for mobile marketers and developers is enormous**. With this, however, comes fierce competition. Amid a complex economic climate and continually changing user needs and expectations, it's essential to be ruthlessly data-driven and strategic. Now is the time to scale by building a diversified channel mix and leveraging tools that enable insight into aggregated data.”

ADJUST

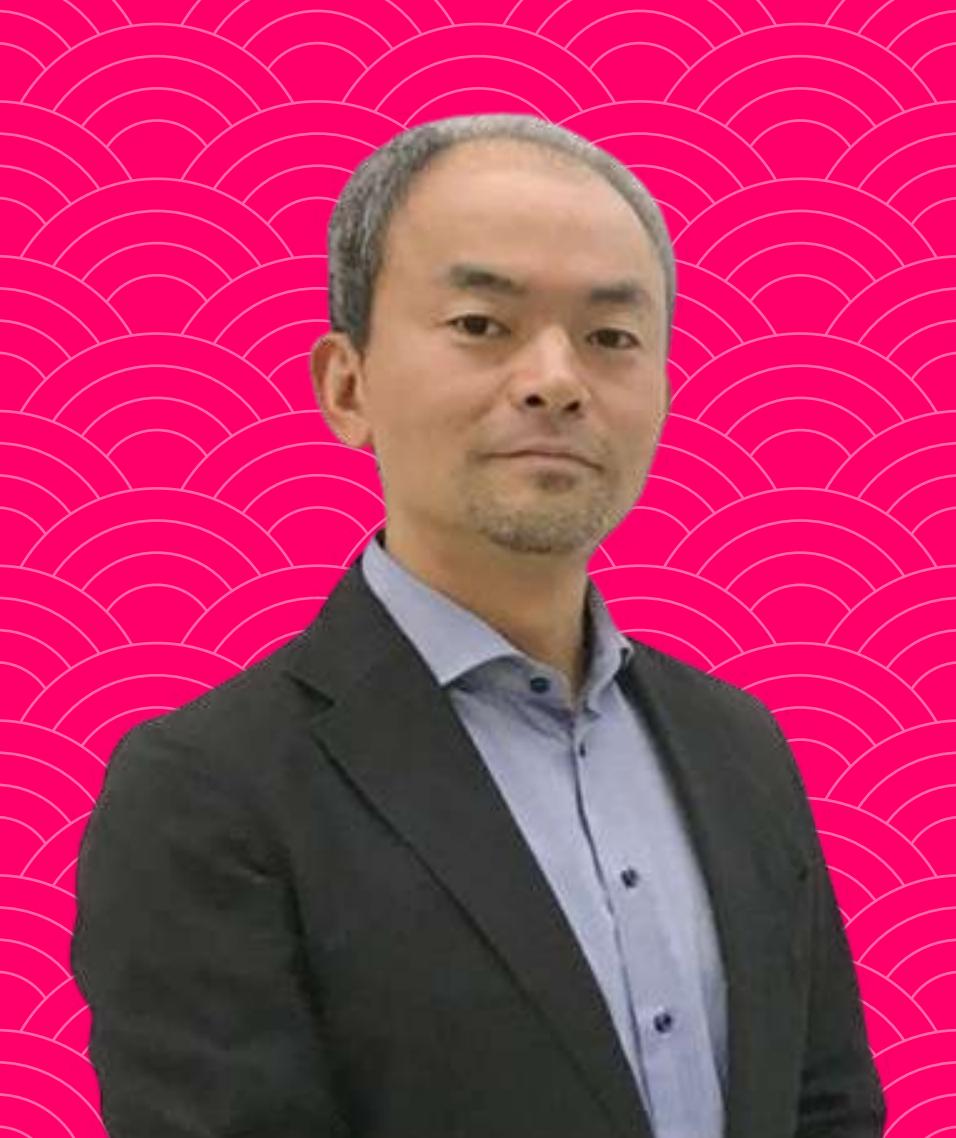


Naoki Sassa

General Manager, Japan

“

The Japanese mobile app economy has shown remarkable resilience and is making a strong recovery from the challenges of the past year, with impressive growth in consumer spending in 2023. As the industry continues to grow and user behavior shifts, **building strong partnerships, leveraging innovative technologies, and staying ahead of industry trends** are key factors for unlocking tremendous growth opportunities. With the right approach, mobile marketers can take their campaigns to the next level and capitalize on this exciting market's enormous potential.”



Toby Torii

Territory Director, Japan

Methodology

ADJUST

VERTICALS:

E-commerce, gaming, fintech + connectedTV

REGIONS:

Global, U.S., Japan

DATASET:

A mix of Adjust's top 2,500+ 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 RANGE:

January 2021 - March 2023

RATIOS AND SHARES:

Paid/organic share is expressed as a ratio, where a value of 3 (3:1) would mean that for every 100 organic installs, there are 300 paid installs.

All dollar amounts are represented in USD.



VERTICALS:

E-commerce, gaming, fintech, social, travel, health & fitness, food & drink, entertainment, photo & video editing, OTT

REGIONS:

Japan

DATASET:

To produce download and revenue estimates, data.ai analyzes app store ranks, ratings, reviews, and other data across all countries and categories and combines this with aggregated app store data from over 1 million apps. From this data we are able to generate highly accurate download and revenue estimates. Please note that individual app store data is never presented directly; only estimates are presented.

The analysis is based on data.ai's proprietary App IQ and Game IQ taxonomy – the world's most comprehensive digital taxonomy for mobile apps with over 250,000 apps classified across 316 subgenres.

DATE RANGE:

January 2021 - March 2023

All dollar amounts are represented in USD.

Key findings

4.65
BN

In Q1 2023, Japanese app users spent \$4.65 billion across all verticals, a 13% increase on the previous quarter.

12
%

Mobile gaming in Japan is making a slow but steady comeback in 2023 with a 12% and 6% increase in installs and sessions from Q4 2022 to Q1 2023.

19
%

Puzzle games are extremely popular in Japan, accounting for 19% of all gaming sessions.

3.14
BN

From Q4 2022 to Q1 2023, consumer spending on gaming apps grew by 13%, rising from \$3 billion to \$3.14 billion.

5
%

Although there was a dip in installs, e-commerce apps showed resilience with a 5% YoY increase in sessions in 2022.

24
%

Deal discovery app sessions grew by 24% YoY in 2022 and another 11% in Q1 2023 compared to Q4 2022.

14
%

Fintech app sessions increased by 14% YoY in 2022, and another 17% in Q1 2023 compared to Q4 2022.

28
%

Crypto apps have the highest Day 1 retention rate of all finance/fintech verticals - 28%

PART 1

Gaming

Top 10 gaming apps by downloads in Q1 2023 (Japan)

Powered by data.ai's App and Game IQ Taxonomy

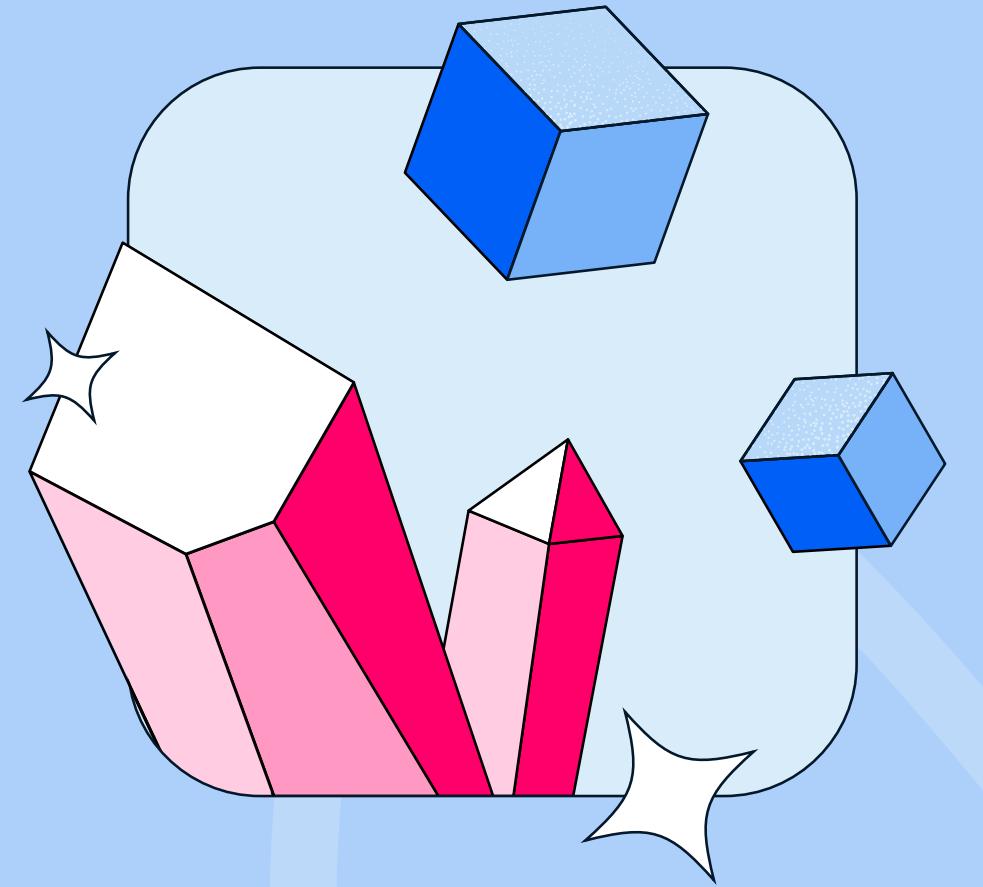
1	 ブルーロック Project: World Champion Sports	6	 ハイキュー!! TOUCH THE DREAM Simulation
2	 Survivor!.io RPG	7	 Engage Kill RPG
3	 下町ドリーム-心に染みる人情物語 Simulation	8	 ONE PIECE Bounty Rush Action
4	 トワツガイ RPG	9	 Disney Tsum Tsum Match
5	 LINE:モンスターファーム Simulation	10	 Gardenscapes - New Acres Match

Source: data.ai intelligence Note: iOS & Google Play



BONUS

- For Gen Z, the top games are Monster Strike, Project Sekai Colorful Stage! feat. Hatsune Miku, and Puzzle & Dragons.
- The top games likely to be played by men are Pokémon GO, Monster Strike, and Puzzle & Dragons.
- The top games likely to be played by women are Disney Tsum Tsum, Project Sekai Colorful Stage! feat. Hatsune Miku, and Toon Blast.



Industry stats, trends, and predictions



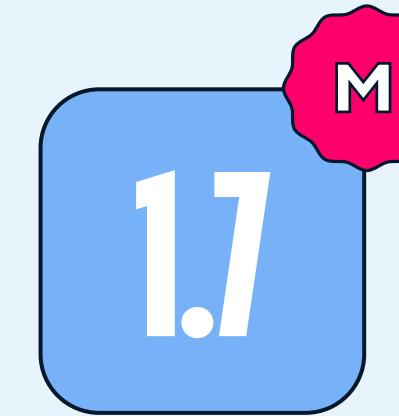
Mobile games consumer spend in Japan is expected to surpass \$12.6 billion annually by the end of 2023 according to data.ai.



Japan has over [70 million](#) mobile gamers, making it one of the largest mobile gaming markets in the world.



A survey conducted in July 2022 showed that [65%](#) of Japanese smartphone users played games on a daily basis and 92% users played at least once per week.



Over [1.7 million](#) Japanese mobile gamers play with real-life friends, 7.97 million gamers who play alone or with small circle of friends, and 9.52 million players view games as an integral part of life.

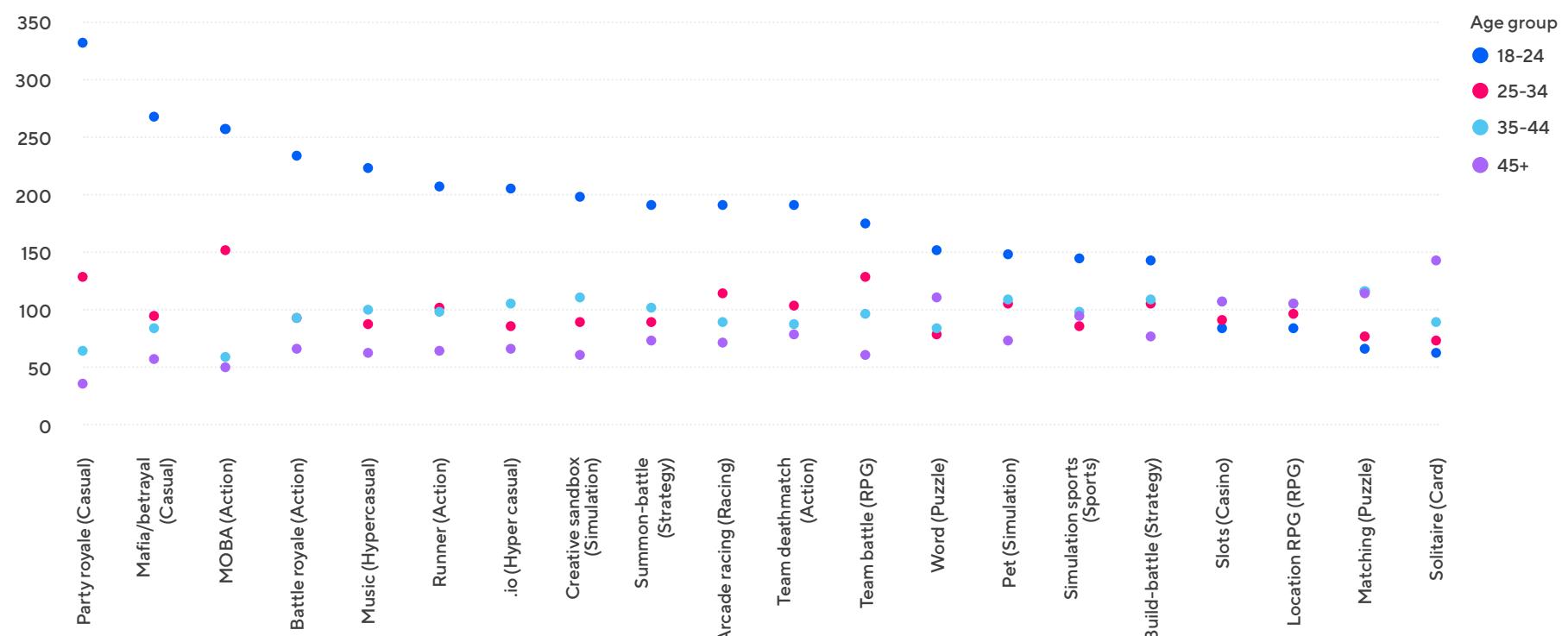


In terms of [monthly spending](#), Japanese gamers rank first globally on iOS, spending \$10.30 per device and second on Android spending \$9.80 on per device in 2022.

The age group demographic breakdown of gaming app use in Japan reveals that Gen Z are 233% more likely to engage in party royale games when compared to the average population. On the other hand, younger millennials are 52% more likely to play MOBA games and older millennials prefer puzzle games. Members of Gen X and baby boomers are 42% more likely to enjoy playing card games like solitaire.

Gaming average age group index by vertical 2022 (Japan)

Index>100 Skews Towards Demographic Group. Powered by data.ai's App and Game IQ Taxonomy



Source: data.ai Intelligence

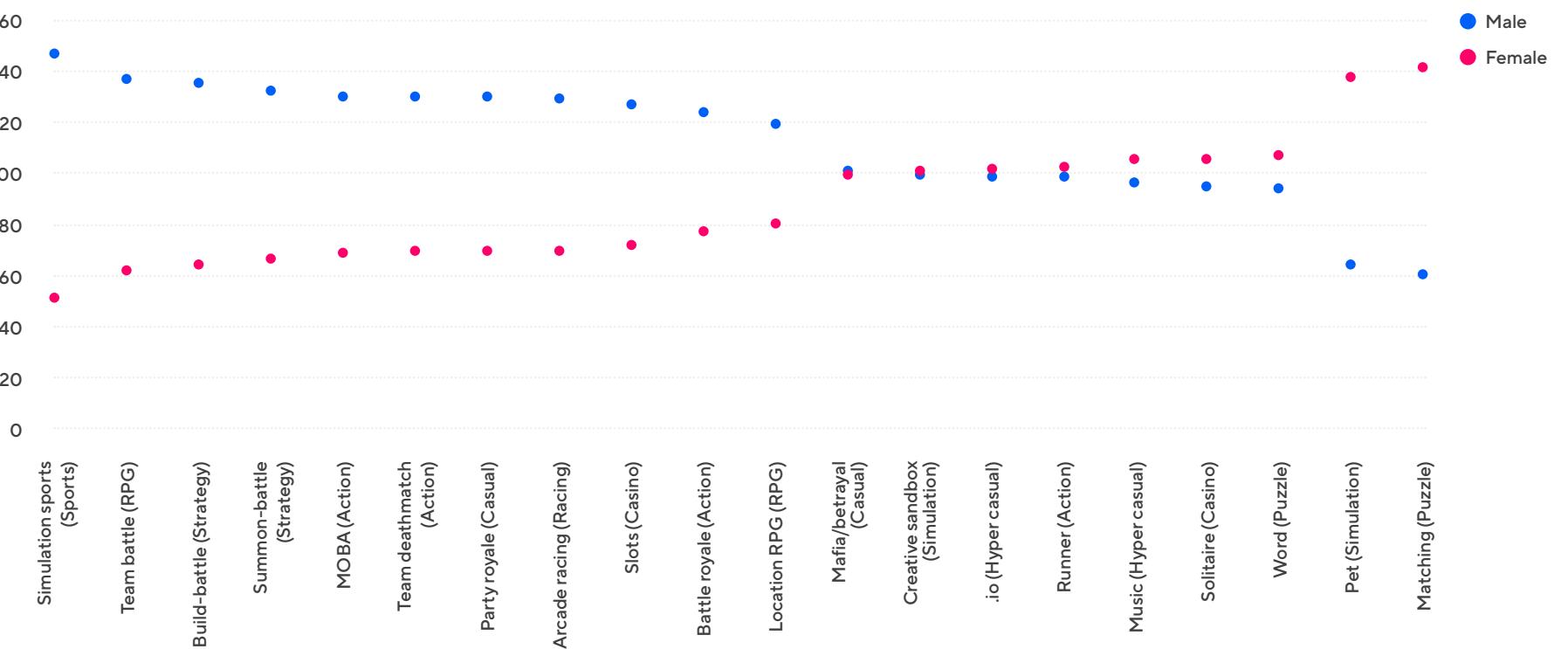
Note: 2022, Android Phone.

Average of Demographic Index: measure of demographic cohort compared to the overall population) among top 20 apps by average MAU per Genre.

Looking at the breakdown by gender, many gaming app categories show significant differences. Simulation sports games, for example, have a strong male user base, with men 47% more likely to play them. Matching puzzle games, however, attract more women, who are 42% more likely to play them. It is important to note that the analysis is limited to males and females only and is not representative of all gender identities.

Gaming average gender index by vertical 2022 (Japan)

Index>100 Skews Towards Demographic Group. Powered by data.ai's App and Game IQ Taxonomy



Source: data.ai Intelligence
Note: 2022, Android Phone.

Average of Demographic Index: measure of demographic cohort compared to the overall population) among top 20 apps by average MAU per Genre.



Gaming consumer spend growth Q4 2022 - Q1 2023 (Japan)

Powered by data.ai's App and Game IQ Taxonomy

Vertical	Consumer spend growth percentage Q1 2023 vs. Q4 2022	Total consumer spend in Q1 2023
All	13%	\$3.41 billion
Hyper casual	56%	\$0.0025 billion (2.5 million)
RPG	7%	\$1.79 billion
Simulation	30%	\$0.52 billion
Strategy	4%	\$0.349 billion



Source: data.ai intelligence Note: iOS & Google Play

The growth in consumer spending on gaming apps from Q4 2022 to Q1 2023 can be largely attributed to the rising popularity of RPG games, particularly team battle games such as Tencent's GODDESS OF VICTORY: NIKKE and Dragon Ball Z Dokkan Battle. Another contributing factor is the surge in simulation games, particularly idol training sims like Uma Musume Pretty Derby, and sports simulation games like Konami's eFootball PES 2021.



"The mobile gaming industry in Japan is experiencing a surge in adoption and monetization in 2023, fueled by the pandemic-driven demand and the availability of diverse payment options. With mobile games now offering console-like graphics and gameplay experiences, the market presents a promising opportunity for game developers and marketers to invest in."

