

Pangle x Newzoo:
Mobile Game Genre Report

Hypercasual

Comparing and Contrasting
Eastern and Western Markets

Intro to the Hypercasual Genre on Mobile

Its history, development, and recent trends

In this last genre report by Pangle and Newzoo, we deep dive into **hypercusual games**. As hypercasual games mainly profit from a high volume of players through in-game ads, downloads are a better indicator for the genre compared to in-app purchases (IAPs). Thus, in the performance analysis, we focus on download data instead of IAP, as we did in the previous two genre reports. The hypercasual genre has seen stable growth in the past two years, accounting for **more than 30% of total downloads among the top 100 globally in 2021**.

Hypercasual games have existed for a long time. Many hypercasual titles were **inspired by arcade games from the 70s and 80s**. The simple, minimal gameplay is often a nostalgic game experience for players, reminding them of their childhood. The first widely-recognized hypercasual is **Flappy Bird (2017)**, successfully monetizing from in-app advisements. Since then, hypercasual games have gradually grown into a unique genre, leading to **new ad-based monetization for mobile games**.

Generally, hypercasual games have **a low entry barrier for developers**. Because of the simple gameplay, game companies can even make hypercasual games on some **no-code development platforms**. Therefore, it's crucial for developers to be innovative and fast to find the next hit in the genre.

One of the latest trends coming out of the hypercasual competition is **hybrid-casual**, which introduces **lite meta layers around the core gameplay** of hypercasual games. The additional game content is critical in improving retention. Furthermore, new meta features often provide opportunities for **in-game purchases**, leading to **hybrid monetization** in the hypercasual space.

With its **massive player base**, hypercasual is essentially a **game of acquisition**. Today, more and more **casual and midcore publishers** are leveraging the large userbase of hypercasual games for **cross-promotion**.



36/100

36 out of the top 100 downloaded mobile games in 2021 were hypercasual.

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Key Takeaways

Hypercasual games in the West vs. in the East



1

Hypercasual was the #1 mobile genre by downloads in 2021.

Hypercasual titles are more welcome and popular in the West than in the East. Among the top 100 games by downloads in 2021 in the four key markets, around half were hypercasual titles in the U.S. and U.K., while in Japan and South Korea, there were only around 20.

2

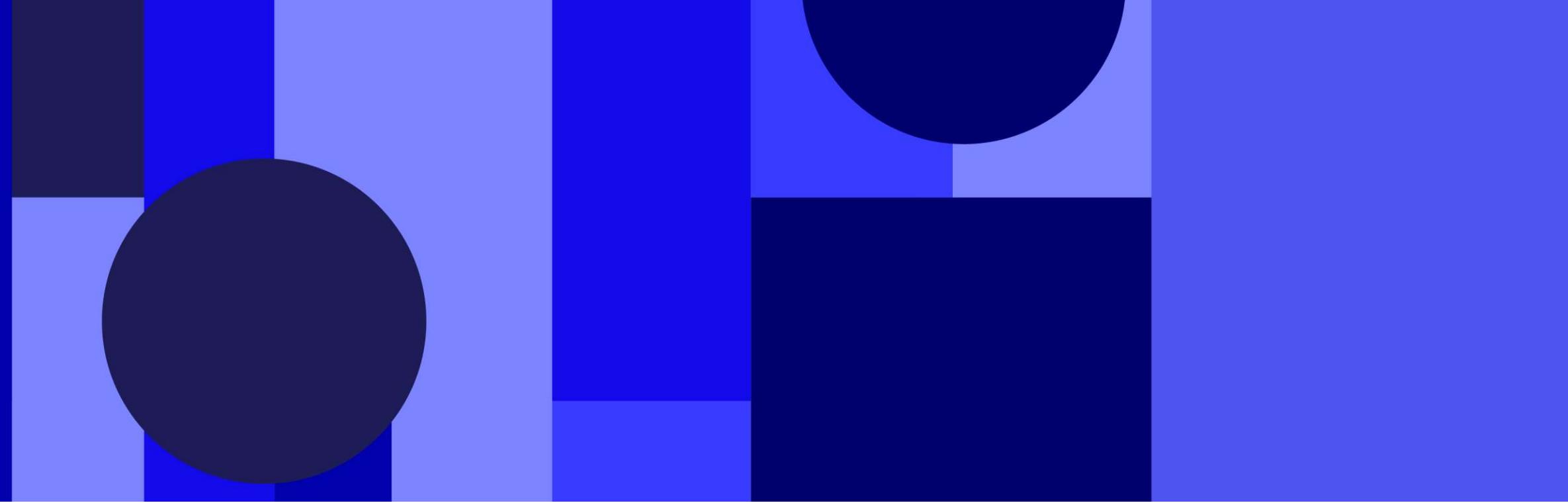
The hypercasual market remains competitive, with new names emerging in the top charts.

In the post-IDFA era, the hypercasual genre is faced with less UA challenge compared to other casual & midcore genres due to its broad targeting strategy. The hypercasual market remains competitive in the West and East alike. New hypercasual titles are rapidly added to the charts. We see 36 hypercasual titles among the top 100 downloaded games in 2021, while only eight out of these 36 were seen in the 2020 ranking.

3

Lite meta features in hypercasual games bring new monetization opportunities.

In the past two years, hypercasual titles are adding more in-depth game content to retain players, which also creates monetization opportunities for both IAA and IAP. According to Pangle, among all common types of ads placed in hypercasual games, interstitial video is the most adopted format.