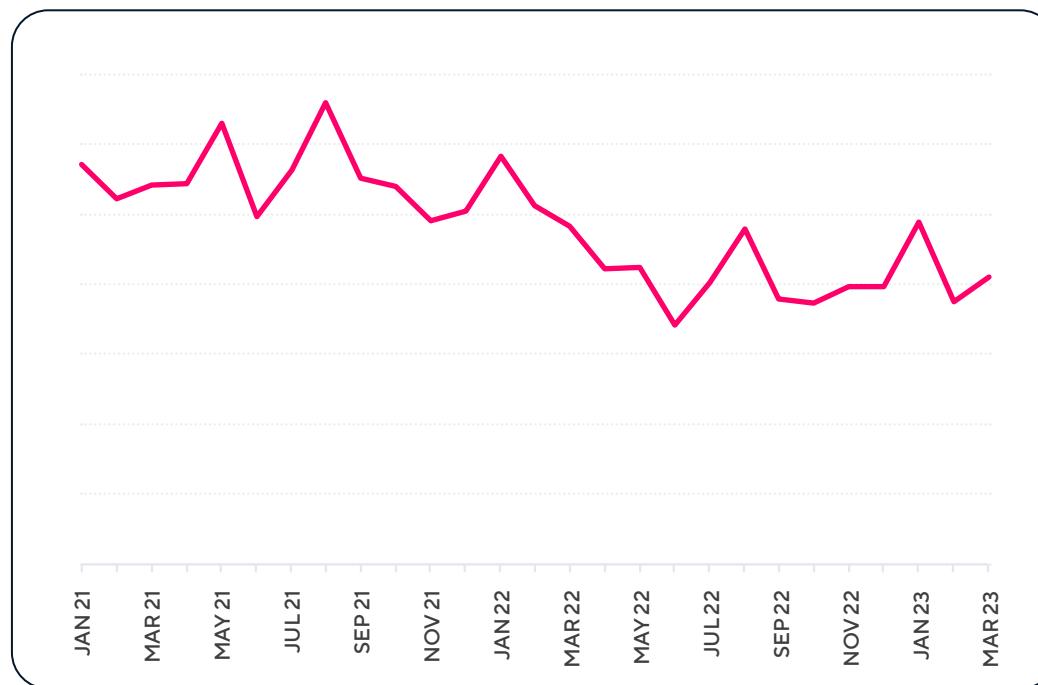
Toby Torii

Territory Director, Japan

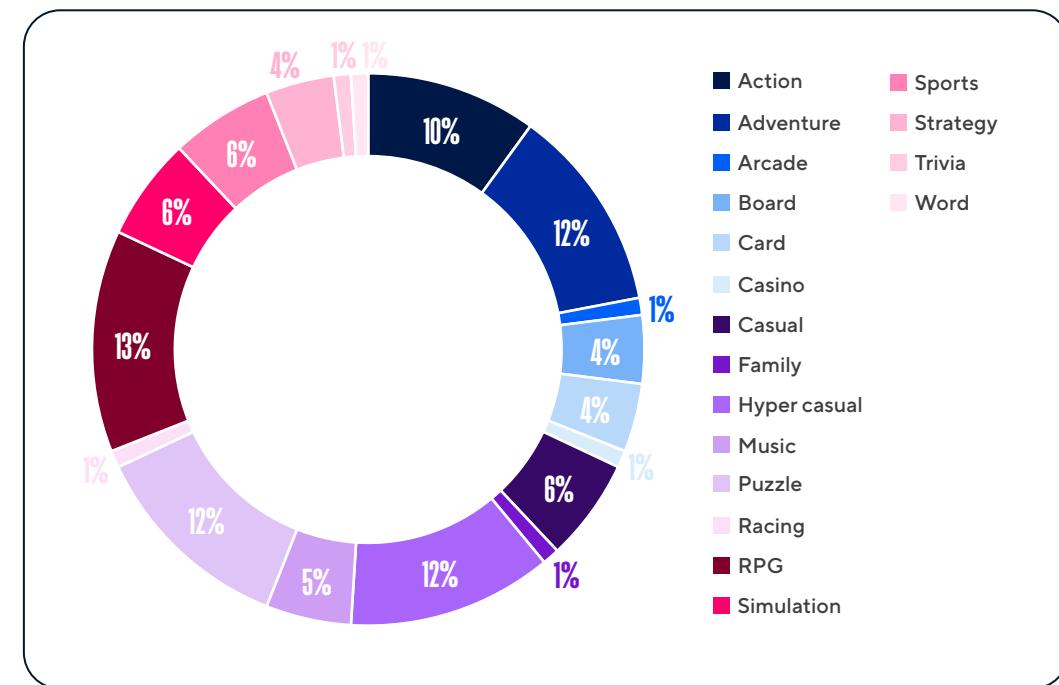


Installs and finding users

Gaming install growth January 2021 - March 2023 (Japan)



Gaming app installs by vertical 2022 - Q1 2023 (Japan)



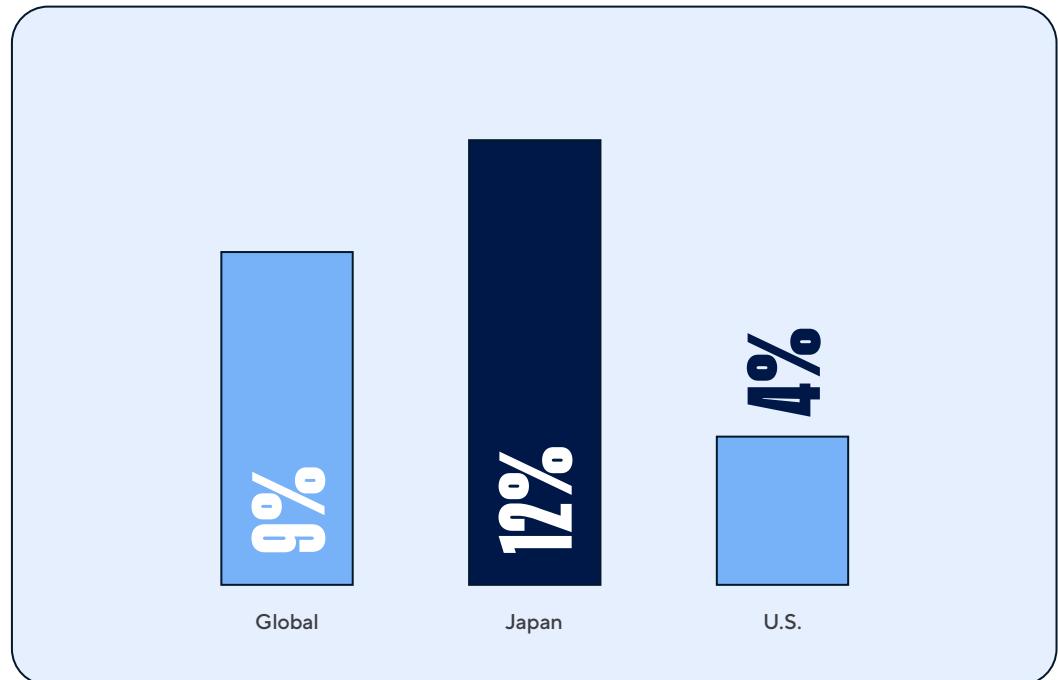
BONUS

Downloads of simulation games grew by 20% from Q4 2022 to Q1 2023, according to the latest figures from data.ai.

Japan's gaming market is one of the largest and most lucrative in the world, generating [\\$19.1 billion](#) in revenue in 2022 and attracting 77.1 million players. There was a dip in mobile gaming installs in 2022, which were down 22% YoY. Nevertheless, January 2023 bounced back, with installs 30% higher than the 2022 average—and Q1 2023 up 12% compared to Q4 2022.

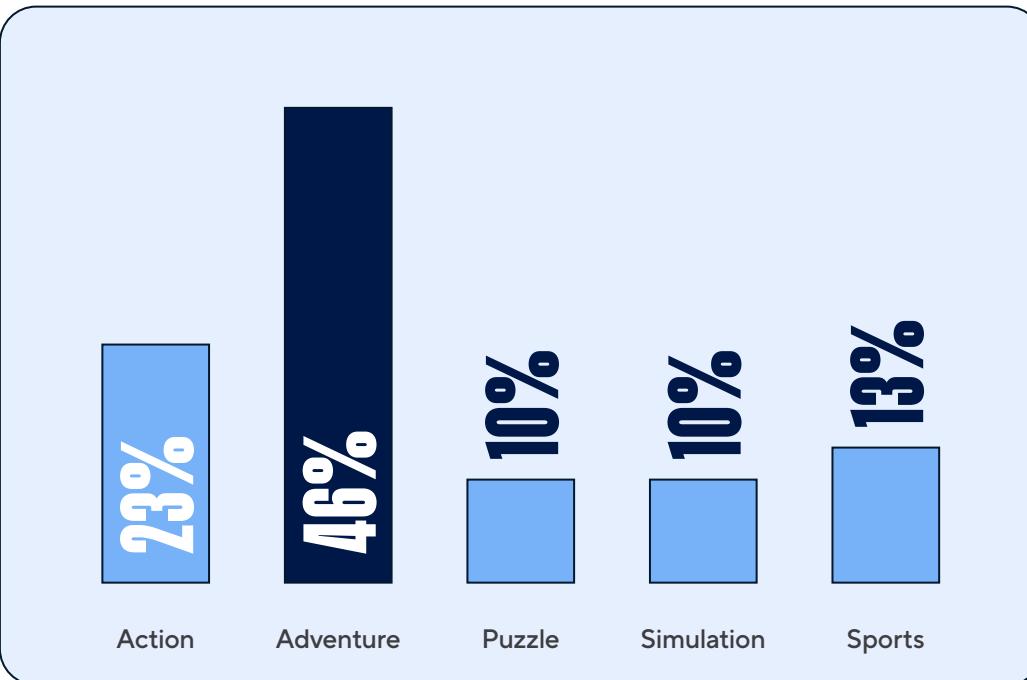
RPG is Japan's [most popular genre across mobile, console and PC](#). It should come as no surprise that RPGs accounted for 13% of all gaming app installs. Hyper casual, adventure, and puzzle games all tied for second place, each accounting for 12%, followed by action games at 10%. Simulation and sports games are next with 6% each.

Gaming app install growth percentages Q1 2023 vs. Q4 2022

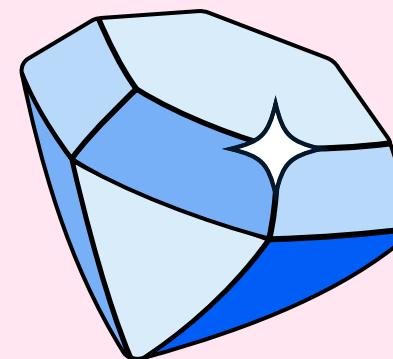


After a sluggish 2022, gaming app install growth is finally picking up steam in 2023. While installs globally increased by 9% from Q4 2022 to Q1 2023, the U.S. only saw a 4% uptick. The real standout so far this year is Japan, which experienced a 12% boost in installs during the same period.

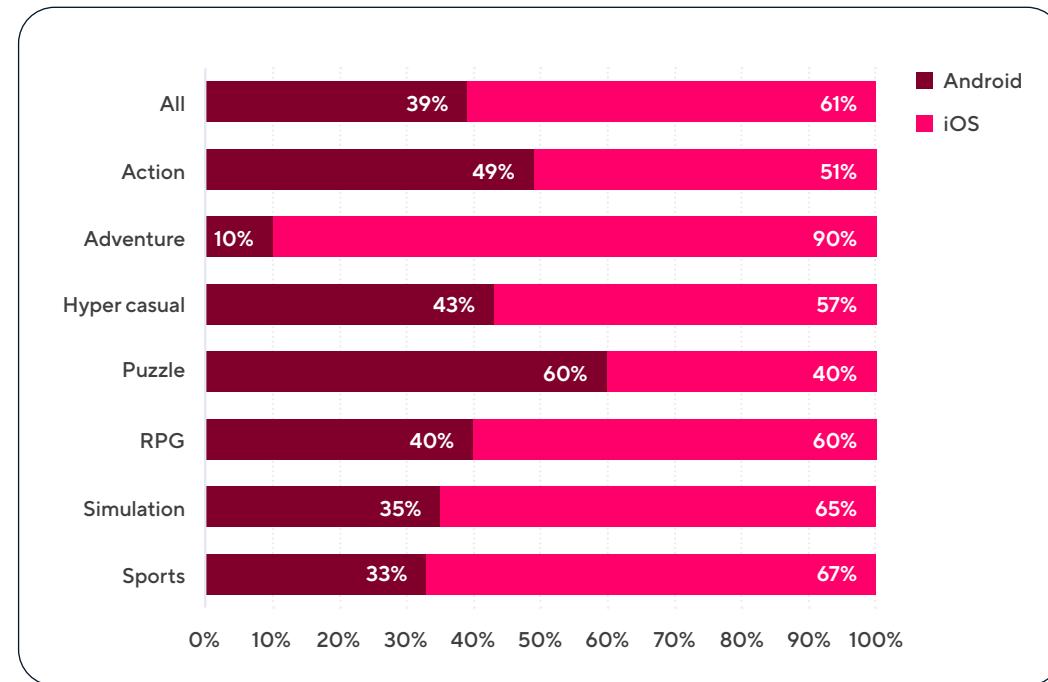
Gaming app install growth percentages by vertical Q1 2023 vs. Q4 2022 (Japan)



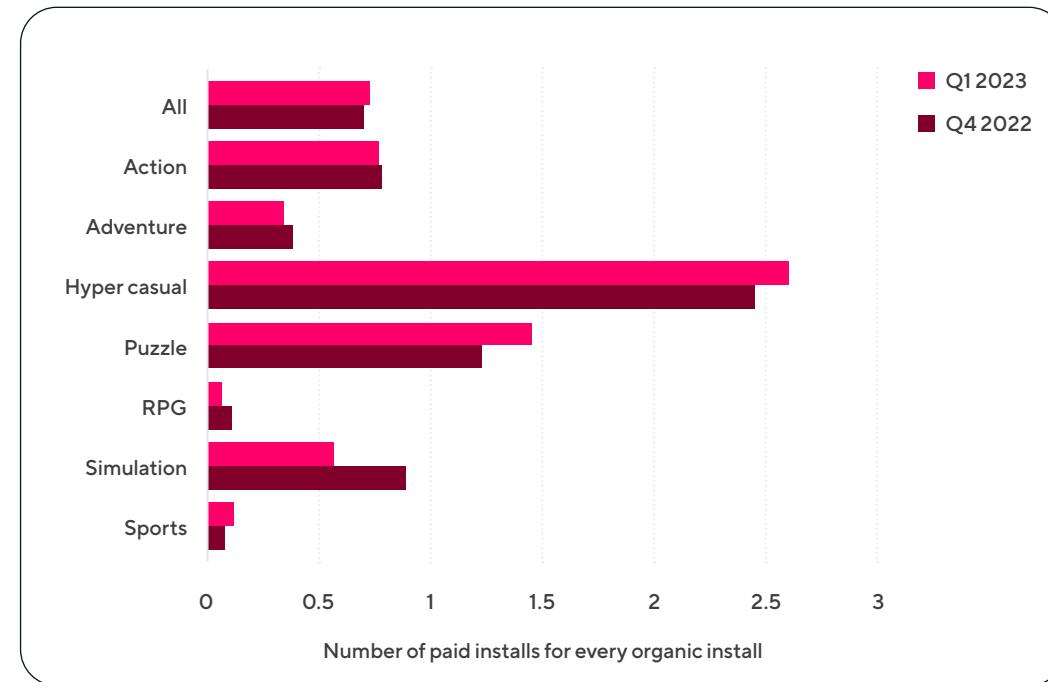
Many gaming sub verticals in Japan also saw considerable install growth from Q4 2022 to Q1 2023. Adventure games took the crown with an impressive 46% surge, followed by action games with a 23% increase, sports games with 13%, and puzzle and simulation games tying with 10% growth.



Gaming installs by platform 2022 - Q1 2023 (Japan)



Gaming app paid/organic ratio Q4 2022 - Q1 2023 (Japan)

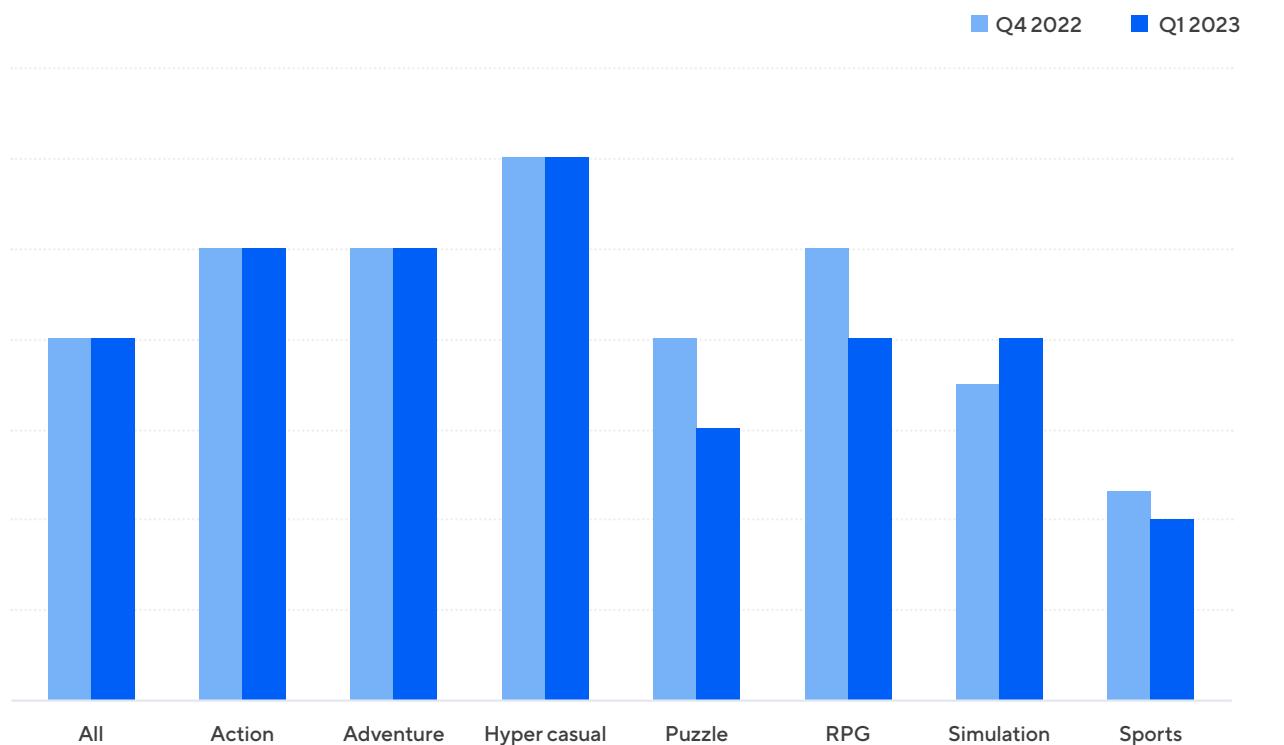


Japanese consumers have a [distinct affinity for Apple iPhones](#), as evidenced by the fact that 61% of the gaming apps tracked by Adjust in Japan are iOS-based. It's also interesting to note how platform preference plays out in the adventure and puzzle game subverticals. While iOS dominates in adventure games (90%), for example, Android is the favorite for puzzle games (60%).

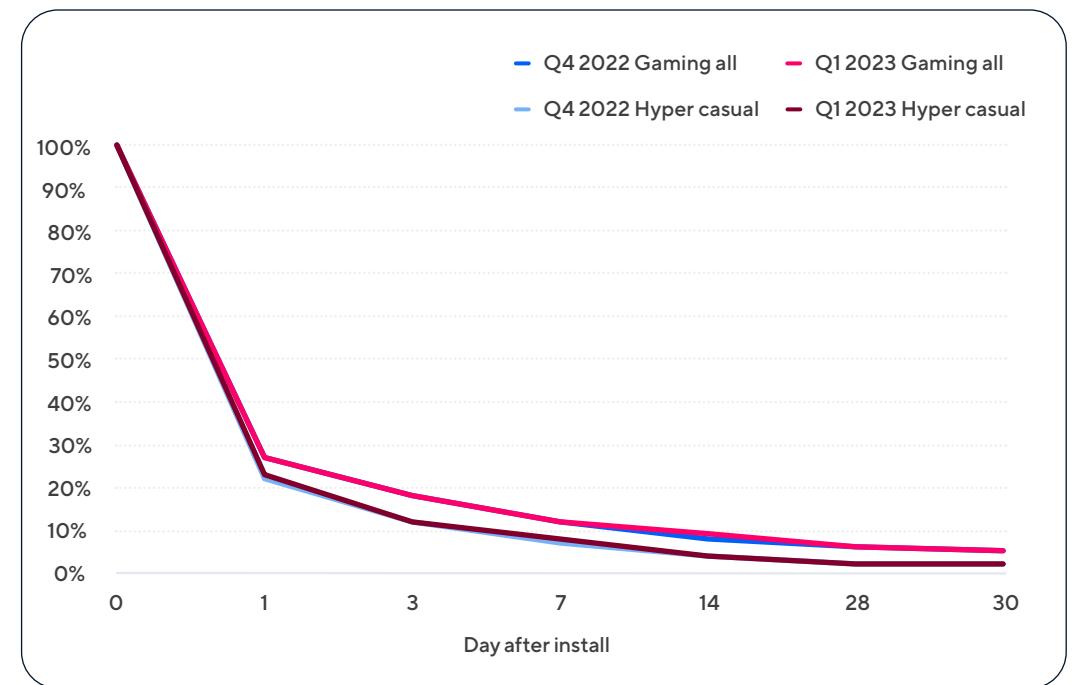
In Q1 2023, the paid vs. organic ratio for gaming apps overall decreased slightly compared to Q4 2022, dropping from 0.73 to 0.7. This can largely be attributed to the hike in paid user acquisition costs. The hyper casual subvertical, known for its heavy reliance on paid user acquisition campaigns, dropped from 2.6 to 2.45. However, some subverticals, including simulation, bucked the trend and increased paid share, climbing from 0.57 to 0.89.

In Q4 2022 and Q1 2023, gaming apps kept a steady number of partners—despite the drop in share of paid installs—working with a median of four. Action and adventure games remained consistent with a median of five partners, while hyper casual maintained its characteristic lead at six partners. Only simulation games saw an increase in partner count, climbing from 3.5 to four, which is reflected in its share of paid installs.

Gaming partners per app Q4 2022 - Q1 2023 (Japan)

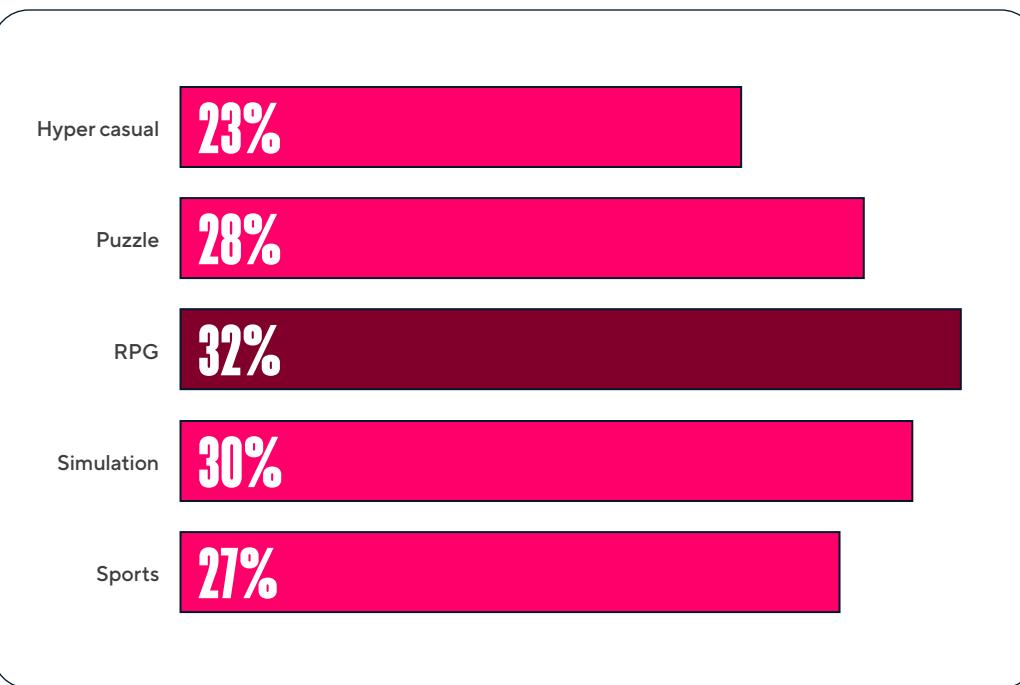


Gaming app retention rates Q4 2022 - Q1 2023 (Japan)

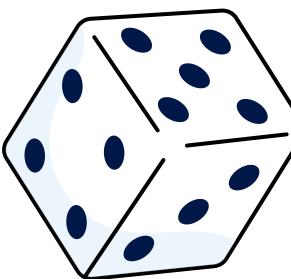
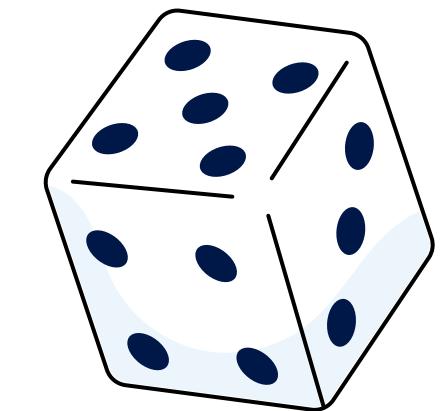
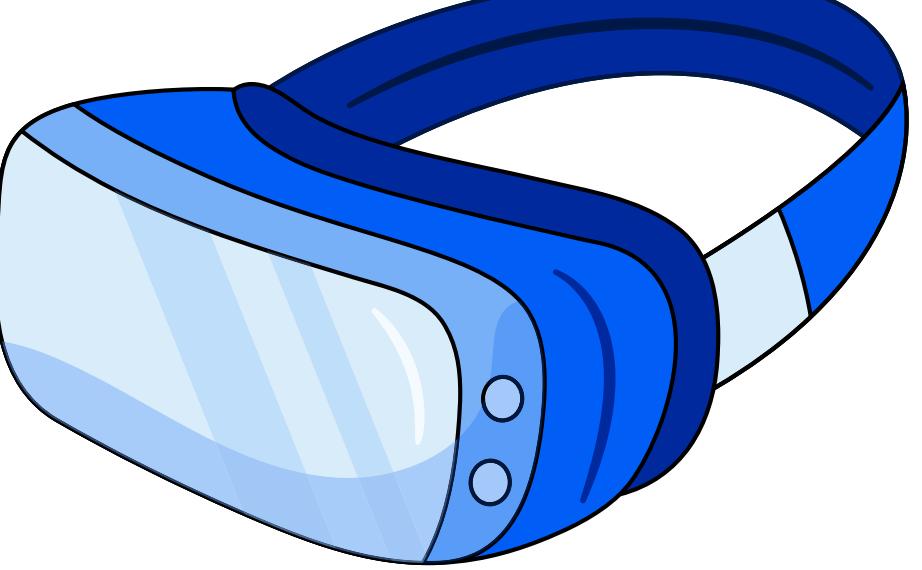


Gaming app retention rates were stable in Q4 2022 and Q1 2023. On Day 1, the median retention rate was 27%, which dropped to 18% by Day 3, 12% by Day 7, and 5% by Day 30. Q1 2023 had a slightly higher Day 14 rate, at 9% compared to 8%. Hyper casual's median improved by one percentage point throughout the 30 day period, with Day 1, for example, up from 22% to 23%.

Gaming D1 app retention rates by vertical Q1 2023 (Japan)

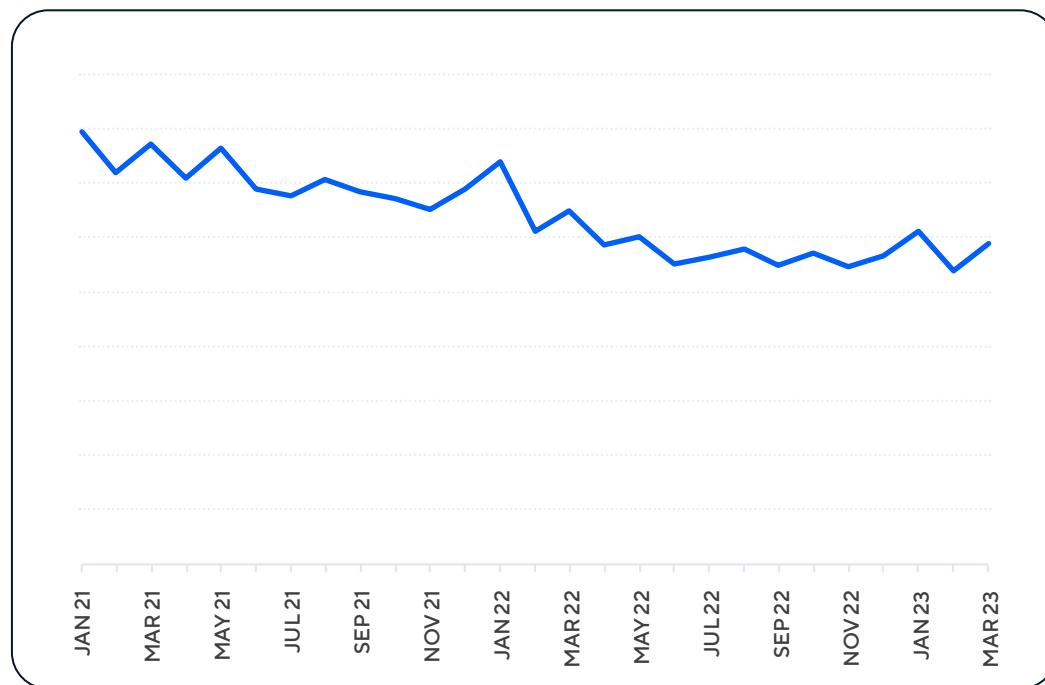


In Q1 2023, RPGs topped the charts with the highest Day 1 retention rate—an impressive 32%. Hot on their heels were simulation games, coming in at 30%, followed closely by puzzle at 28% and sports at 27%. Despite an improvement on Q4, perhaps due to the rise of hybrid casual titles, hyper casual still retained the least users on Day 1 (23%).

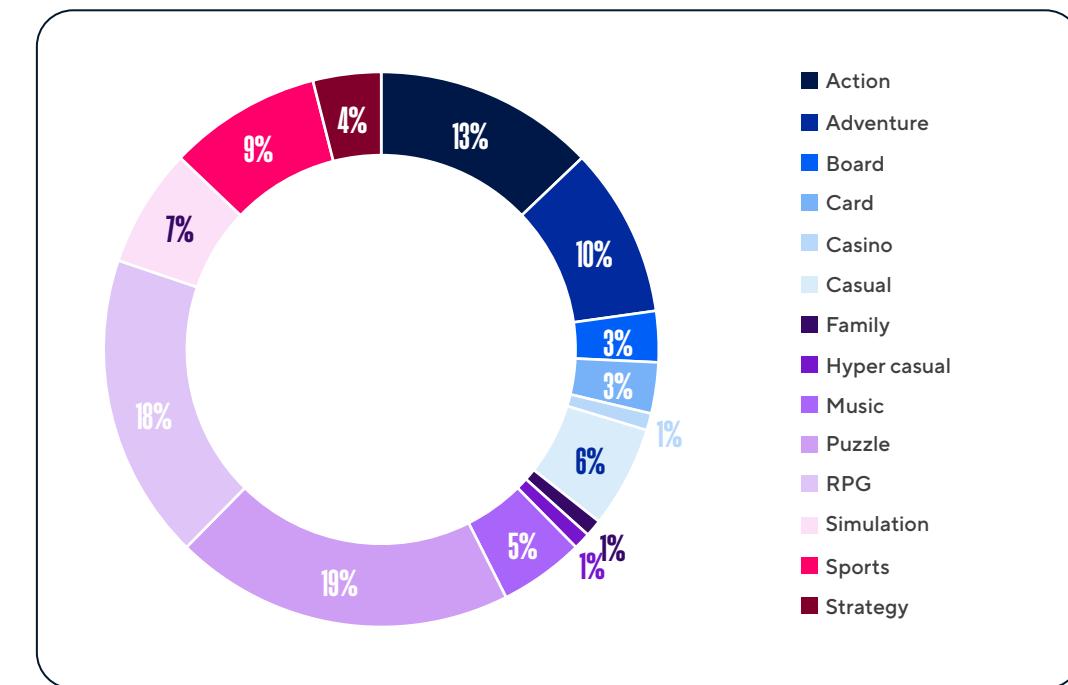


Sessions and user trends

Gaming app session growth January 2021 - March 2023 (Japan)

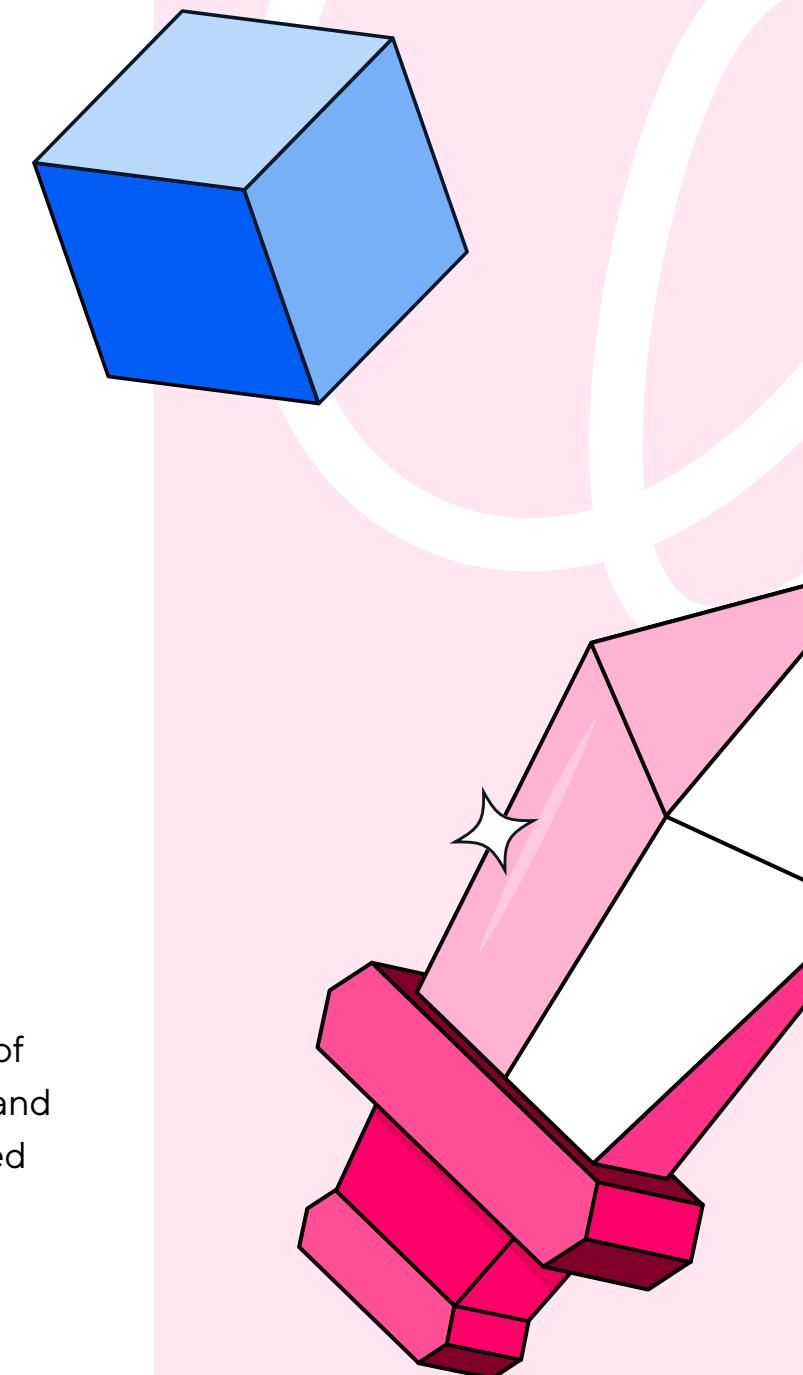


Gaming app sessions by vertical 2022 - Q1 2023 (Japan)

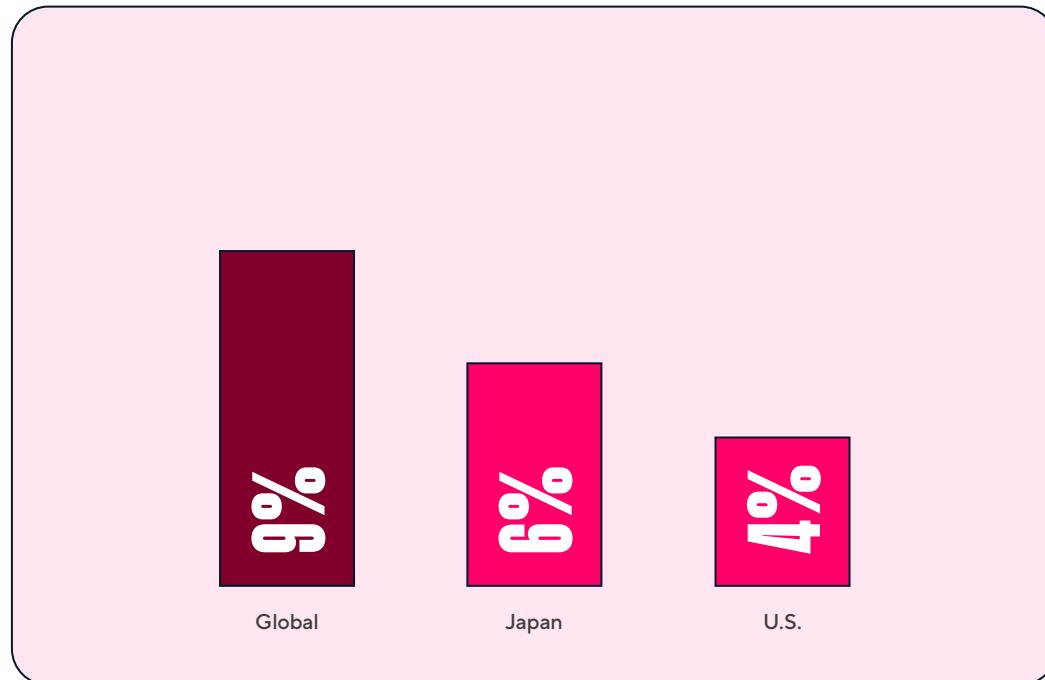


Gaming app sessions were a tad better than installs in Japan, but they also took a hit in 2022, dropping 17% YoY. Japanese gaming sessions, in line with global trends, reached their lowest point from September to December 2022. However, the outlook is more hopeful for 2023, with sessions in Q1 2023 increasing by 6% compared to the Q4 2022 average.

It's always interesting to observe the stark contrast in the distribution of gaming installs and sessions by subcategories. Although both puzzle and hyper casual games made up 12% of installs, puzzle sessions dominated with an impressive 19%, while hyper casual only made up 1%. Notably, RPGs accounted for a significant 18% of all gaming sessions.

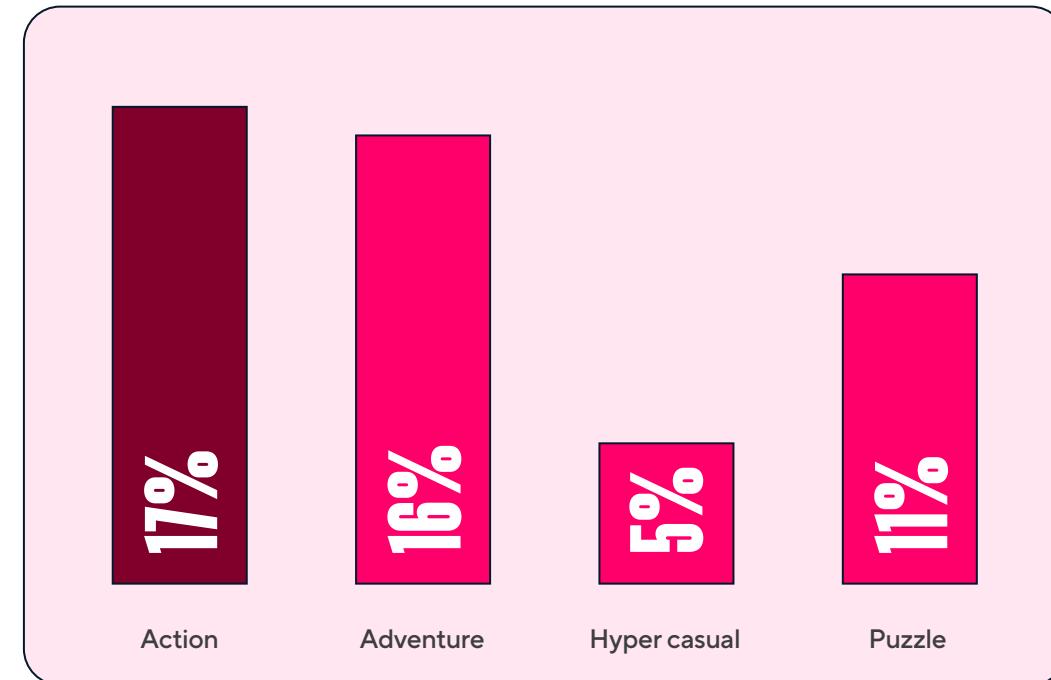


Gaming app session growth percentages Q1 2023 vs. Q4 2022

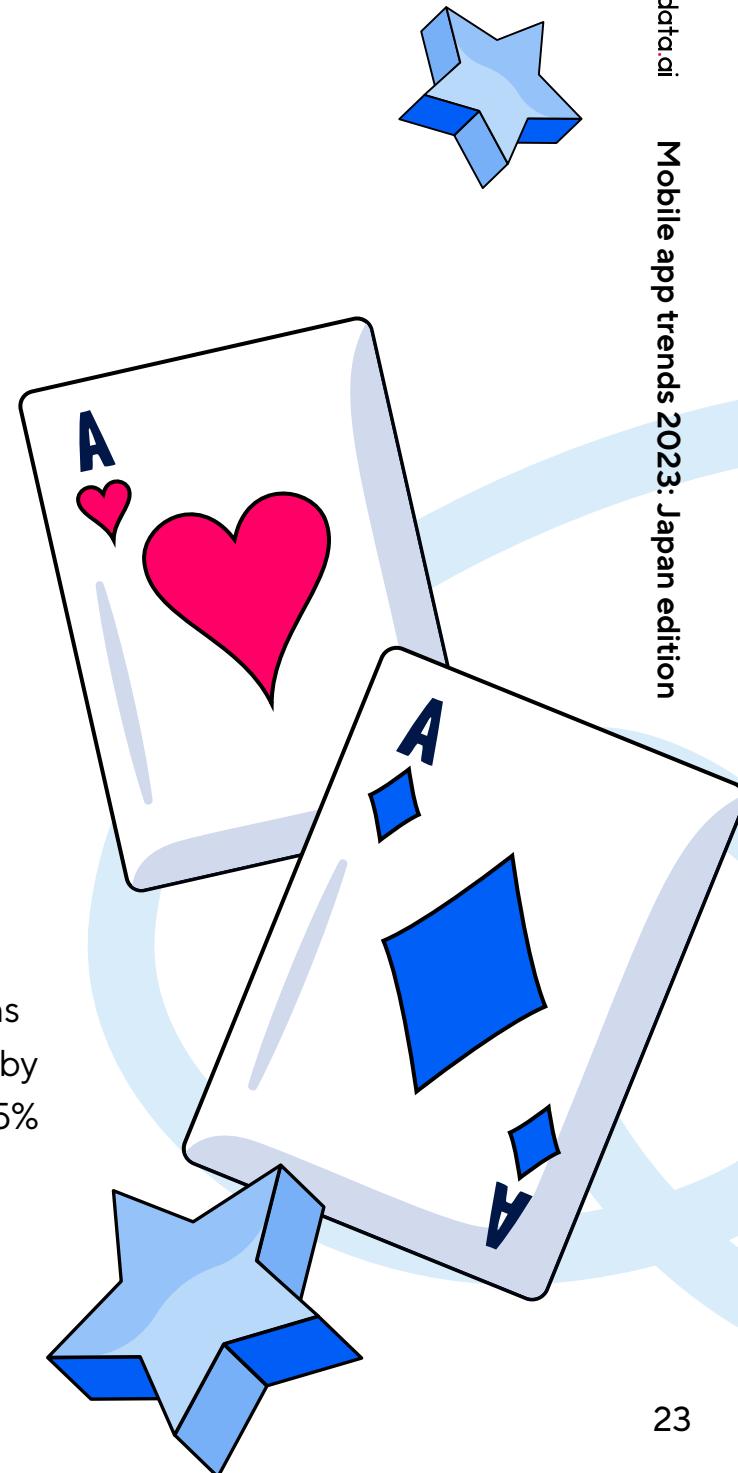


A much awaited surge in gaming app sessions took place in Q1 2023, with a 9% increase globally compared to Q4 2022. Japan also witnessed 6% growth, while, similar to installs, the U.S. saw a 4% increase. We're optimistic about gaming growth in 2023 and will be keeping a close eye on how the numbers evolve in Japan.

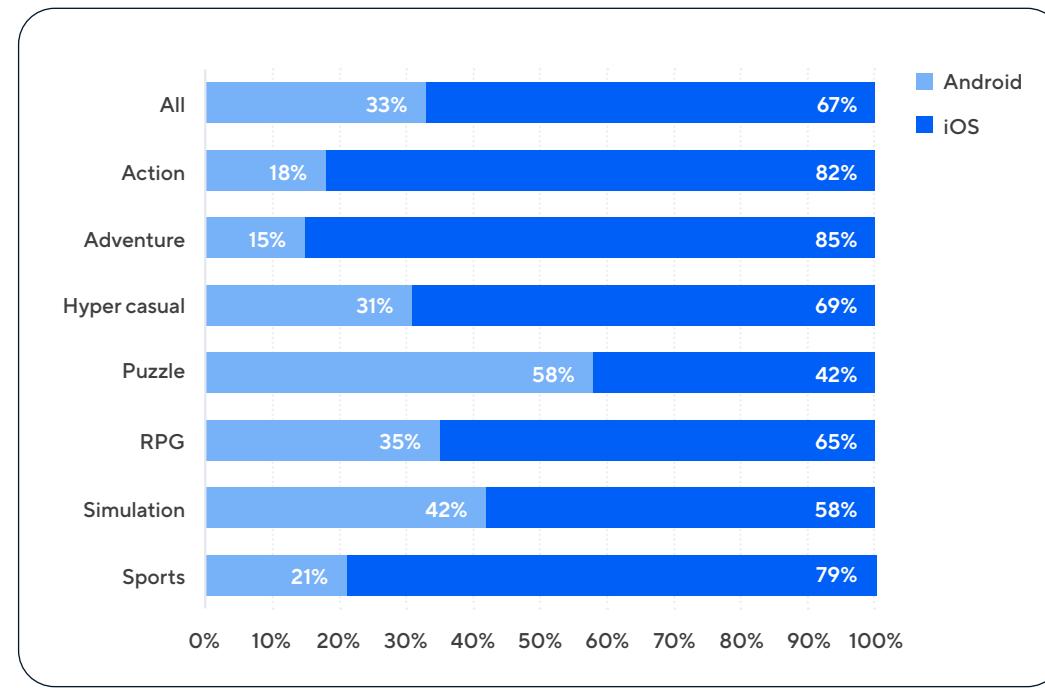
Gaming app session growth percentages by vertical Q1 2023 vs. Q4 2022 (Japan)



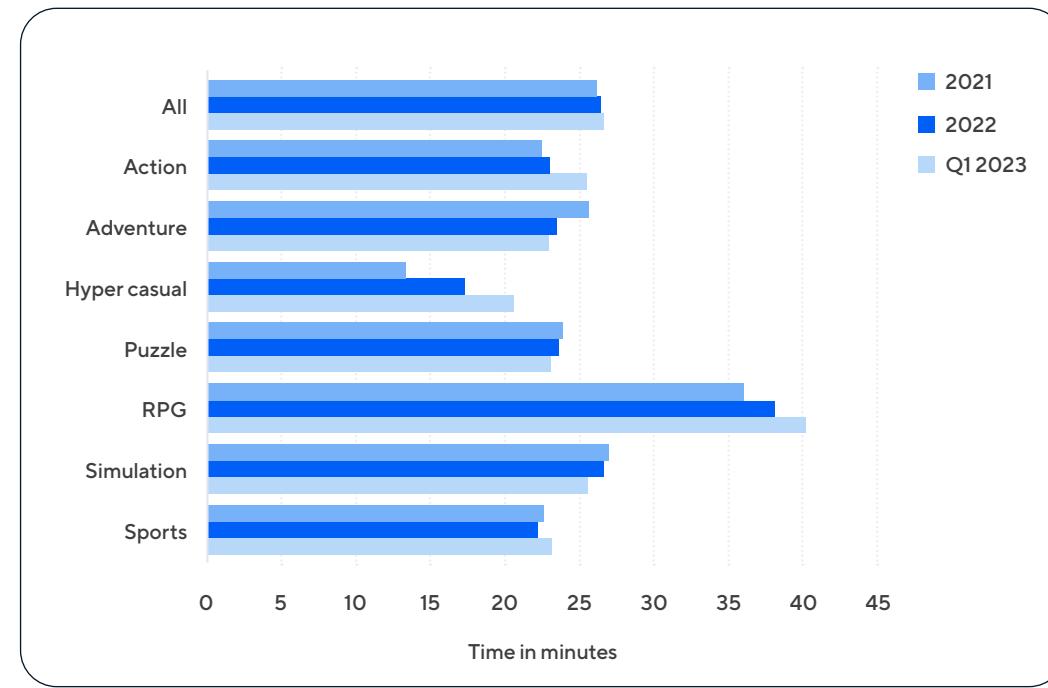
As with installs, mobile gaming sessions in Japan in 2023 so far are experiencing particularly strong growth in certain categories. Q1 sessions for action games climbed 17% compared to Q4 2022, adventure games by 16%, and puzzle games at 11%. Hyper casual games also saw a welcome 5% boost in sessions.