1. Overview of Hypercasual Games

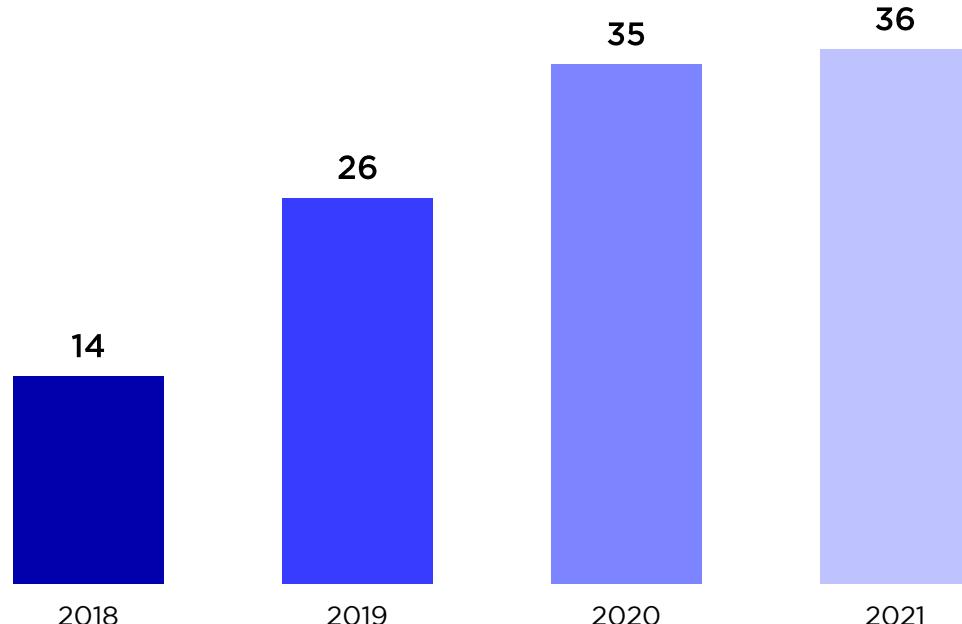
Downloads and key market developments

Downloads of Hypercasual Games Grew Significantly From 2018-2020

From 2020 to 2021, the market stays relatively stable in terms of downloads

Number of Hypercasual Games Among Top 100 Downloaded Games

Global | iOS & Google Play | 2018-2021



Top 5 Hypercasual Publishers by Downloads in 2021

iOS & Google Play | Among Top 100 Games by Downloads

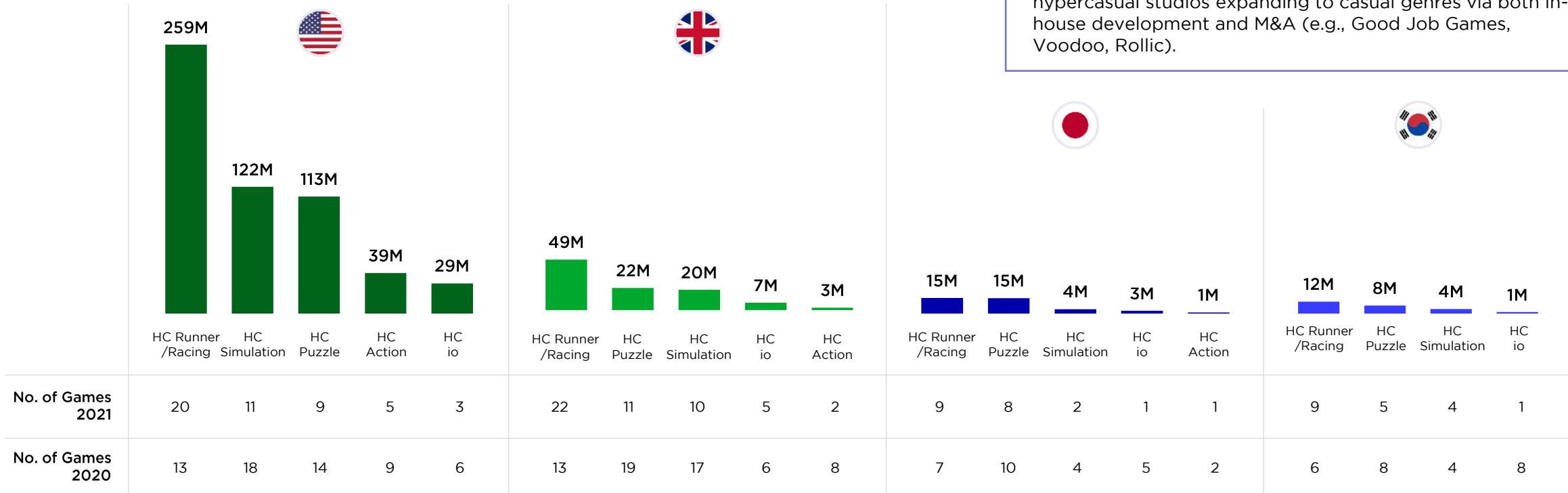
- 1 SUPER SONIC
- 2 Zynga® incl. follic
- 3 AZUR GAMES ▶
- 4 Crazy Labs
- 5 SAYGAMES

Hypercasual Games Attract More Downloads in the West

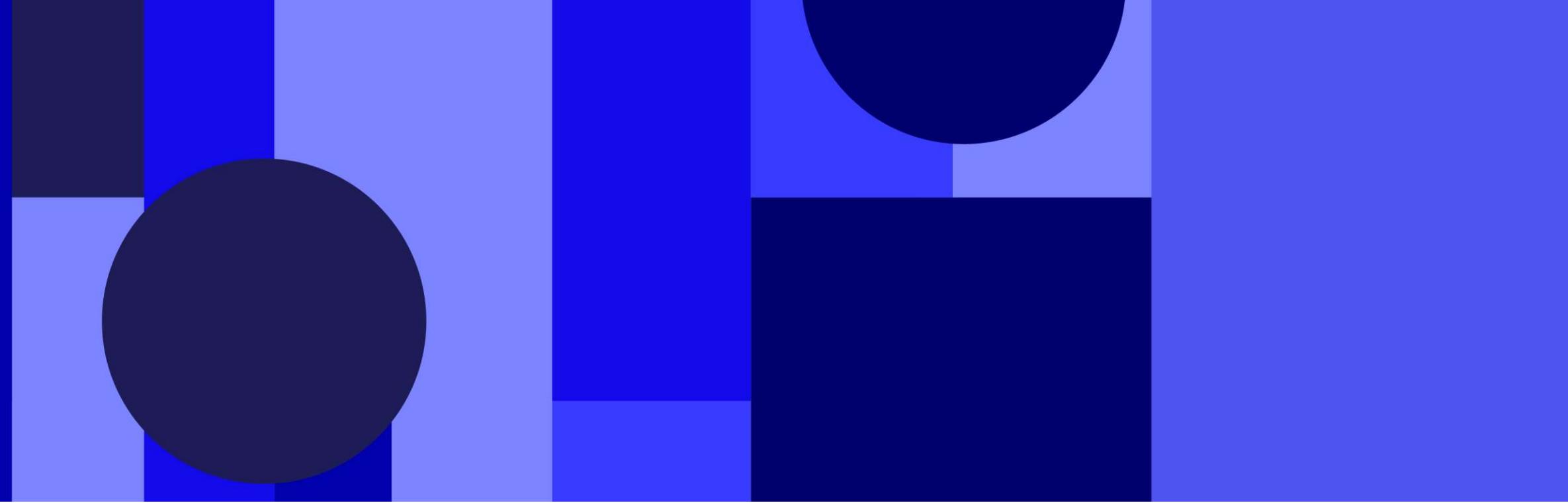
While puzzle and simulation hypercasual led the download chart in 2020, runner/racing was the most popular subgenre across the four markets in 2021.

Hypercasual Subgenre Distribution by Downloads

iOS & Google Play | 2021 | Among Top 100 Games by Downloads



The hypercasual market evolves rapidly in terms of trends. For example, ASMR was a trendy mechanic in 2020, yet it fell out of the ranking in 2021. Runner/racing took over simulation hypercasual as the most popular subgenre in 2021. Additionally, compared to other genres, there are few “forever franchises” in the hypercasual space. As you’ll see on slide #13, more and more studios are investing in improving retention, leading to the emergence of hybrid-casual games. Meanwhile, there’s an increasing number of hypercasual studios expanding to casual genres via both in-house development and M&A (e.g., Good Job Games, Voodoo, Rollic).



2. Finding Success in Key Markets

Acquisition, retention, and monetization strategies



Opportunities for Hypercasual Games

Hypercasual games continue to be a huge success story and an innovative, vibrant genre within the mobile games industry. Almost one-third of the most downloaded games are currently hypercasual titles—this amount increased by 157% as compared with that in 2018. The good news is that there is still plenty of potential for new publishers to find success in hypercasual. It's a genre which is played by every demographic, and the design of hypercasual means that anyone can enjoy a burst of simple gaming fun.

Pangle the advertising network of TikTok For Business, is well placed to help hypercasual publishers achieve global success. With innovative products like retention optimization and expert teams that work with publishers to optimize their UA strategies, create fun, engaging and effective ads, and ensure that every aspect of their game marketing is supporting their monetization goals.



Jason Wang
Product Lead, Pangle

User Acquisition: The Most Crucial Stage for Hypercasual Games

Cross-promotion between games is a common UA strategy adopted by hypercasual studios

Acquisition

User acquisition is extremely important for hypercasual games, as they require a large number of installs to be successful. To appeal to a wide range of audiences, hypercasual games are designed with simple game mechanics and universal art styles and themes. Game titles and advertisements are usually straightforward to help gamers understand the gameplay in a few seconds.

In general, hypercasual games have a significantly lower cost per install (CPI) compared to other game genres. This lowers the entry barrier for developers and consequently raises the competition level in the genre. However, as hypercasual gamers usually play several titles at the same time, hypercasual games don't seek users exclusively. Therefore, cross-promotion between hypercasual games is common.

To appeal to more casual gamers, (leading) hypercasual developers are devoting more resources in enhancing game design and gameplay (see examples on the right). Meanwhile, an increasing number of trend-based hypercasual games have emerged to improve UA efficiency (e.g., Squid Game-based games in 2020). However, these trend-based games usually find it challenging to retain users as the trend fades away in popularity.