Gaming app sessions by platform 2022 - Q1 2023 (Japan)



Gaming app session lengths by vertical 2021 - Q1 2023 (Japan)



iOS accounted for 67% of gaming sessions from January 2022 to March 2023. The platform split is most pronounced for adventure games, where iOS represents 85% of sessions. Action games are particularly interesting, as iOS accounted for 51% of installs, but a huge 82% of sessions, implying a much more engaged user iOS base. iOS also took the lead for hyper casuals at 69%. Just like installs, Android showed its strength with puzzle games, which accounted for 58% of sessions.

In 2022, session lengths increased from an average of 26.15 minutes to 26.37 minutes YoY. In Q1 2023, this number grew again and is now sitting at 26.59 minutes, much higher than the U.S. average of 24.71 minutes.

Comparing 2022 to Q1 2023, hyper casual games saw a jump from 17.25 minutes to 20.6 minutes. Action games also grew from 22.97 to 26.59 minutes, and RPG—with the longest sessions—grew from 38.1 to 40.22 minutes.

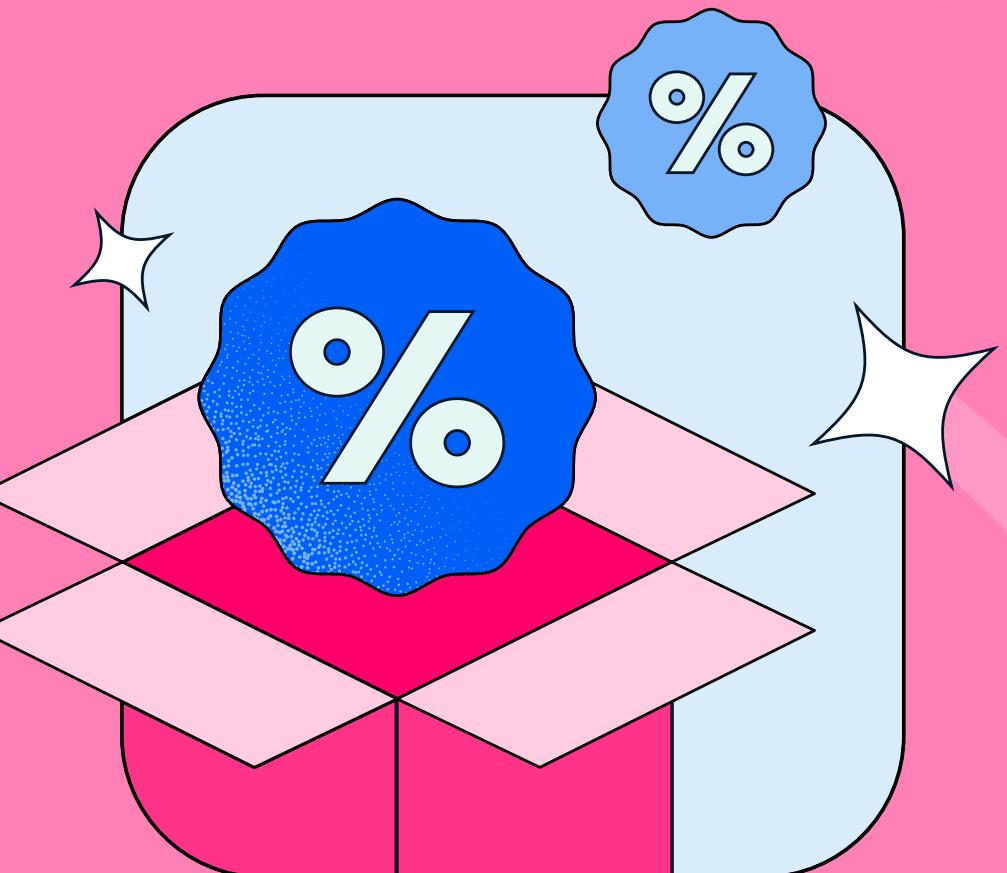
PART 2

E-commerce

Top 10 shopping apps by downloads in Q1 2023 (Japan)

Powered by data.ai's App and Game IQ Taxonomy

1	 SHEIN Shopping	6	 Matsumotokiyoshi Shopping
2	 d POINT Deal discovery	7	 Rakuten Ichiba Shopping
3	 Mercari Marketplace	8	 MUJI passport Shopping
4	 Amazon Shopping	9	 ZOZOTOWN Shopping
5	 Seven-Eleven App Supermarket & Convenience Store	10	 Nike Shopping



Industry stats, trends, and predictions



Japan, being the [fourth largest e-commerce market](#) in the world, is projected to generate [\\$156.3 billion](#) in e-commerce app revenue by 2023.



Domestic online retailers like [Rakuten and Mercari dominate the Japanese e-commerce market](#), but international names such as Amazon are also gaining popularity.



The Japanese e-commerce market contributed to the worldwide growth rate of [17% in 2023](#).



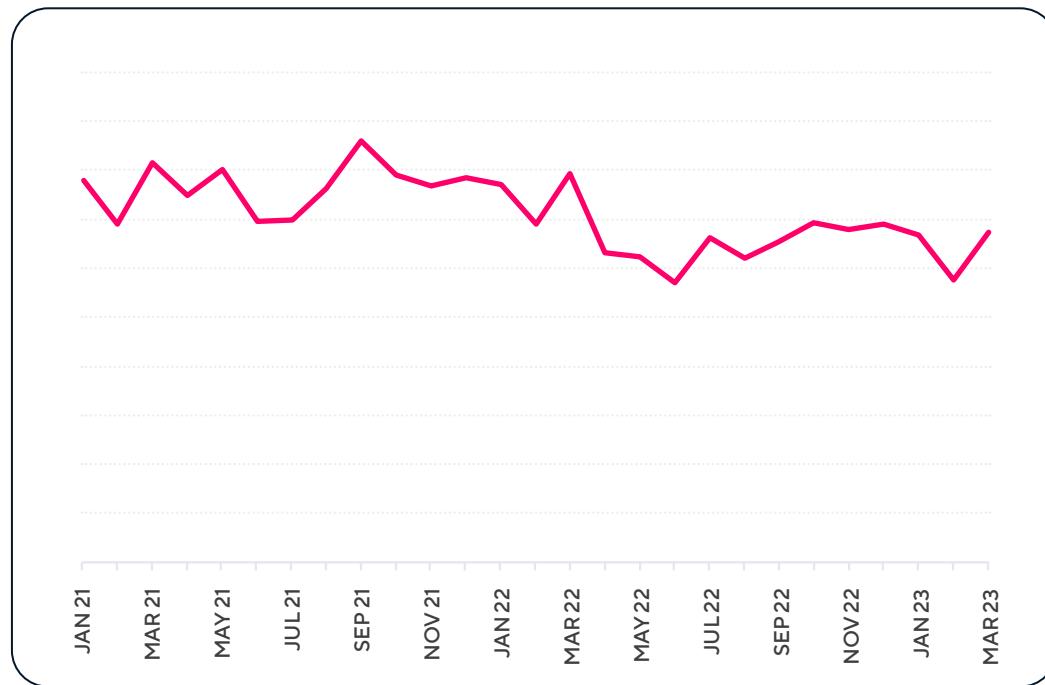
Japan's social commerce industry is predicted to grow by 12.1% annually, with expected revenue of [\\$15.29 billion](#) by 2023.



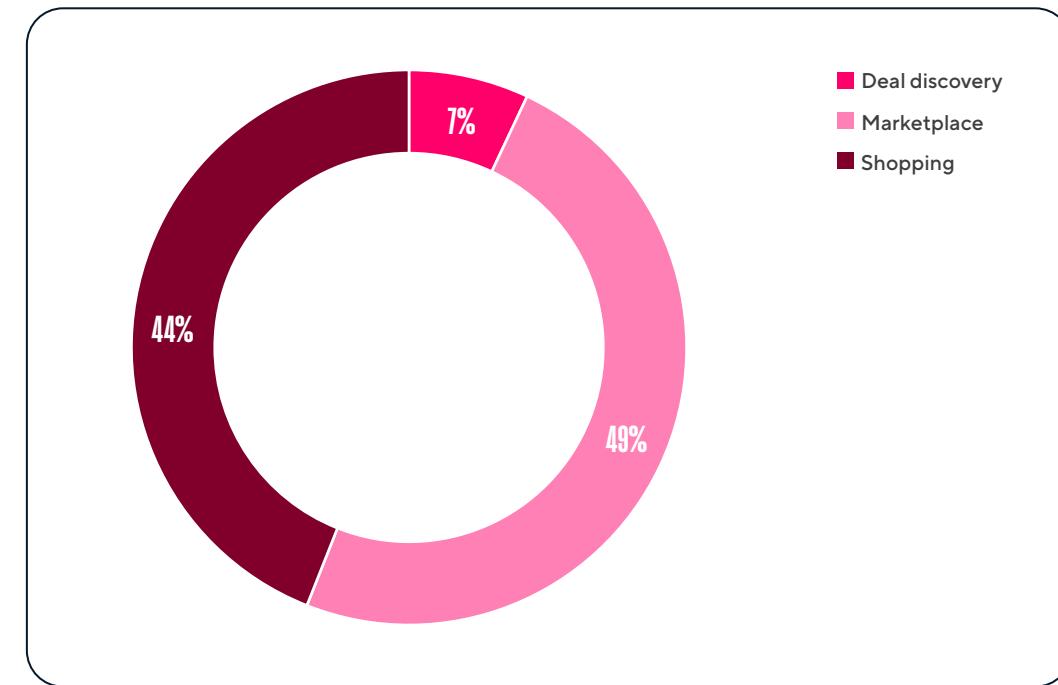
In 2022, cashless purchasing in Japan surpassed [100 trillion yen](#) for the first time, reaching 111 trillion yen (\$838 billion).

Installs and finding users

E-commerce app install growth January 2021 - March 2023 (Japan)



E-commerce app installs by vertical 2022 - Q1 2023 (Japan)



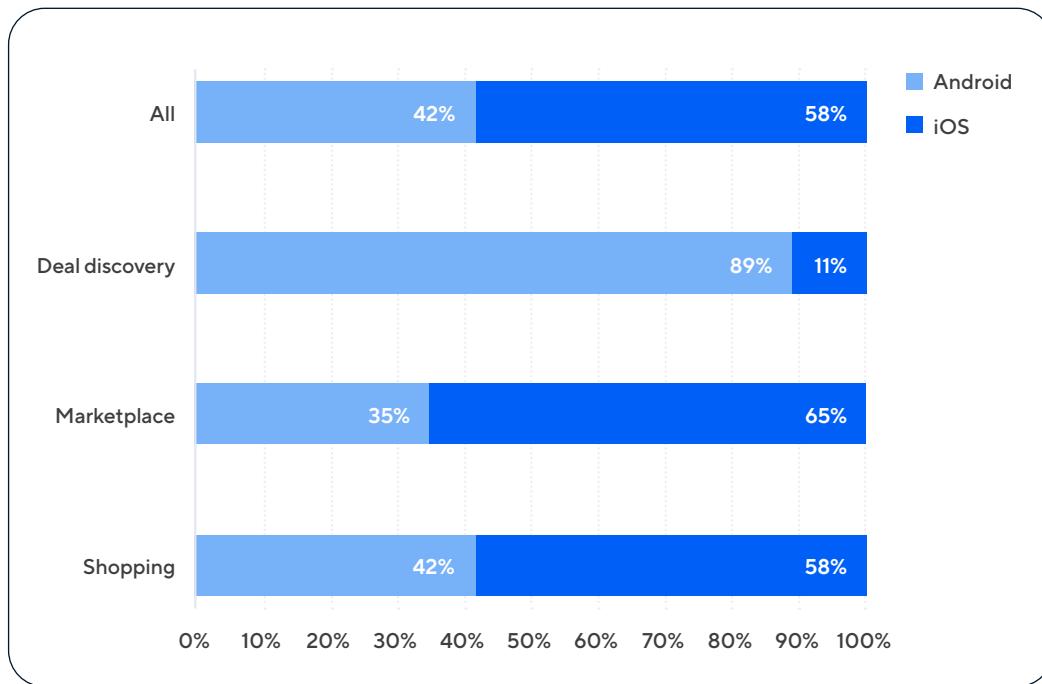
BONUS

Deal discovery app installs in Japan rose 19% from Q4 2022 to Q1 2023.

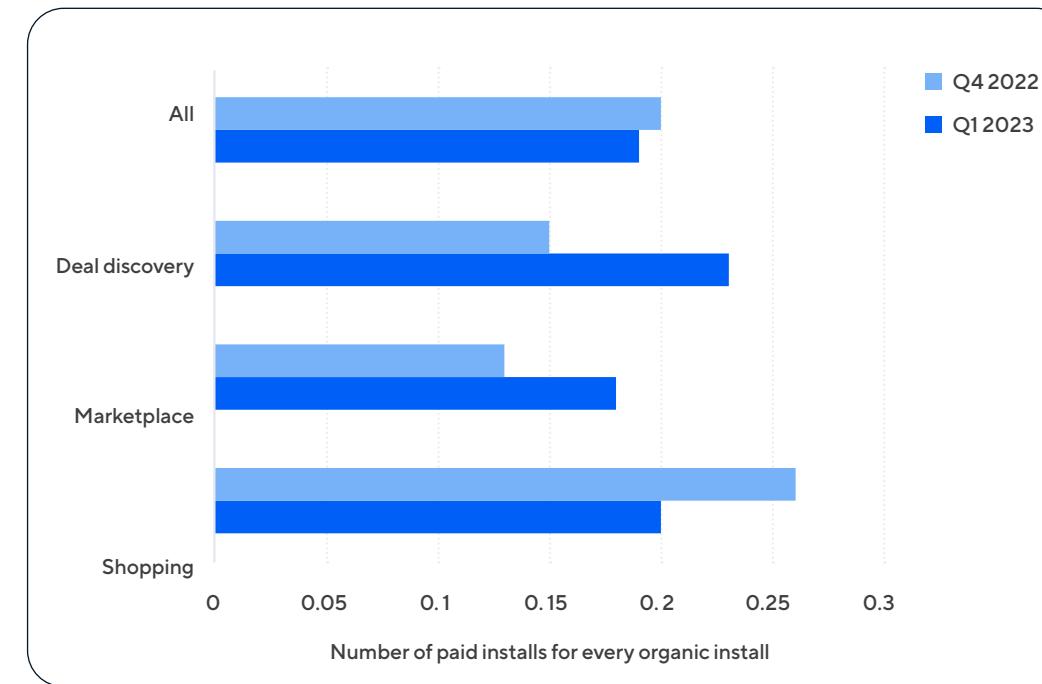
Japan's e-commerce app installs declined in 2022, down 13% from 2021. However, March saw a 16% increase compared to the 2022 average. March 2023 shows strong signals again, up 6% compared to the 2022 average.

Breaking down e-commerce installs by subvertical, marketplace apps are the biggest category in Japan, taking up 49% of the pie. Following close behind are shopping apps with 44%, while deal discovery apps make up the remaining 7%.

E-commerce app installs by platform 2022 - Q1 2023 (Japan)



E-commerce app paid/organic ratio Q4 2022 - Q1 2023 (Japan)



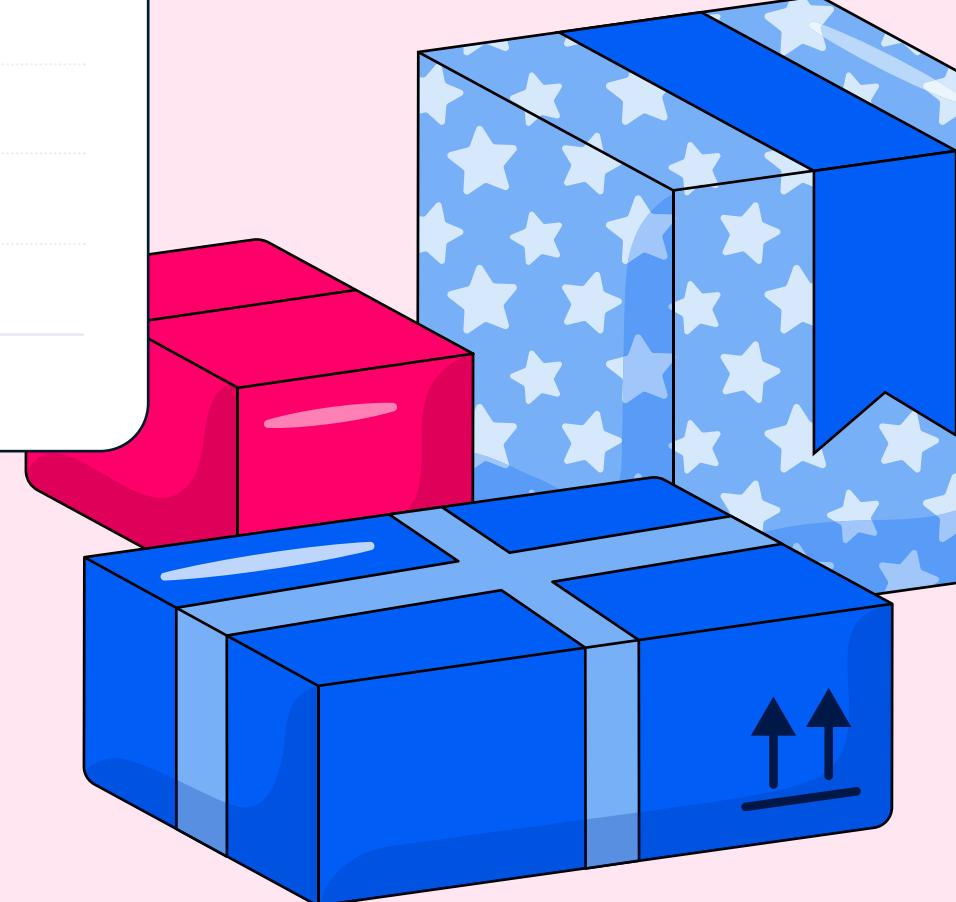
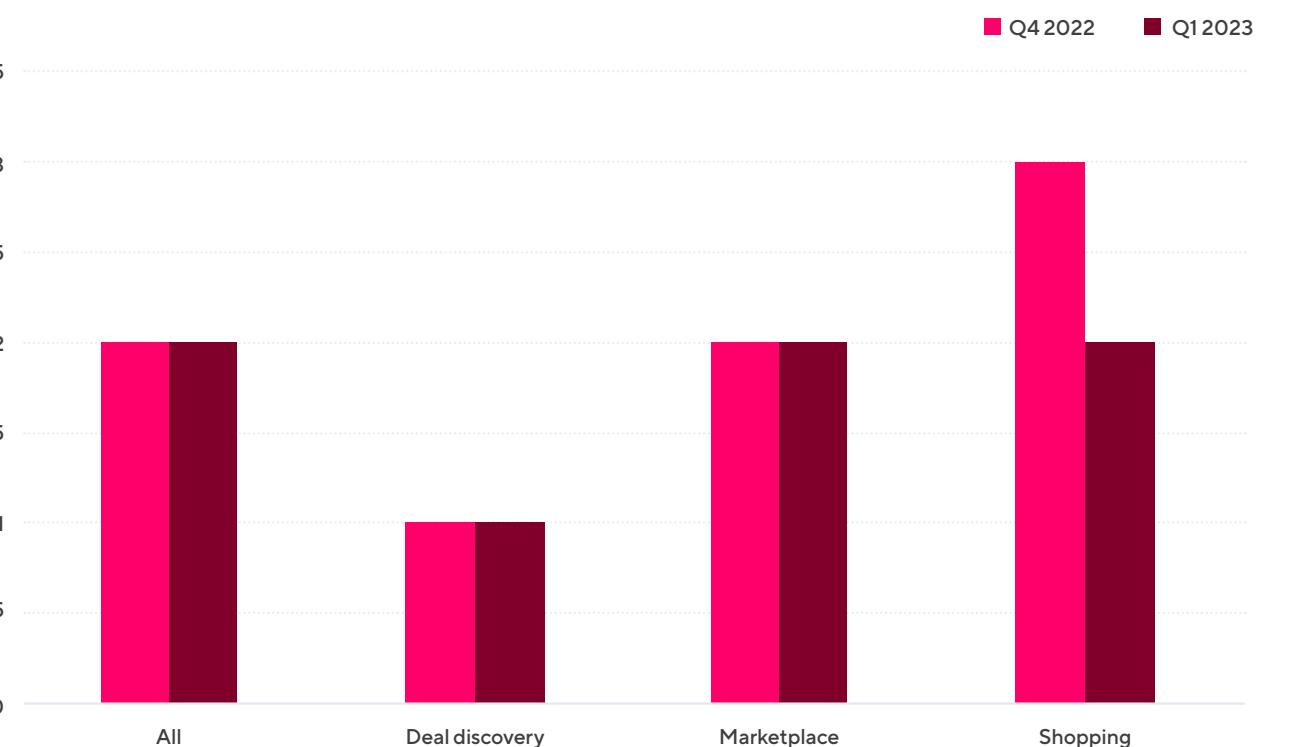
The distribution of iOS and Android installs for e-commerce apps is a little closer than for gaming apps, with iOS representing 58%. For deal discovery apps, however, Android dominates at 89%. Considering the small percentage of total installs from this vertical, we can start to see significant differences in platform user types and behaviors.