Art Style of Leading Runner Hypercasual Games Over Years



Run Race 3D (2019)



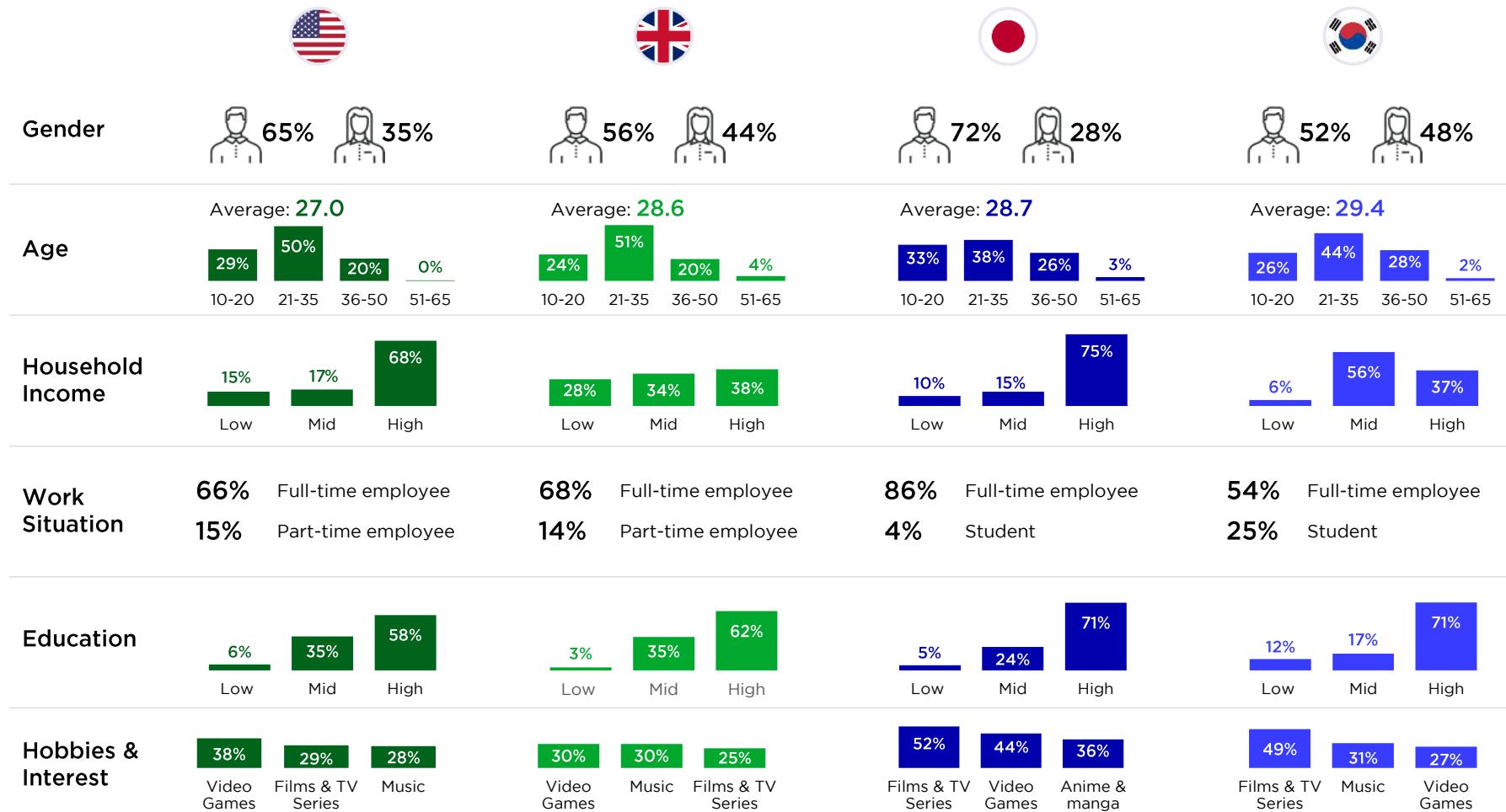
Cube Surfer! (2020)



Hair Challenge (2021)

User Acquisition: What Do Hypercasual Players Look Like in Key Markets?

Hypercasual gamers are younger than the average mobile players and skew male across the four key markets



Across the four key markets, hypercasual gamers are similar demographically; they skew male, are full-time employees, have a mid-to-high income, and enjoy film, TV series, and video games. Hypercasual players across these markets **skew younger** among all mobile gamers. While the **average age of mobile gamers** in these four markets is around 33, the **average age of hypercasual gamers** is below 30.

User Acquisition: Targeting Retaining Players Is the Key for Hypercasual

Utilize Pangle's Retention Optimization solution to acquiring loyal users



Pangle's Capabilities

Retention rate is a crucial metric for hypercasual games, allowing publishers to forecast user growth, revenue growth trajectory, and calculate customer lifetime value (LTV). However, marketing campaigns to acquire users in the past often struggled to target the proper audience.

Pangle is the audience network of TikTok For Business, enabling advertisers to reach beyond TikTok through a premium app network. **Pangle's Retention Optimization (RO)** solution sheds light on this issue. Instead of marketing through demographics like ages, genders, etc., RO seeks users who are **likely to return** the day after installation **given the targeted CPI** (Cost Per Install).



Retention Optimization Process

- 1 Advertisers post back retaining user profile data.
- 2 Pangle's ad delivery system proceeds data learning.
- 3 Portray user profiles.
- 4 Acquire similar loyal users.



Case Study



Genre: Hypercasual Puzzle
Platform: Android
Market: Japan

After switching the app's optimization goal from install to retention by adopting Pangle's Retention Optimization, the hypercasual puzzle game reduced its cost per day 1 retention by 30%.

Retention: Leading Publishers Compete to Retain Valuable Users

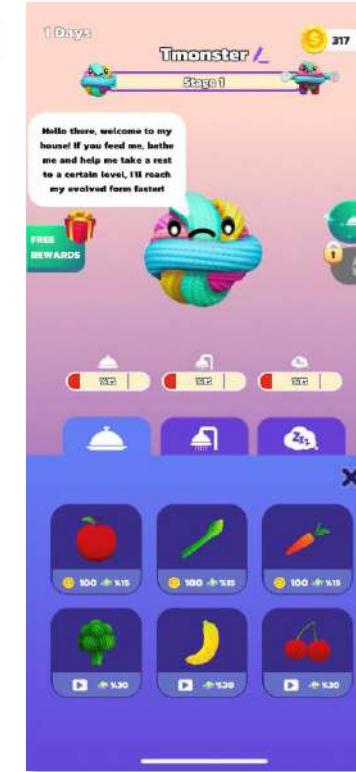
By adding lite meta and live-ops, hypercasual games are gradually growing toward hybrid-casual

Retention

The classic hypercasual games often struggle to retain their high volume of players. As a rule-of-thumb, mobile game publishers decide whether to continue investing in a game if it reaches D1 retention of 40%. D7 retention rates are where hypercasual games fall short. On average, mobile games reach around 20% D7 retention. However, for hypercasual games, the rate often falls below 10%.

To address the issue of low retention, more and more hypercasual games are deepening the game loop by adding progressive difficulty and lite meta. Simply put, the hypercasual genre is increasingly evolving into hybrid-casual. For example, Join Clash from Supersonic features RPG mechanics and customization. Tangle Master 3D from Rollic adds a pet-like system on top of the puzzle gameplay. Another Rollic's hit High Heels even introduces a leaderboard to boost engagement and retention.

What's more, hypercasual publishers are learning from other genres to embrace live-ops. During the Christmas session, many hypercasual games featured Christmas elements and holiday game modes. IP and brand injection—as part of live-ops—is another trend that's rising in the hypercasual space. In June 2021 Zynga partnered with American designer Kenneth Cole to debut the Kenneth Cole Pride 2021 collection in High Heels.



In Tangle Master, players take care of the pet by watching ads or spending in-game coins.



High Heels collaborated with Kenneth Cole for the designer's Pride 2021 collection. It marks first time that Cole's style has been presented in mobile games.

Monetization: Hypercasual Games Primarily Monetize via In-Game Ads

Interstitial video is generally the most common ad format placed in hypercasual games

In-App Advertising (IAA)

In-game ads are by far the biggest revenue stream for hypercasual game developers. Meta features in hypercasual games also bring more opportunities for in-game ads. Ads are used as an in-game currency—in some cases, the only currency—in hypercasual games. Players watch ads to progress, unlock items, join gacha pulls, get rewards, revive, etc. Popular hypercasual games such as Rollic's Hair Challenge even implement the concept of “Battle Pass”. To unlock exclusive content and rewards, players are required to watch several ads.

The most common ad formats in hypercasual games include **interstitial videos**, **rewarded videos**, and **banner ads**. According to Pangle, interstitial ads were the most adopted ad format by across Japan, South Korea, Brazil, and Russia in 2021, followed by rewarded videos and banner ads. Banner ads are more accepted in Brazil and Russia compared to Japan and South Korea.

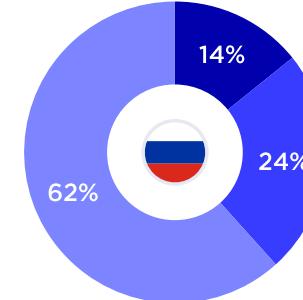
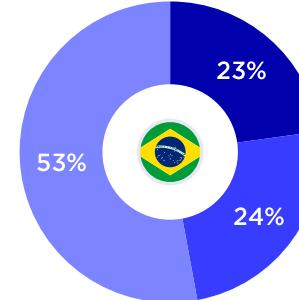
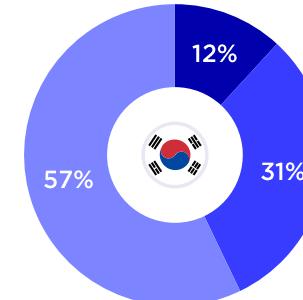
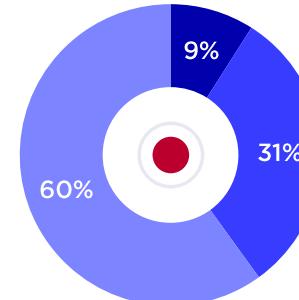


Some games feature a floating box next to the core gameplay as a **native ad** (see screenshot on the right: ASMR Slicing). Since the gameplay of most hypercasual games is very simple, the ad placement does not affect the gaming experience.