E-commerce apps saw a marginal drop in share of paid installs during the first quarter of 2023, down from 0.2 to 0.19. Looking closer, we see that marketplace and deal discovery apps bucked this trend, increasing from 0.15 to 0.23 and 0.13 to 0.18, respectively. Amid an economic slowdown, marketers in these verticals appear to be doubling down on paid efforts.

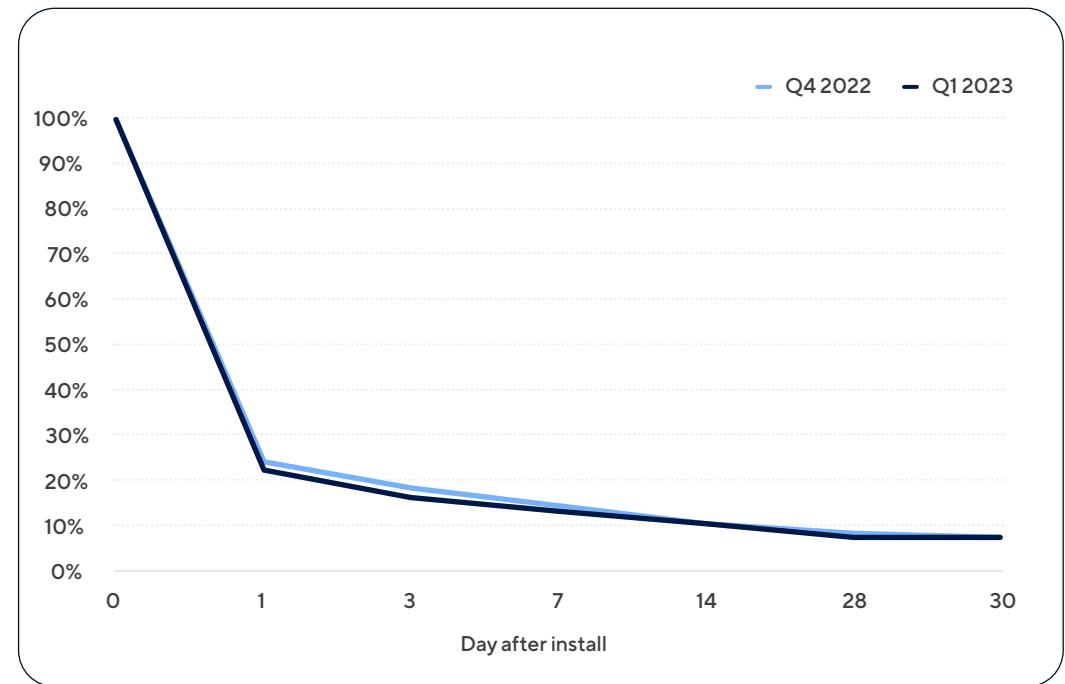
During the last quarter of 2022 and the first quarter of 2023, e-commerce apps remained consistent with the number of partners they worked with, typically collaborating with two. Deal discovery apps only worked with one partner during both periods and marketplace apps were on trend with two partners.

On the other hand, shopping apps experienced a decline in the number of partners they worked with, dropping from three to two. This maps with the paid/organic ratio explored above, as shopping was the main e-commerce subvertical to witness a decline in share of paid installs, which can likely be attributed to the decrease in number of partners worked with—representing a drop in overall paid campaigns.

E-commerce partners per app Q4 2022 - Q1 2023 (Japan)

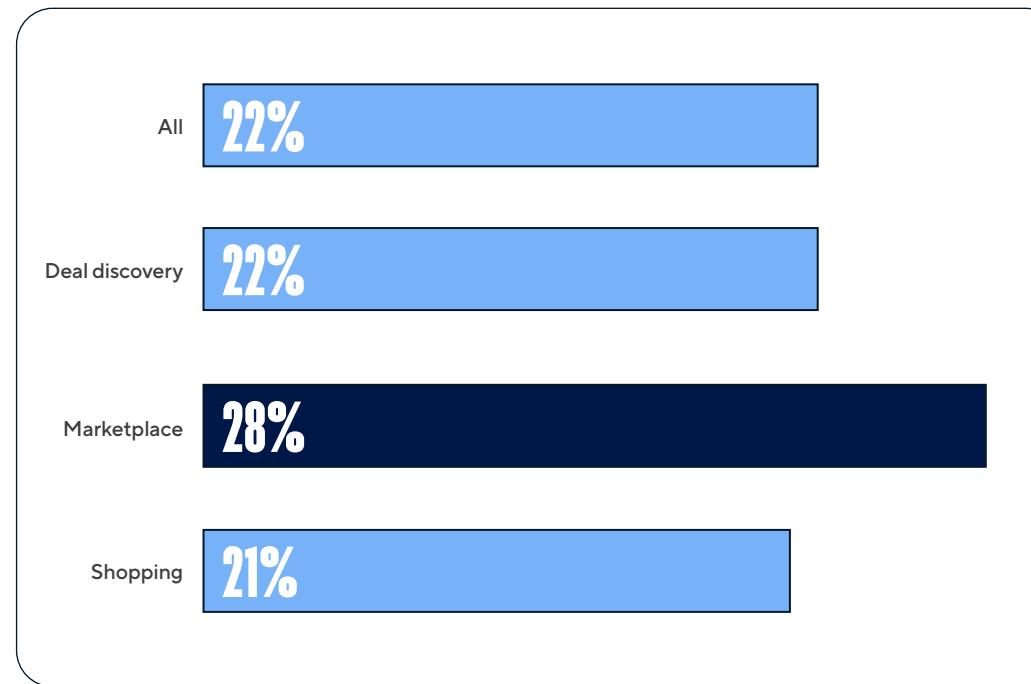


E-commerce app retention rates Q4 2022 - Q1 2023 (Japan)



E-commerce app retention rates decreased in Japan from Q4 2022 to Q1 2023. Day 1 rates dropped from a median of 24% to 22% and Day 7 rates fell from 14% to 13%. To increase user engagement in Japan, it's crucial for e-commerce app marketers to provide LTV-driven, segmented user experiences and onboarding, and personalized offers and promotions.

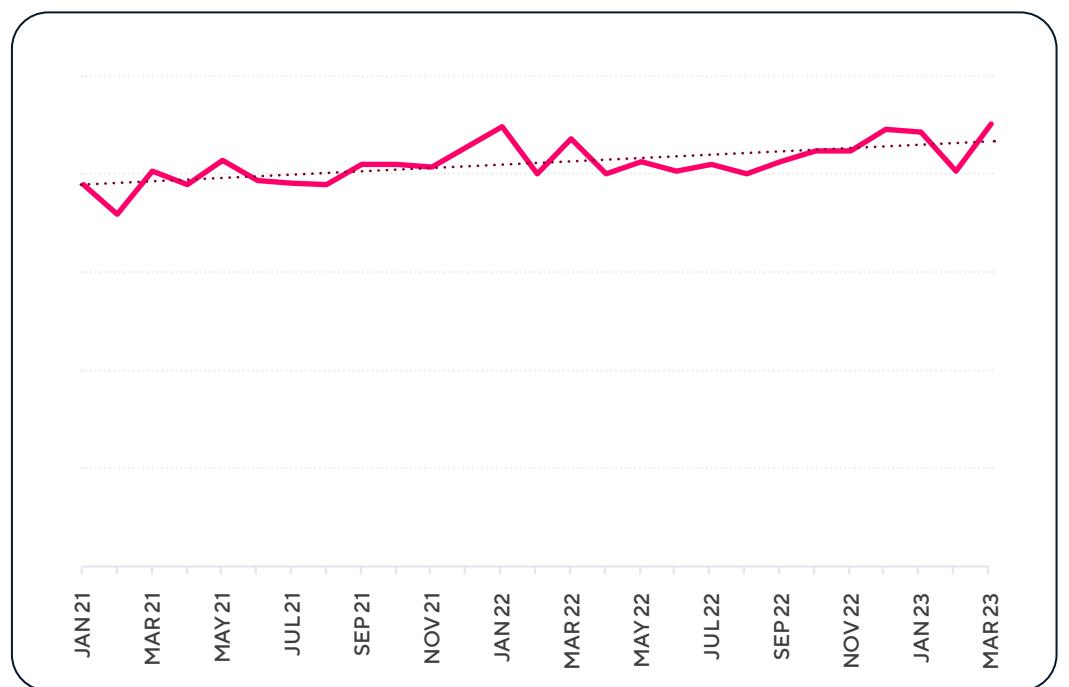
E-commerce D1 app retention rates by vertical Q1 2023 (Japan)



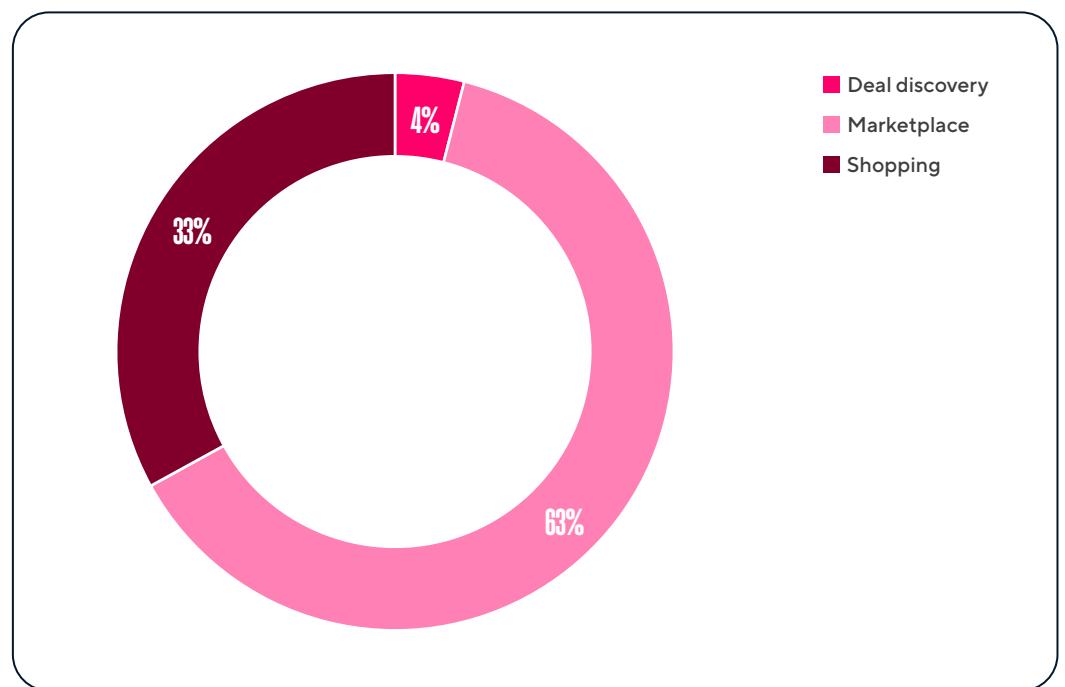
In Q1 2023, marketplace apps had the highest Day 1 retention rate—an impressive 28%. Following behind were deal discovery and shopping apps, with retention rates of 22% and 21%, respectively.

Sessions and user trends

E-commerce app session growth January 2021 - March 2023 (Japan)

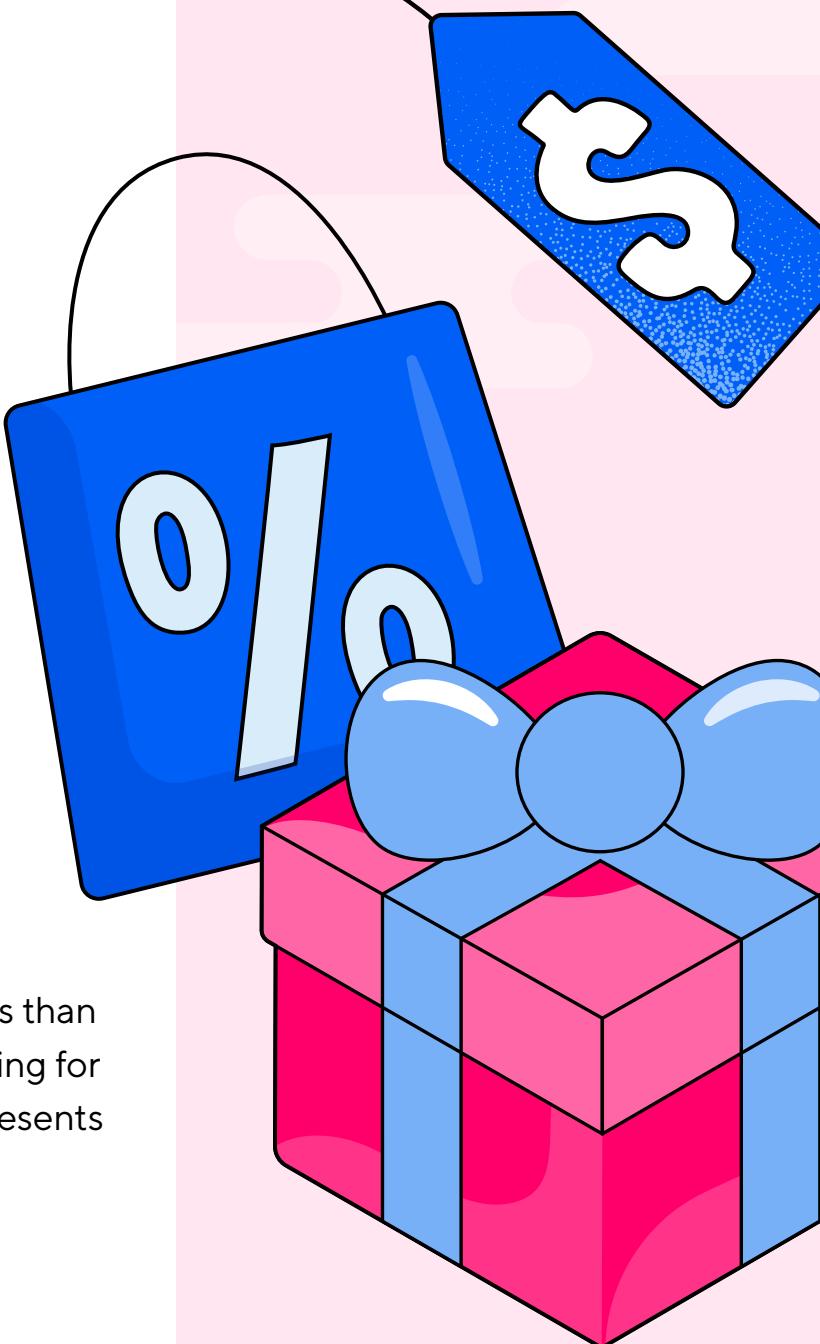


E-commerce app sessions by vertical 2022 - Q1 2023 (Japan)

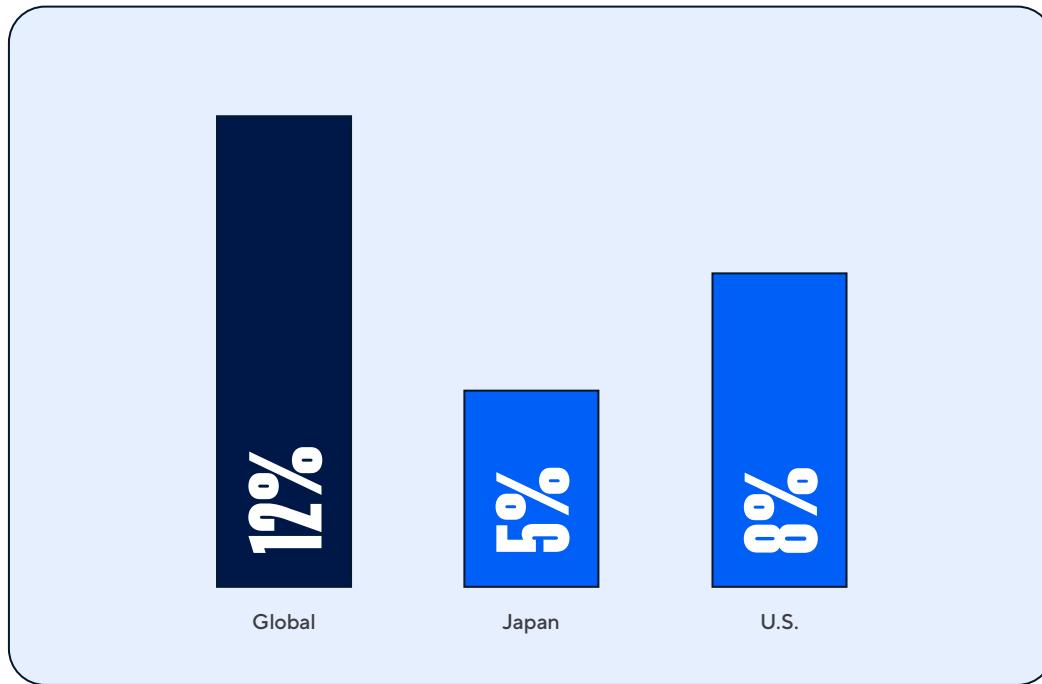


2022 was unideal for e-commerce app installs in Japan, but sessions were more optimistic, growing by 5% YoY. December was the standout month, up an additional 5% on the 2022 average. The first quarter of 2023 continued the upward trend, with sessions increasing 5% compared to the 2022 average.

E-commerce sessions have a different distribution across subverticals than installs. Marketplace apps take the biggest slice of the cake, accounting for 63%, shopping apps come in second at 33%, and deal discovery represents just 4%.

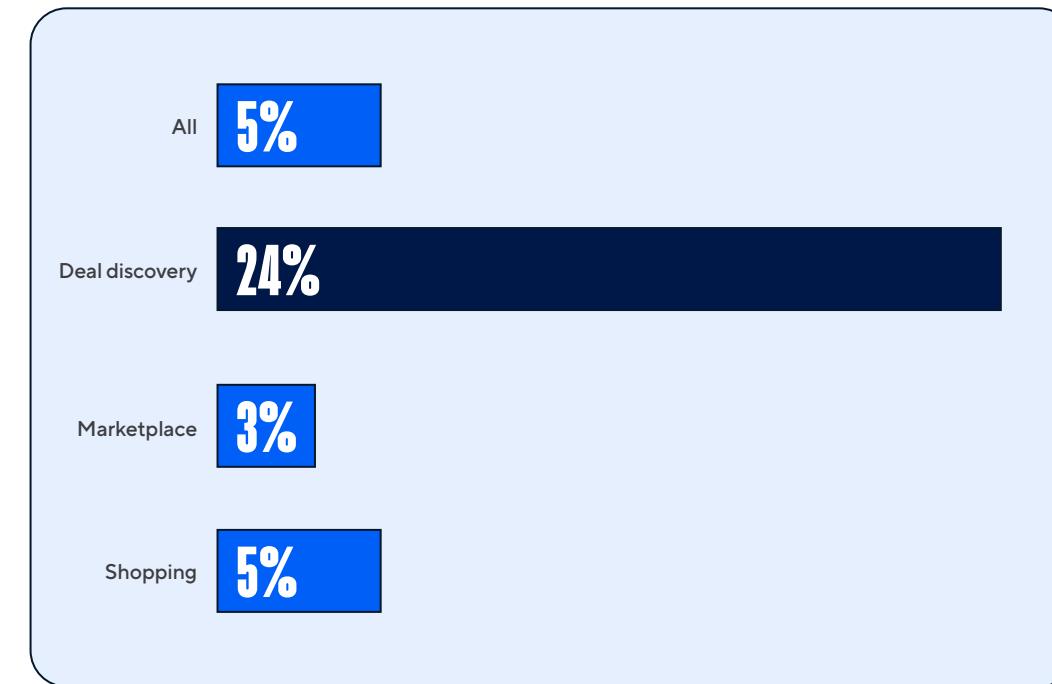


E-commerce app session growth percentages YoY 2021 - 2022



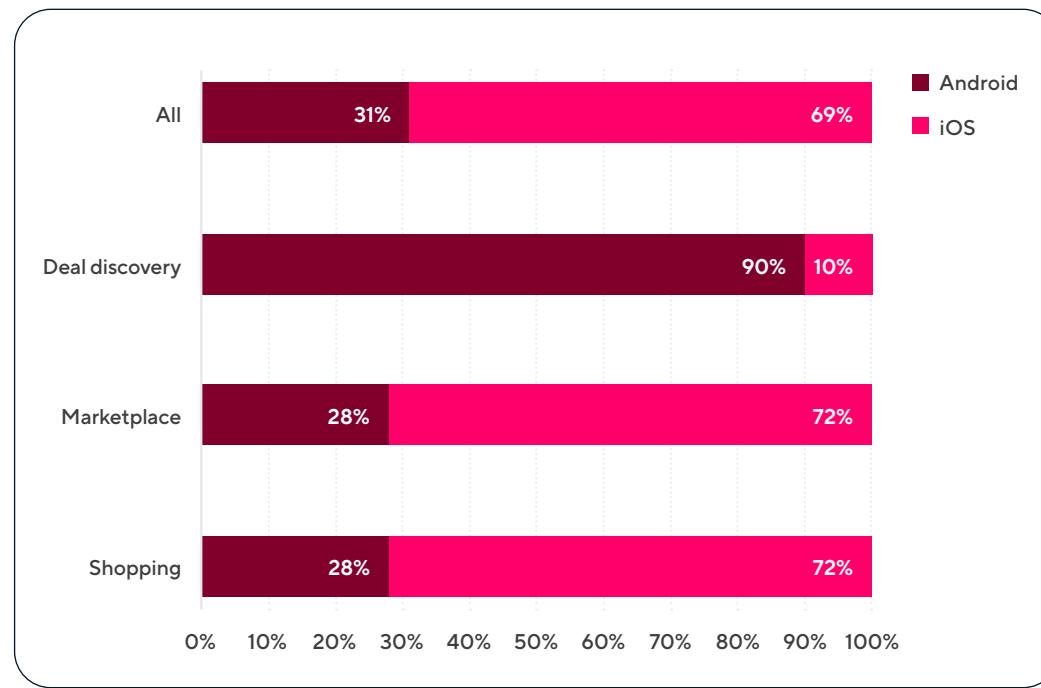
In 2022, e-commerce app sessions performed well across many regions, with a 12% YoY global increase and an 8% YoY boost in the U.S. Japan also saw a substantial increase, albeit slightly lower at 5%. However, in Q1 2023, Japan is up by another 5% compared to the 2022 average.