Distribution of Ad Formats in Hypercasual Games

Based on Pangle's network | 2021 | Japan, South Korea, Brazil, and Russia

● Banner Ads ● Rewarded Videos ● Interstitial Videos



Source: Pangle

Monetization: New Revenue Streams From Other Genres and Mechanics

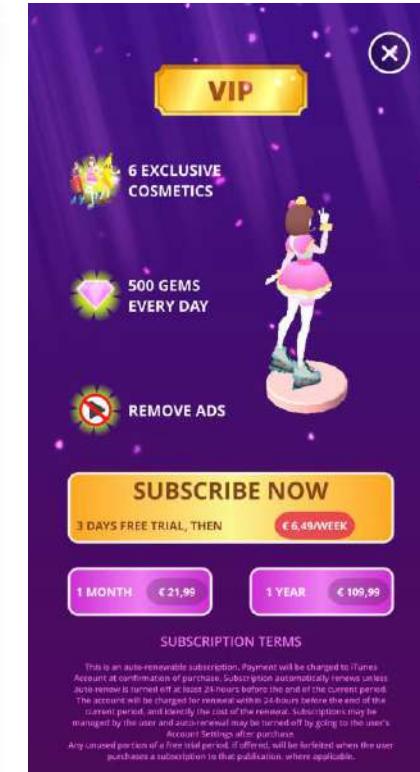
Hybrid monetization is on a rise among hypercasual games

New Monetization Opportunities

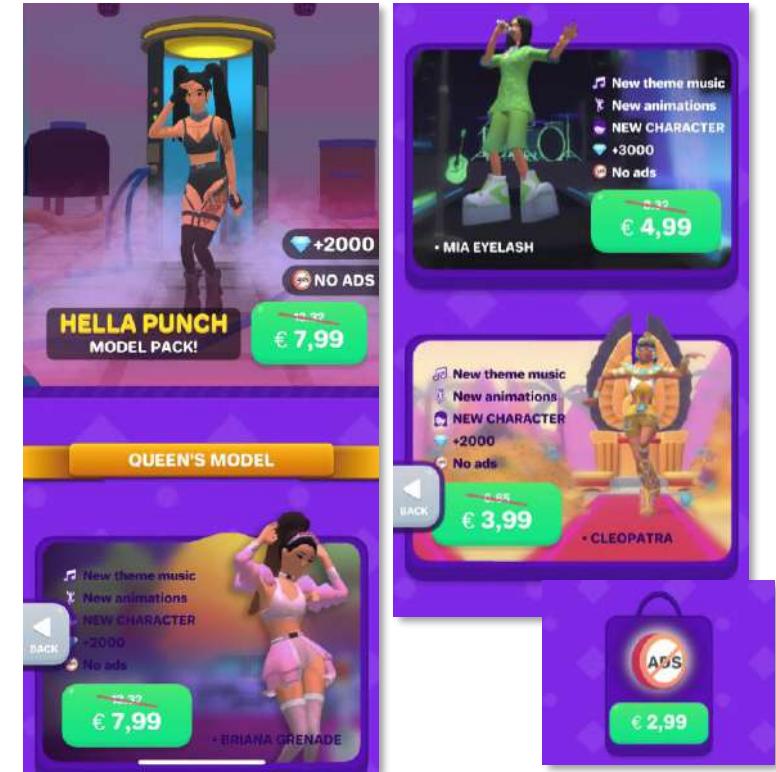
Previously, hypercasual games were often used to **cross-promote** other hypercasual titles. However, in the past year, we've seen more and more **games from other genres advertise in hypercasual games**. As you'll see on the next slide, **hypercasual players enjoy a variety of other genres** on mobile. Game publishers from other genres increasingly see the opportunity in hypercasual games to reach their (potential) audiences.

On top of IAA revenue, more and more hypercasual studios are charging consumers directly. It has become a common practice for hypercasual games to offer the option to **pay to remove ads**, typically at a price ranging from \$2 to \$3.

Additionally, although uncommon, several hypercasual game developers try to make money via **subscriptions** and **IAPs**, such as **Sky Roller** from Homa Games and **High Heels** from Rollic. These subscriptions/IAPs not only remove ads but also unlock new content, exclusive items, and/or extra in-game currencies.



Sky Roller offers VIP subscription to get exclusive cosmetics, gems, and ads-free.



A variety of IAP options are available in High Heels.

Monetization: What Other Genres Do Hypercasual Gamers Play?

Publishers of other game genres can leverage the large user base of hypercasual games to acquire players

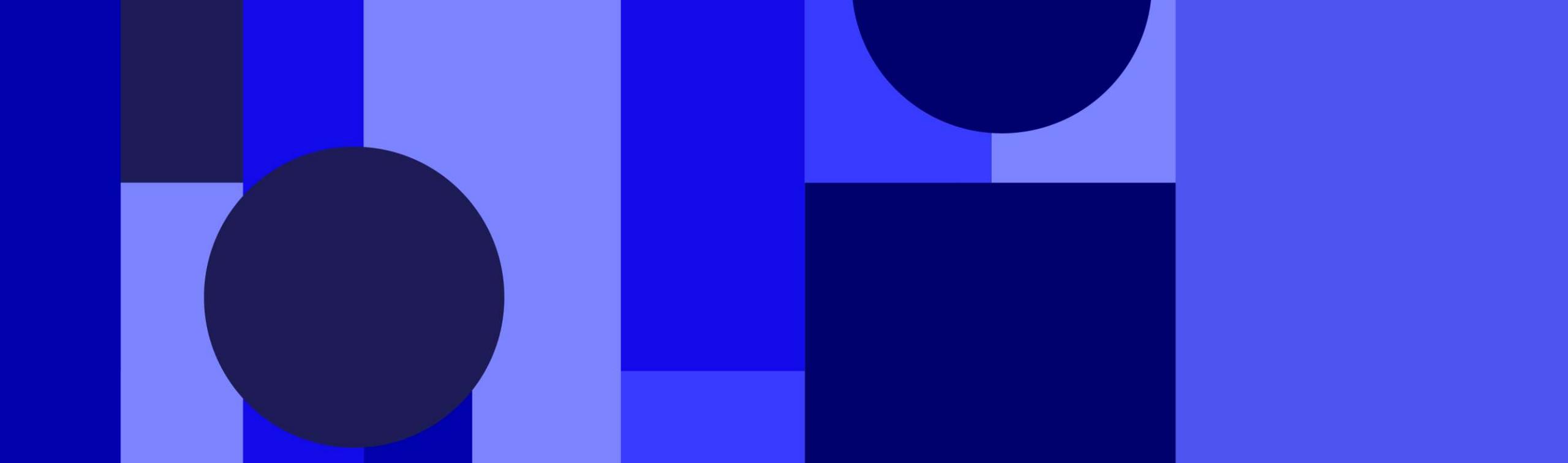
Top 5 Most Popular Genres Among Hypercasual Gamers