E-commerce app session growth percentages by vertical 2021 - 2022 (Japan)

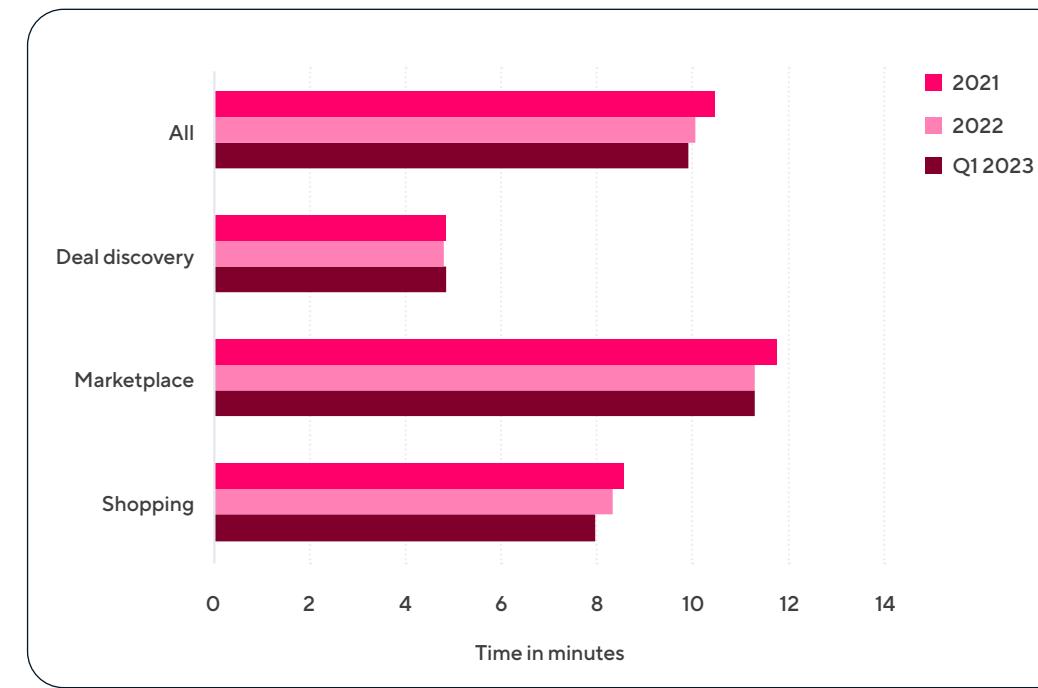


Deal discovery apps charted the highest growth in sessions, up 24% YoY in 2022 and another 11% in Q1 2023 compared to Q4 2022, demonstrating the vertical's increasing relevance in Japan, despite still representing a low portion of total e-commerce sessions. A little slower but still steady, shopping apps charted 5% growth in 2022, followed by marketplace apps at 3%—and they're up by another 4% in Q1 2023 compared to Q4 2022.

E-commerce app sessions by platform 2022 - Q1 2023 (Japan)



E-commerce app session lengths by vertical 2021 - Q1 2023 (Japan)

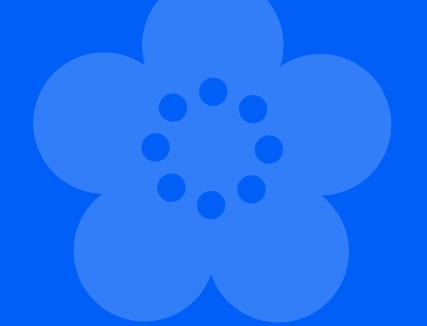


In Japan, iOS accounted for 69% of e-commerce app sessions from 2022-Q1 2023. For shopping apps, although the install distribution was almost equal, iOS had a greater share of sessions (72%), suggesting higher engagement among iOS users. The increasing number of deal discovery sessions, however, is driven almost exclusively by Android users.

Japanese users have been spending less time per session in e-commerce apps, likely due to improved and personalized user experiences, more shopping options, and a larger portion of deal discovery and marketplace usage. With this in mind, session lengths for deal discovery apps have increased recently, climbing from 4.8 minutes in 2022 to 4.83 minutes in Q1 2023.

PART 3

Fintech



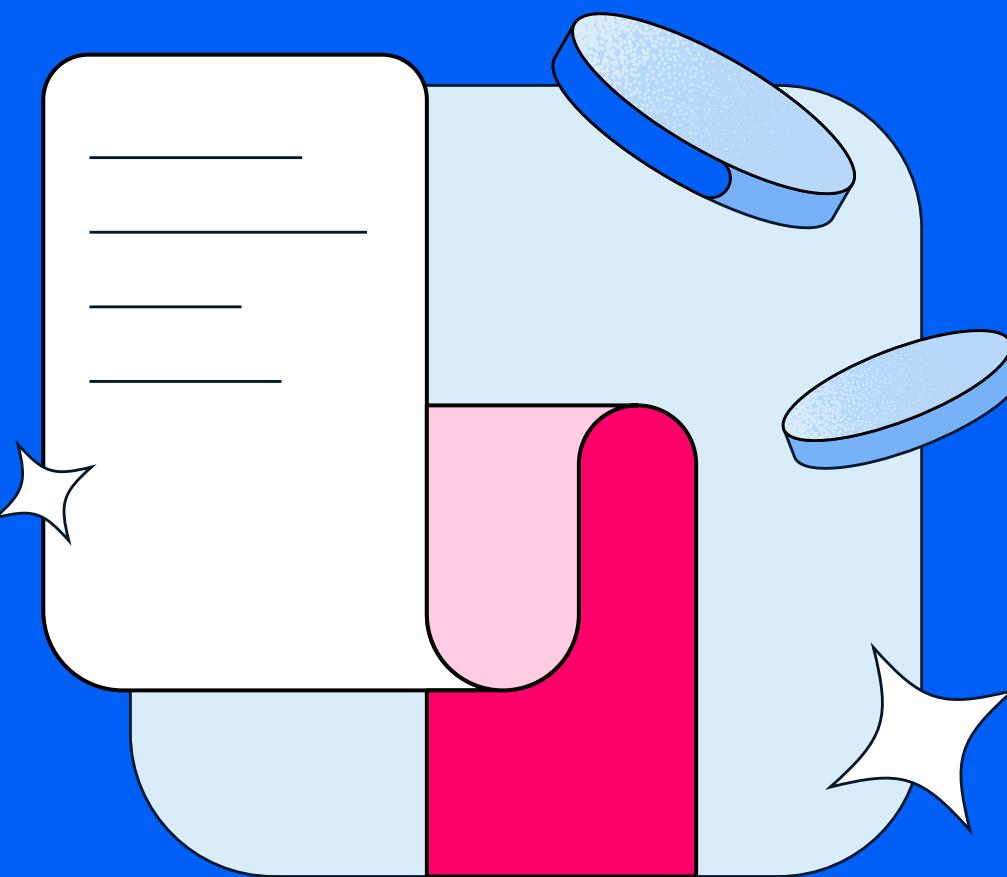
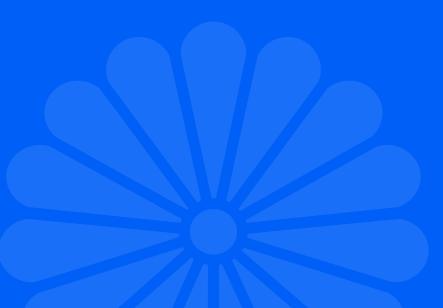
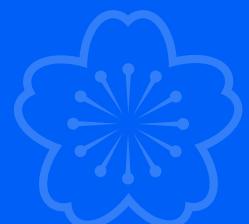
Top 10 fintech apps by downloads in Q1 2023 (Japan)

Powered by data.ai's App and Game IQ Taxonomy

1	 regionPAY Digital Wallets	6	 Japan Post Bank Bankbook App Mobile Banking
2	 Myna Point Digital Wallets	7	 d Payment Digital Wallets
3	 PayPay Digital Wallets	8	 T-Point Digital Wallets
4	 Rakuten Pay Digital Wallets	9	 Suica Digital Wallets
5	 Nanaco Digital Wallets	10	 au PAY Digital Wallets



Source: data.ai intelligence Note: iOS & Google Play



Industry stats, trends, and predictions



The value of Japan's fintech market increased from approximately \$1.9 billion (JPY 214.5 billion) in 2018 to over [US\\$10 billion](#) (JPY \$1,210 billion) in 2022.



Banking apps such as Sumitomo Mitsui Card Company's Vpass are leading the charge in Japan, with over [2.1 million downloads](#), followed closely by MUFG Bank's banking app, which has 1.99 million downloads.



Japanese consumers favor fintech mobile wallets hosted on native apps, using them for over [88%](#) of in-store mobile transactions.



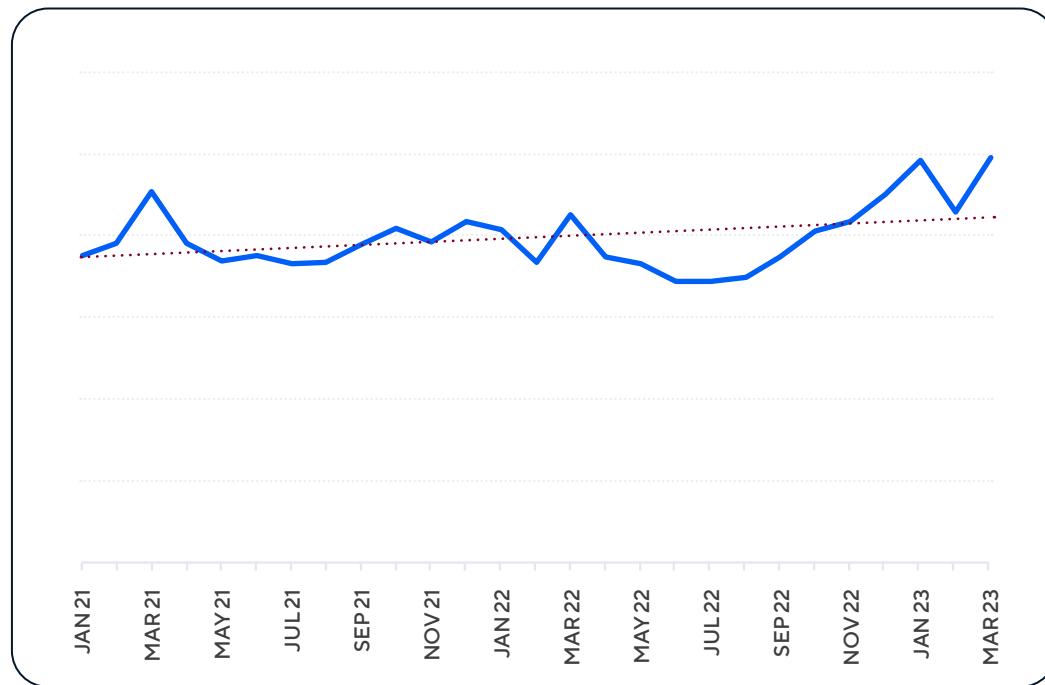
Line Pay and Rakuten Pay project a [33%](#) increase in users in Japan by 2025 compared to 2020.



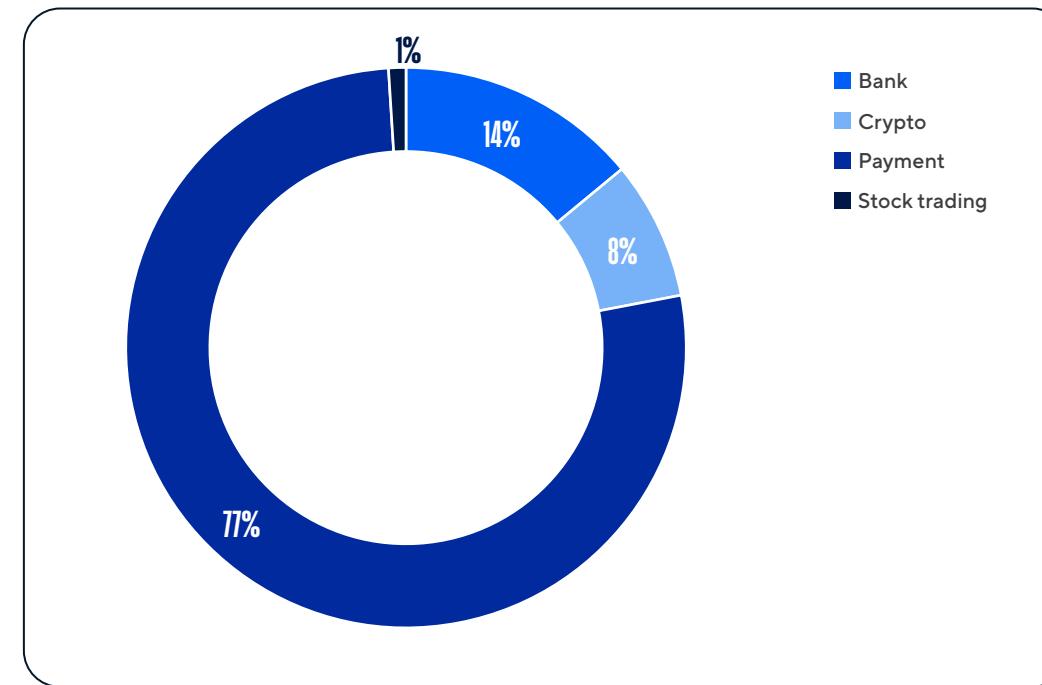
As of March 2022, the total value of cash and margin trading in Japanese crypto assets surpassed [\\$23.4 billion](#), more than doubling the volume of crypto assets traded three years ago. The number of user accounts also soared to 5.86 million.

Installs and finding users

Fintech app install growth January 2021 - March 2023 (Japan)



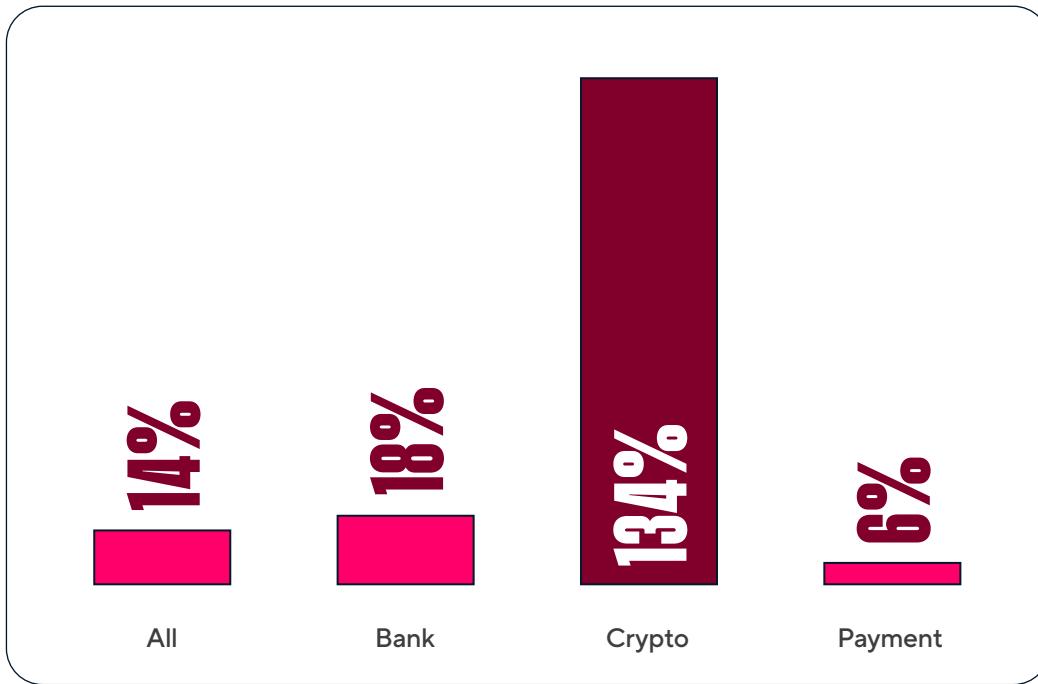
Fintech app install by vertical 2022 - Q1 2023 (Japan)



In 2022, fintech apps saw a 2% decrease in installs compared to previous year. However, things are looking up in 2023. In the first quarter alone, installs have increased by an impressive 25% compared to the 2022 average and by 14% compared to the previous quarter.

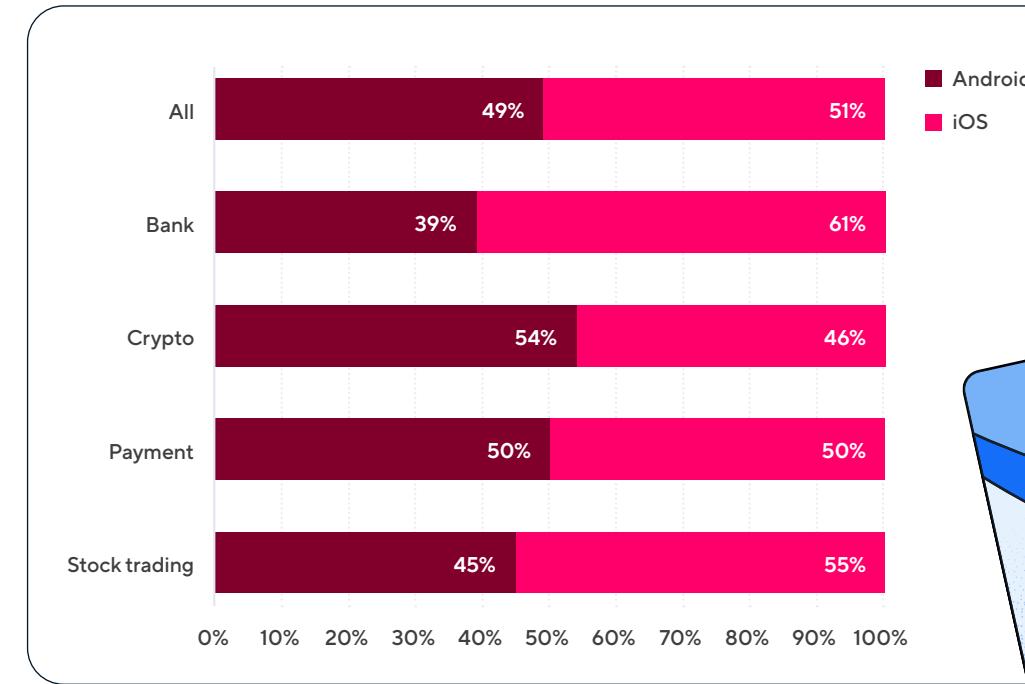
Payment apps represent the majority of fintech app installs in Japan, accounting for 77%. Banking apps trail behind at 14%, while crypto captures 8% of all installs.

Fintech app install growth percentages by vertical Q1 2023 vs. Q4 2022 (Japan)

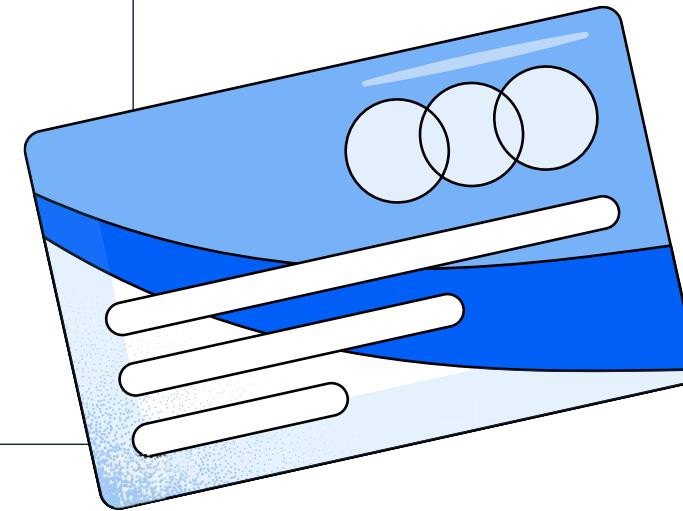
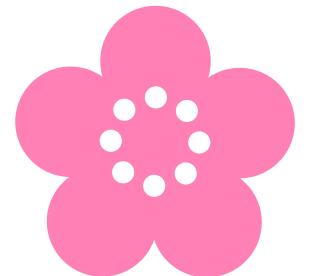
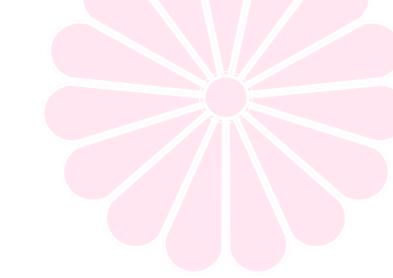


Although accounting for only 8% of fintech app installs, crypto apps saw a massive 134% increase in Q1 2023 compared to the previous quarter. Banking app installs rose by 18% and payment apps by 6%. These trends suggest that Japanese users are looking for alternatives to brick and mortar banking and are shifting toward an innovative, digital financial landscape.

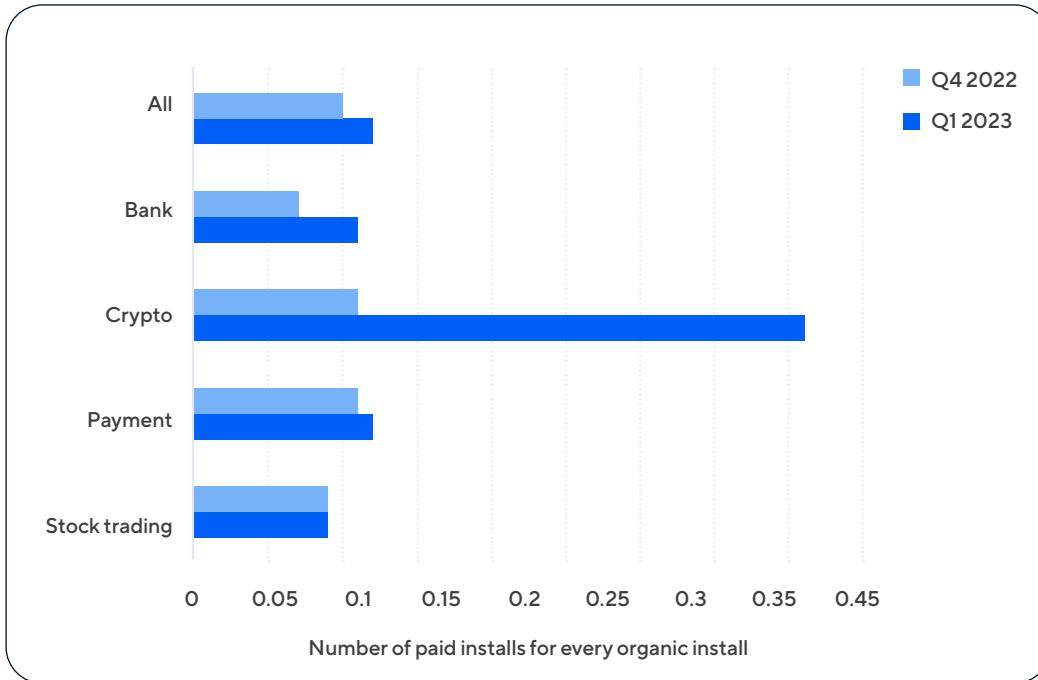
Fintech app installs by platform 2022 - Q1 2023 (Japan)



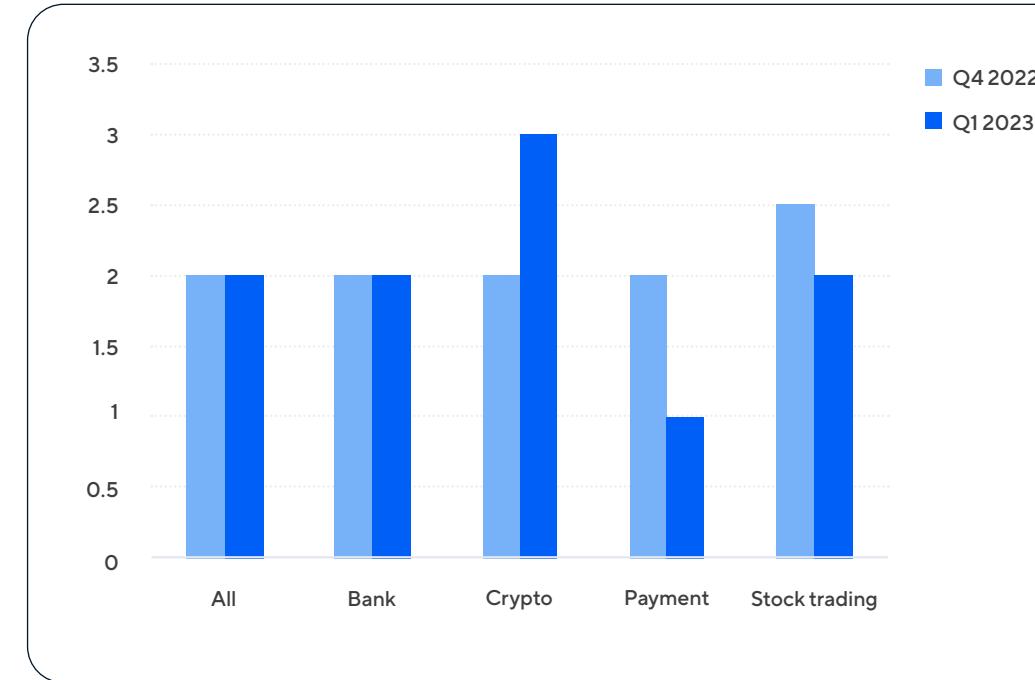
The distribution of fintech installs across platforms was more or less equal, with iOS taking a slightly higher share at 51%. Payment apps are an even tie. For banking and stock trading apps, iOS takes the lead with 61% and 55% of installs, respectively. For crypto apps, Android accounts for 54% of installs.



Fintech app paid/organic ratio Q4 2022 - Q1 2023 (Japan)



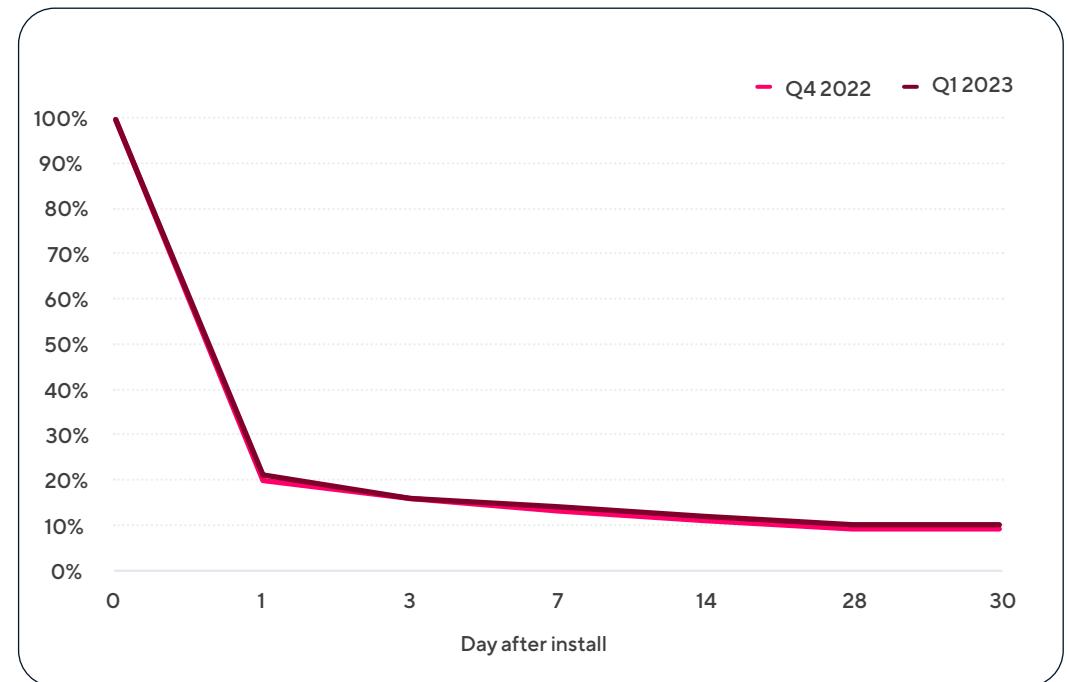
Fintech partners per app Q4 2022 - Q1 2023 (Japan)



In the first quarter of 2023, fintech apps experienced a boost in share of paid installs compared to the previous quarter, climbing from 0.1 to 0.12. Crypto apps saw the most notable surge in Q1 2023, jumping from 0.11 to 0.41. The dramatic increase in share of paid installs can largely be attributed to an increased number of paid campaigns.

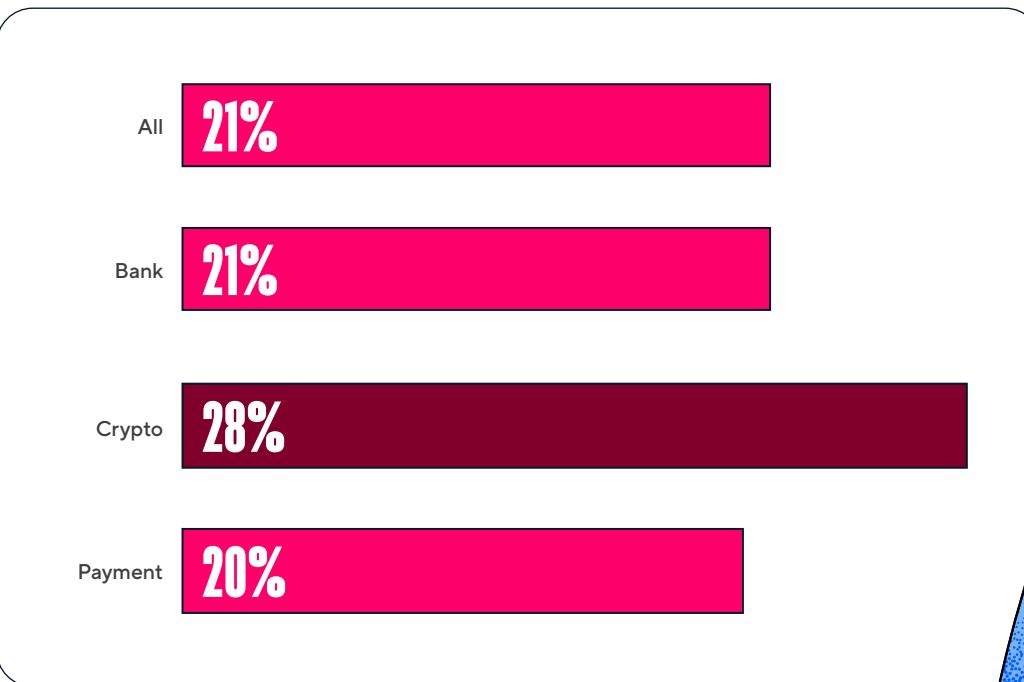
From Q4 2022 to Q1 2023, the number of partners fintech apps worked with overall remained steady at a median of two—the same figure seen for the banking subvertical. In line with install numbers and share of paid, crypto apps increased their number of partners from two to three. Payment and stock trading, however, decreased their partner numbers.

Fintech app retention rates Q4 2022 - Q1 2023 (Japan)

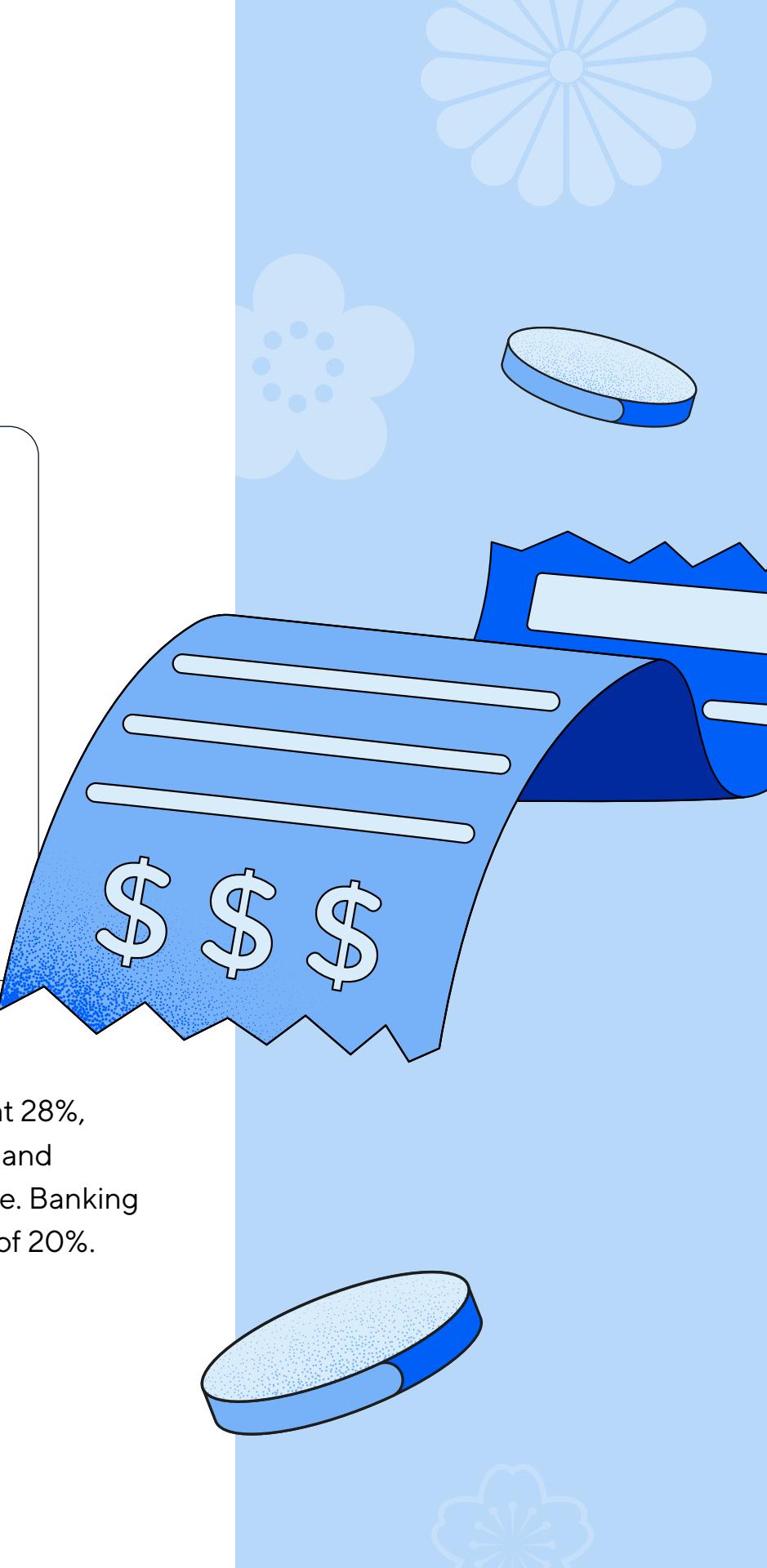


In Q1 of 2023, Japanese users displayed greater engagement with fintech apps compared to the previous quarter. Retention rates on Day 1 increased from 20% to 21%. The trend continued as Day 7 rates rose from 13% to 14%, and Day 30 from 9% to 10%, which is an extremely positive signal for the vertical in 2023. A retention rate increase of even just one percentage point represents immense opportunity for monetization and ROI.

Fintech D1 app retention rates by vertical Q1 2023 (Japan)

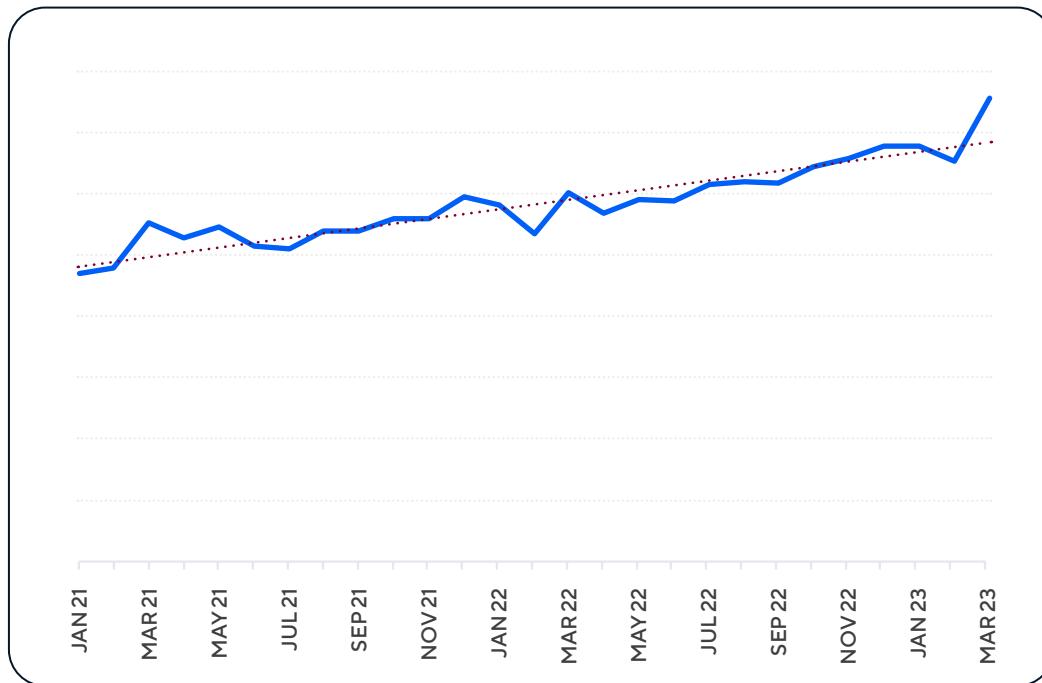


Crypto apps had the highest Day 1 retention rate in Q1 2023 at 28%, demonstrating that the increase in paid campaigns, partners, and volume of installs is paying off with a highly engaged user base. Banking apps followed with 21%, while payment apps had a Day 1 rate of 20%.

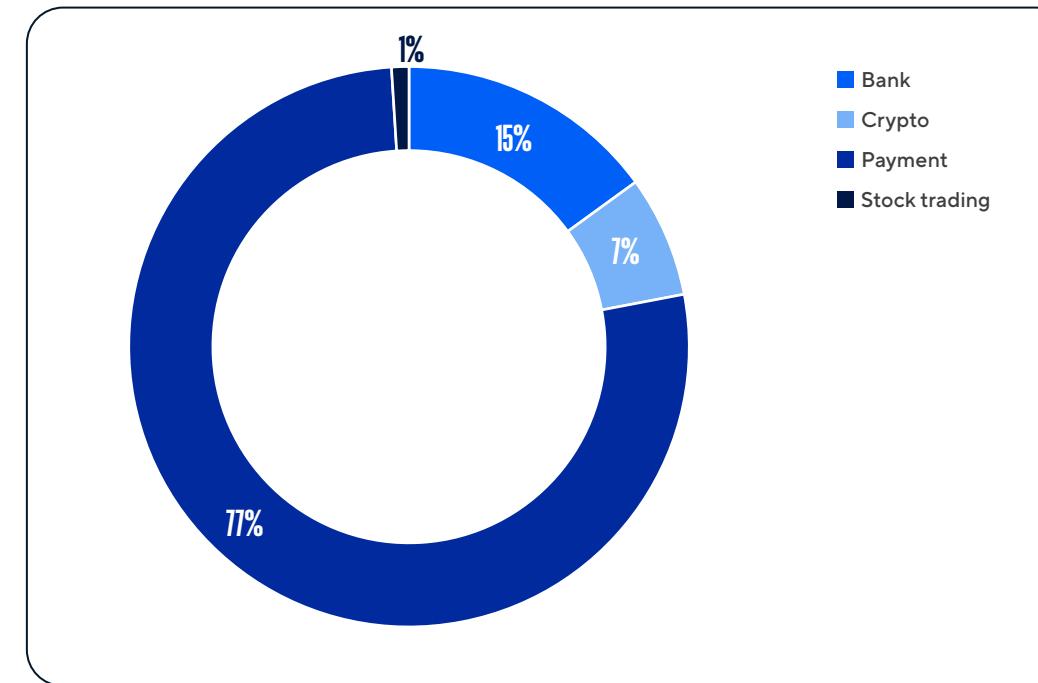


Sessions and user trends

Fintech app session growth January 2021 - March 2023 (Japan)



Fintech app sessions by vertical 2022 - Q1 2023 (Japan)

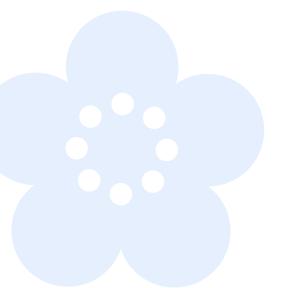
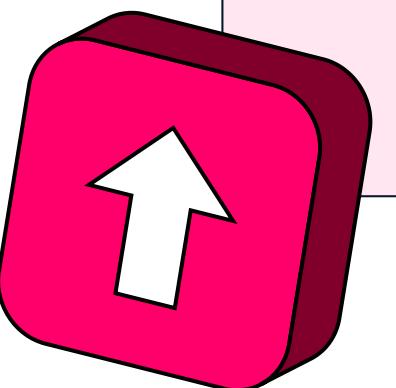
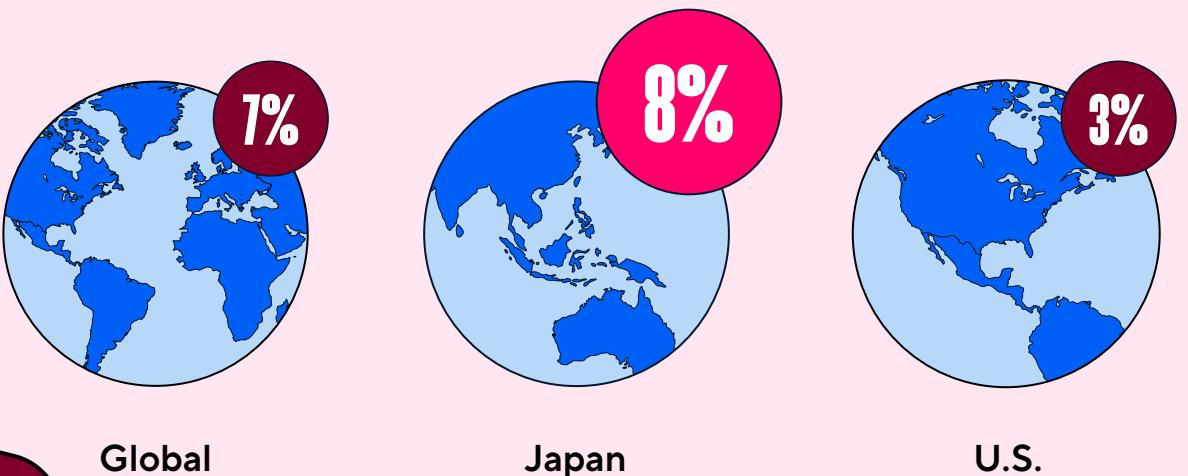


Fintech app sessions in Japan have grown steadily over the past two years and are continuing to thrive in 2023, so far. In 2022, sessions grew by 14% YoY, with Q1 2023 up by another 17% compared to Q4 2022. By March 2023, we see a spike representing a 23% increase on the 2022 average.

Payment apps took the vast majority of fintech app sessions in Japan with 77%, while banking and crypto apps made up 15% and 7%, respectively.

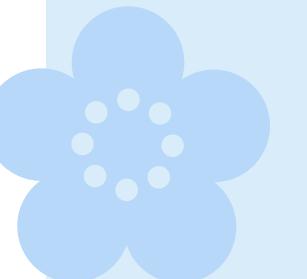
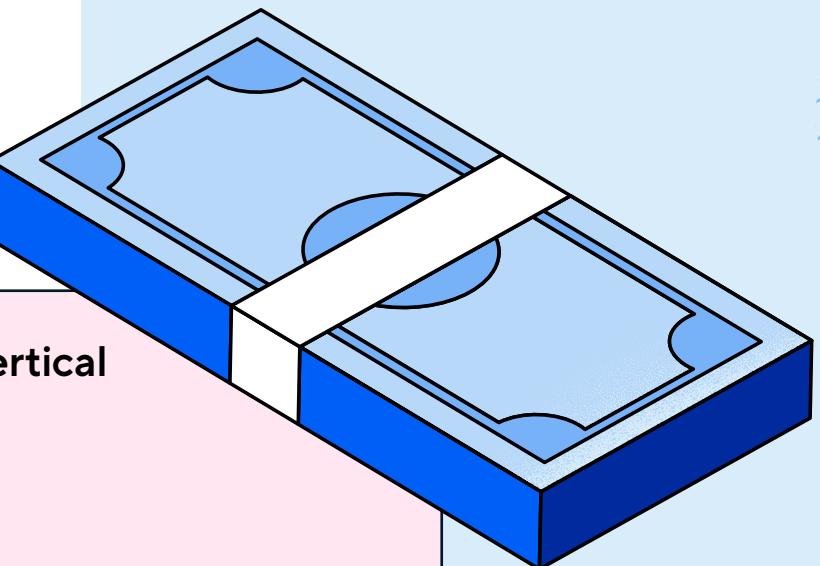
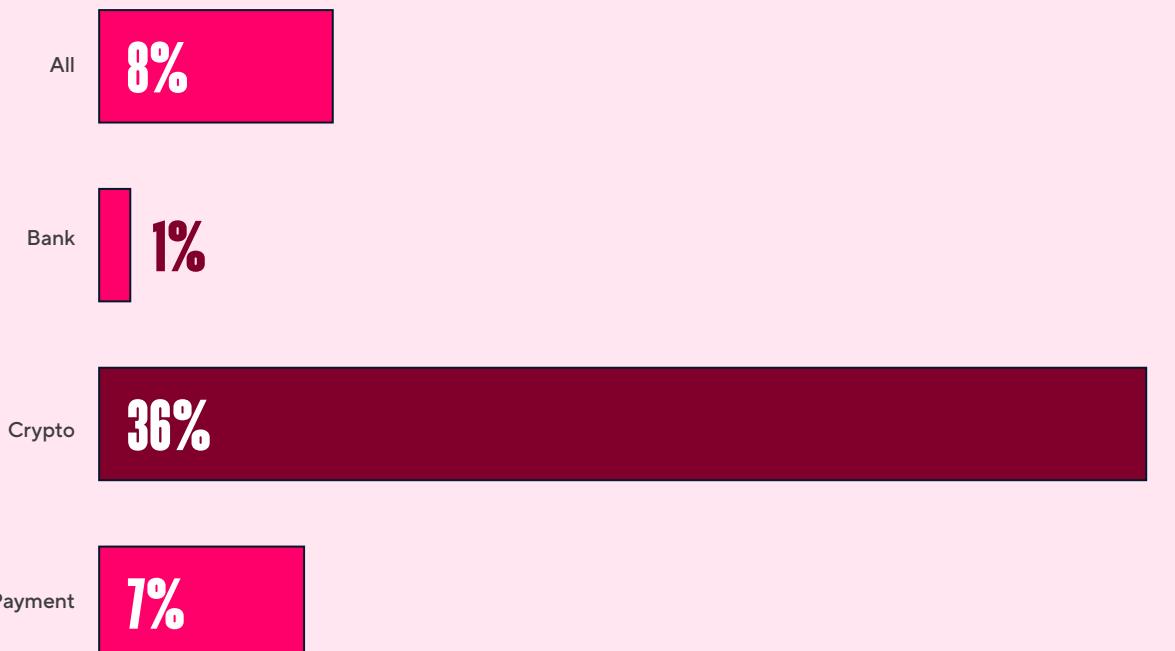
Looking at Q4 2022 and Q1 2023, Japan's fintech app session growth outpaced the global average by one percentage point, at 8% compared to 7%. The U.S. also charted 3% growth.