Based on mobile genres played in the past 6 months

	USA	UK	Japan	Korea	
1	Battle Royale	1	Arcade	1	Role-Playing
2	Puzzle	2	Simulation	2	Strategy
3	Sports	3	Strategy	3	Arcade
4	Shooter	4	Fighting	4	Simulation
5	Simulation	5	Sports	5	Battle Royale



The types of games that hypercasual players enjoy across the four markets **vary significantly**. Interestingly, these gamers also love to play many **midcore genres** such as **battle royale**, **strategy**, and **role-playing**. Casual and midcore publishers looking to run ads in hypercasual games should take the **geo difference** into consideration. As you'll see in the next section, running **localized ads** is one of the key success factors for publishers in user acquisition (UA).



3. Stakeholder Spotlight





Developer Chat: Kooapps Talks About the Key Differences Between the West and the East in UA, Monetization, and Publishing.

Kooapps is a mobile gaming studio and publisher. Their portfolio of games have attracted over 250 million downloads globally. Notable titles of Kooapps include Snake.io, Stacky Bird, and Pictoword. Kooapps' mission is to connect the world through amazing daily experiences.

We sat down with **Chun-Kai (CK) Wang**, CEO & Co-Founder of Kooapps to share the company's successful story in publishing and monetizing Snake.io in Asia as an American game company.



UA, Monetization, and Publishing Strategies for Hypercasual Games Across the East and the West

Localization is key in UA. Work with trustworthy partners on ad monetization to boost LTV effectively.



As the Eastern and Western mobile games markets are very different, what led you to shift gears from the American or the non-Asian markets into Asia?

We always wanted to make games for the Asian market, because we have a large team there. And that's where I grew up. We started in Asia with our word game Pictoword which had been previously focused on the Western markets, but **selling word games in Asia turned out to be a lot harder than we had expected.**

It was really Snake.io that helped us unlock the opportunity in the Asian markets. With its universal mechanics, **Snake.io transcends language and culture and becomes a game everybody wants to play.** That allowed us to enter the Asian markets.

As we're talking about your success in Asia, what kind of success have you seen in the Asian markets? And what countries/markets have you been most successful in?

On a DAU basis, there are a couple of countries in **Southeast Asia** that are among our top 15 countries across the globe. For example, the Philippines, Vietnam, and Indonesia are three of the top 15 countries for Snake.io.

On a revenue basis, **Japan, South Korea, and Taiwan** are among the top 15 for Kooapps, thanks to our ad monetization partners like Pangle. eCPM rates are super strong in these markets. Generally, **eCPM in Japan is even higher than that in the U.S.** and in South Korea and Taiwan, it's slightly lower. That really enabled us to do UA profitably in Asia. And of course, China is among our top DAU and top revenue countries—roughly among top 10.

Partly with Snake.io, the mechanic itself is also battle arena. So, it lends itself very well to **gacha, RPG, and strategy games that are popular in Asia.** It's the combination of our game's mechanics and partners that we work with on the ad monetization side that has helped us grow LTV to the point where we're able to do UA.

Can you share some of the recipes for success in Asia as an American publisher?

On the ad monetization side, work with partners who have strong **local expertise.** As the mobile industry gets increasingly competitive and consolidated, make sure that you have the best setup and the best networks on the ad tech side. Test as many networks as possible and make sure it's all optimized.

And on the UA side, it's all about **localizing the themes and knowing the culture.** Even if you are not able to run fully localized live events, running localized ads will help. We localize a lot of our targeted ads. We see the types of ads we run in Asia vs. in the U.S. are very differently, especially on TikTok. It's probably because TikTok is real-time, full of visual and audio elements, which makes culture play a strong role in advertising. For instance, on TikTok, we even **A/B test the soundtrack** that's being played in a video whereas soundtrack doesn't matter for any other SDK network that we run UA on. In conclusion, when running ads, localization plays a big part in our recipe for success in Asia.

Since you've had three years of game publishing experience in Asia, what are some of the major differences that you see between Asia and the West on the publishing side?