Fintech app session growth percentages Q1 2023 vs. Q4 2022

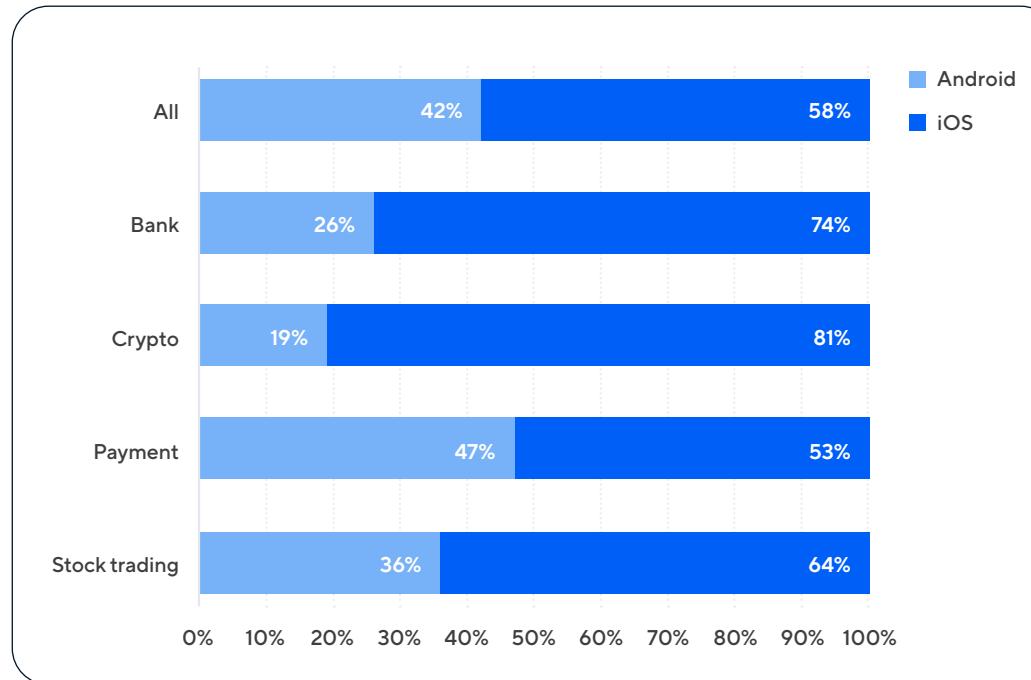


Banking app sessions in Japan grew by an impressive 23% YoY in 2022, and added an extra 1% in Q1 2023 compared to Q4 2022. Payment app sessions also experienced notable growth, with a 25% YoY increase in 2022 and a further 7% increase in Q1 2023. It's crypto again, however, that has seen the biggest boost in 2023 so far, growing by 36% in Q1.

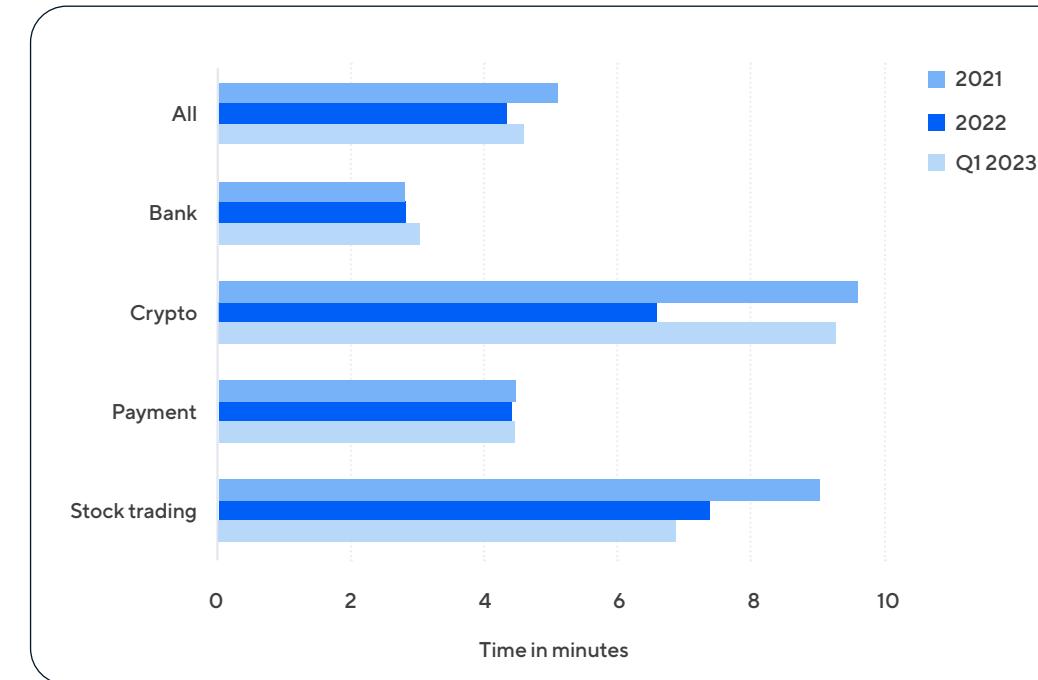
Fintech app session growth percentages by vertical Q1 2023 vs. Q4 2022 (Japan)



Fintech app sessions by platform 2022 - Q1 2023 (Japan)



Fintech app session lengths by vertical 2021 - Q1 2023 (Japan)



In Japan, 58% of all fintech sessions from 2022-Q1 2023 took place on iOS. For crypto apps, the distribution of sessions across platforms varies significantly from installs. Although Android accounts for most of the crypto installs, iOS accounts for the majority of sessions, at 81%. This shows that the high retention rates seen are largely skewed toward iOS users.

Japanese users' fintech session lengths increased from 4.32 in 2022 to 4.58 minutes in Q1 2023. Crypto made the biggest leap, up from 6.58 minutes to 9.27 minutes. This increase is significant as it almost caught up to the average 2021 session length. Stock trading app session lengths are also climbing.

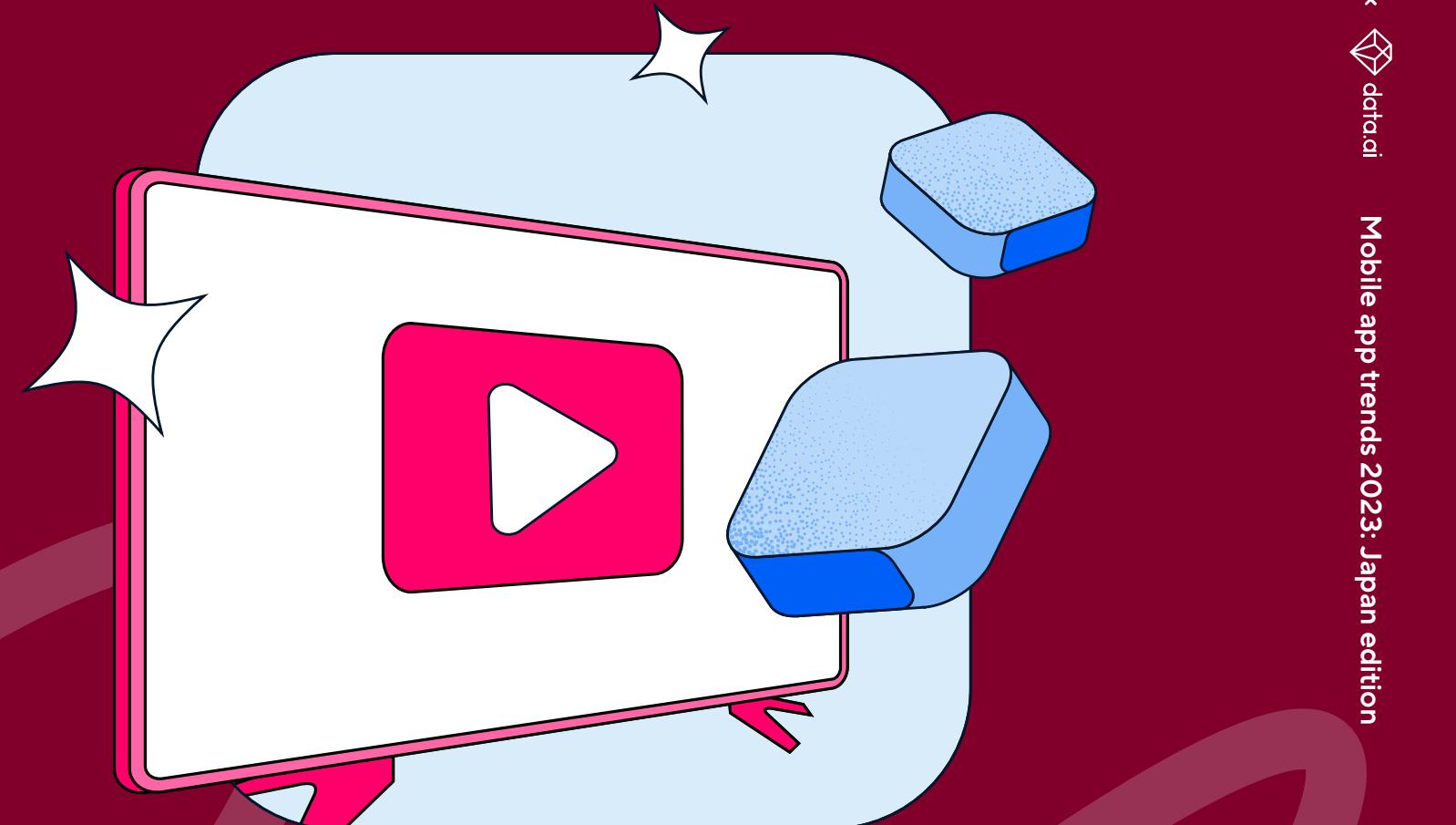
PART 4

Connected TV

A growing opportunity

Japan is in the midst of a digital video content consumption revolution, driven by a surge in adoption of Connected TV (CTV) and over-the-top (OTT) viewing. This presents a wealth of opportunities for marketers and advertisers to reach new and engaged audiences, and to drive users from CTV apps to mobile devices or back to CTV apps themselves. **In May 2023, one of Adjust's top Japanese CTV clients generated 8.2 million CTV impressions that linked to conversions and mobile app installs.**

Broadcasters like TBS and Fuji TV are leaders in the space, offering their own subscription video-on-demand (SVOD) services such as TBS' Paravi and Fuji TV's FOD, which are popular among Japanese audiences. Other home-grown OTT services and global brands, including ABEMA, U-Next, TVer, Disney+, Netflix, and Amazon Prime Video, are also widely used. Most of the advertising inventory is available directly via these OTT streaming services or via demand-side platforms (DSPs) with CTV inventory.



Top 10 apps overall on Apple TV by average daily download rankings in Q1 2023 (Japan)

1	 Disney+ Entertainment
2	 Amazon Prime Video Entertainment
3	 Netflix Entertainment
4	 YouTube Entertainment
5	 U-NEXT Entertainment
6	 ABEMA Entertainment
7	 Hulu Entertainment
8	 WOWOW Entertainment
9	 FOD Entertainment
10	 Paravi Entertainment

Source: data.ai intelligence Note: Apple TV Store



Top apps by vertical on Apple TV by average daily download rankings in Q1 2023 (Japan)

 こどもちゃれんじTV (テレビ版) Education
 Disney+ Entertainment
 Steam Link Games
 swift: Ride and Run Health and fitness
 YouTube Kids Kids
 Tinder - Dating. Meet Friends Lifestyle
 NHK WORLD-JAPAN News
 dazn: Stream Live Sports Sports

Source: data.ai intelligence Note: Apple TV Store



"Already 70% of Japanese TV viewers own a connected TV. CTV is not a trend, but an existing technology that will continue to expand into Japan. Early movers in Japanese CTV advertising will stand to benefit greatly. Compared to linear TV, advertisers can target and measure audiences with greater specificity on CTV."

Gijsbert Pols

PhD, Director of Connected TV and New Channels

ADJUST

Industry stats, trends, and predictions

169.5
BN

The CTV ad market in Japan is forecast to hit [169.5 billion](#) yen by 2025.

30
M

Internet-connected TVs are expected to be owned by [30 million](#) Japanese households by the end of 2023.

60
%

Over [60%](#) of Japanese people prefer to watch YouTube on their television rather than on a mobile device or desktop computer.

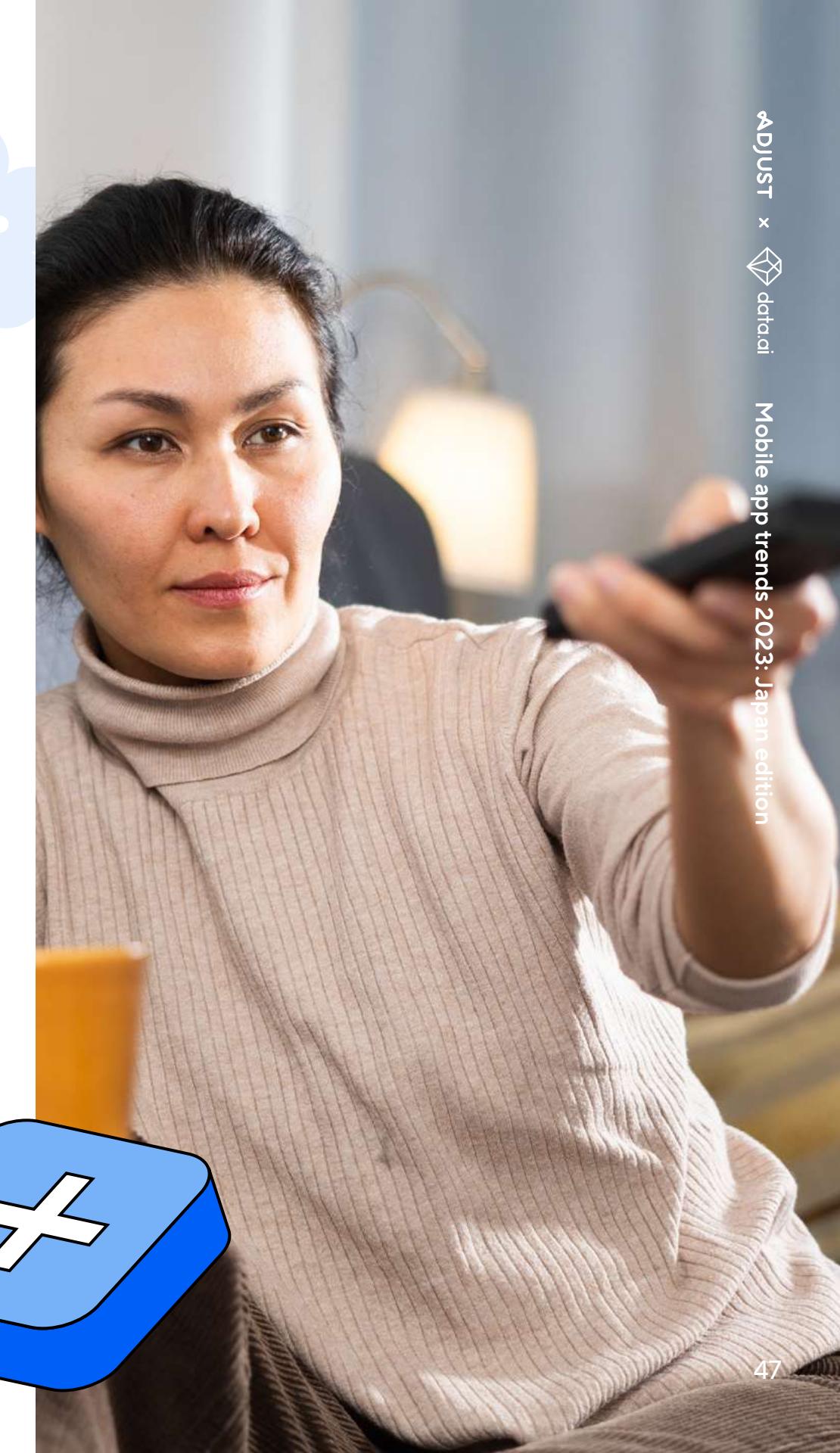
67
%

OTT and CTV investment in APAC is projected to increase by [67%](#) between 2020 and 2026.

Why app marketers need to invest in CTV advertising

Connected TV advertising offers a unique opportunity for mobile app advertisers. By combining the best features of traditional television and digital worlds, CTV provides advertisers with the ability to measure and target their audience while also capturing viewers' attention for longer periods of time. In this unique environment, advertisers can engage with viewers on a larger screen and in a more relaxed atmosphere, one in which users are proven to be more receptive to advertising.

- **Better ad quality:** CTV advertising makes the ad experience more visually and acoustically appealing, with sound and video turned on by default to better engage users with all the sights and sounds they can expect in the app.
- **More captivated audience:** [Research shows](#) that viewers have a higher tolerance for ads when watching TV series, sports, and news on CTV devices, compared to when they watch short-form videos, listen to podcasts, or play games on their mobile devices.
- **Precise targeting:** An effective CTV campaign requires precise targeting through understanding the audience's interests, demographics, and streaming habits. Collecting valuable consumer data helps tailor messaging to create a compelling ad experience that resonates with the audience. This increases the likelihood of conversion.
- **Measurement and optimization:** CTV advertising success relies on accurate measurement and optimization. Metrics such as impressions, click through rate, and engagement rate can assess campaign performance and be leveraged to optimize in real-time. CTV's interactive nature allows for audience segmentation and retargeting, making it ideal for programmatic ads.
- **Impact other channels:** CTV advertising can propel users to down-funnel channels like search and social, increasing exposure and improving lifetime value. It also results in better informed viewers who are more excited about your app, fostering greater loyalty and connection with your brand.



Measuring CTV performance with Adjust

Adjust has teamed up with Japanese entertainment company and OTT streaming service ABEMA to provide advertisers with a comprehensive solution to strengthen their advertising strategies in Japan's growing CTV and OTT space. This marks a milestone in Adjust's efforts to provide the most expansive CTV measurement solution on the market. **Currently, one third of Adjust's CTV campaigns run via ABEMA.** Adjust's CTV app measurement solution also supports all major CTV platforms, including AppleTV, Android TV, Amazon Fire, and Roku, allowing marketers to track ad campaigns and analyze user behavior to optimize ads for better ROI, retention, and re-engagement.

To thrive in the Japanese market—a very mobile heavy space—advertisers must accurately measure cross-device metrics. This enables the monitoring of app conversions and events triggered by CTV ads and unlocks insight on how CTV assists or provides uplift to other channels.

Adjust has the most robust CTV measurement solution on the market, the award winning [CTV AdVision](#). **Currently, four of our top ten clients by CTV campaign volume are Japanese.**

Exciting times are ahead for the CTV industry in Japan, and advertisers who stay on top of user trends while implementing a strong measurement strategy will reap the rewards.



CONCLUSION

App usage takes a leap forward in Japan: 2023 and beyond

The Japanese app market is on an impressive trajectory in 2023 so far, with downloads, user engagement, and consumer spending all soaring in the first quarter. Japanese mobile gamers, for example, are highly captivated and spending longer periods of time in-app. While Japanese players are yet to surpass global median retention rates, they are spending more money, particularly on hyper casual games. To maximize monetization opportunities and foster player loyalty, app developers and marketers must keep cultural relevance in mind, incentivize engagement, employ multi-channel messaging, and diversify their channel mix via avenues such as connected TV.

Japanese consumers are also increasingly using fintech apps, presenting a golden opportunity for app developers and marketers

to attract high LTV users. In particular, crypto apps have experienced phenomenal growth this year, with longer session lengths and higher retention rates. To take advantage of this trend, it's essential to identify the most effective, ROI-driving campaigns, as well as the segments that perform best.

Amidst an economic downturn, Japanese shoppers are searching for the best deals, leading to an increase in session numbers on e-commerce apps, specifically deal discovery. However, they are spending less time on each session. To improve these engagement metrics—across all app verticals—app developers and marketers must leverage tools that enable strategic utilization of privacy-compliant, aggregated data at scale. This unlocks the potential of advanced segmentation and the creation of

personalized user experiences, meaning that from acquisition through to retention, no opportunities are missed.

To excel in the dynamic and fiercely competitive Japanese app market in 2023, mobile marketers must be agile, innovative, and equipped with the right strategies and tools to measure, analyze, and scale.





ABOUT ADJUST

Adjust is trusted by marketers around the world to measure and grow their apps across platforms, from mobile to CTV and beyond. Adjust works with companies at every stage of the app marketing journey, from fast-growing digital brands to brick-and-mortar companies launching their first apps. Adjust's powerful measurement and analytics suite provides visibility, insights and essential tools that drive better results. Adjust is owned by AppLovin (NASDAQ: APP), and is headquartered in Berlin, Germany.

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data.ai's vision is to illuminate the digital landscape by unlocking consumer and market insights to accelerate competitive advantages across mobile and all digital channels globally, powered by AI. We passionately serve enterprise clients to create winning digital experiences for their customers.

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