I've recognized three major differences: **UI design, in-game economy, and game themes & live events.**

Firstly, games we make and localize for Asia feature user interfaces that are more cluttered. We learnt about it during the dot-com days where websites made for the Asian markets were like a treasure hunt, with a long list of lots of places to



Chun-Kai Wang
CEO & Co-Founder
Kooapps



click on. Research studies also show that Asian people find it enjoyable to plow through all of the clutter and find the link that they want. But in the U.S., it's completely the opposite. Therefore, it is one part to be very cognizant about when designing the user interface of a game. If your game targets mostly the Asian markets, you'd want it to be busy and crowded. Whereas for Western markets, you want it to be very simple. **Simply put, be very careful with what the UI/UX looks like. That's a very big difference between the Asian and Western markets.**

For Snake.io, because we target both the Asian and Western markets, we need mechanics that transcend cultures and all that. What ends up happening is we make the hypercasual-like experience for Snake.io. **The first 3 days of the user experience is very clean and concise. When it gets to day 7 and day 30, we add in progression, live events, economy, and light versions of gotcha—the UI starts to get busy.**

Secondly, in terms of in-game economy, **Asian gamers are much more open to rewarded videos and gacha**. Players enjoy gacha pulls and **opt-in rates for rewarded videos are higher**. As a result, Asian gamers are usually more engaged, and they tend to understand the game economy much better than users in the U.S. on average and

aggregate. For publishers, it's one thing to consider about your in-game economy and the gacha system, e.g., how you position your free pulls, premium pulls, and rewarded video pulls, etc.

Lastly, there are differences in game themes and the type of live events publishers run across the East and the West. Thematically, we end up having to choose a balance for Snake.io, something that is universal. However, **we do run localized events. We've launched events like the Lunar New Year, which is really Asian-only.**

What are some of the challenges you saw or uncovered as an American game publisher in Asia?

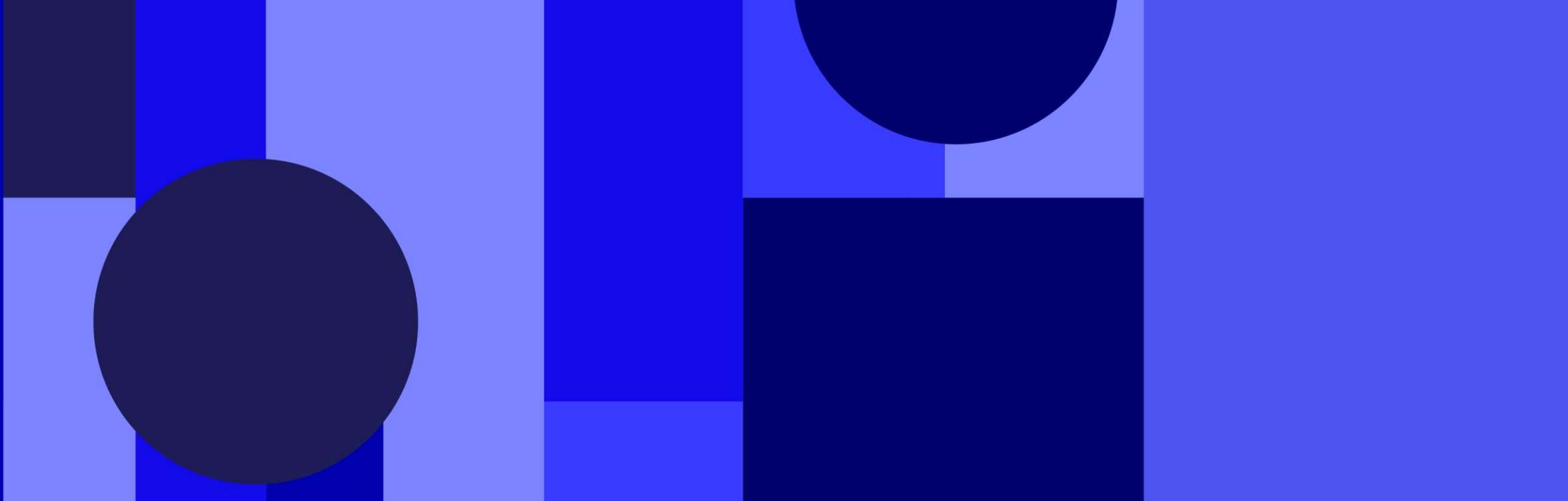
One big challenge that's known to Western publishers is that logistically, it takes quite some time to be fully operational and fully running in China due to regulations. Luckily, we don't have that issue in other Asian markets yet and hopefully the environment remains friendly for global publishers.

The other challenge for us is to run local events in regions where LTVs are low, such as Southeast Asia. Even though we have large DAUs in Southeast Asia (e.g., the Philippines, Vietnam, and Indonesia), revenue generated from the region is

not high enough for us to run live events exclusively for their culture, like what we do with the Lunar New Year for the Chinese Mainland, South Korea, and Taiwan.

It is something that we are thinking about for the future as we scale up and grow our DAU numbers even further. We are now at 2.5 million daily active users globally. At some point when we reach perhaps five or six million DAUs, running local events will start to be something we put more focus on.





About





The destination for games market insights.

We are the world's most trusted and quoted source for games market insights and analytics. We help some of the world's largest entertainment, technology, and media companies target their audience, track competitors, spot opportunities, and make strategic and financial decisions.

www.newzoo.com



Where Apps Thrive.

Pangle is the ad network of TikTok For Business. Pangle enables global app developers to maximize their earnings through exclusive TikTok For Business ad demand, and advertisers to reach out to a massive audience engaging in a premium mobile app network.

www.pangleglobal.com

Why Pangle Matters?

Monetization

For developers: the smarter way to earn more

1

Exclusive access to
TikTok For Business ad demand

2

Maximize revenue via
In-app bidding
(support major mediations)

3

Popular ad formats:
Rewarded ads/Interstitial
ads/Native ads/Banner ads

4

UA-MO growth loop
support

User acquisition

For advertisers: supercharge your user growth

1

Algorithm driven ad tech

2

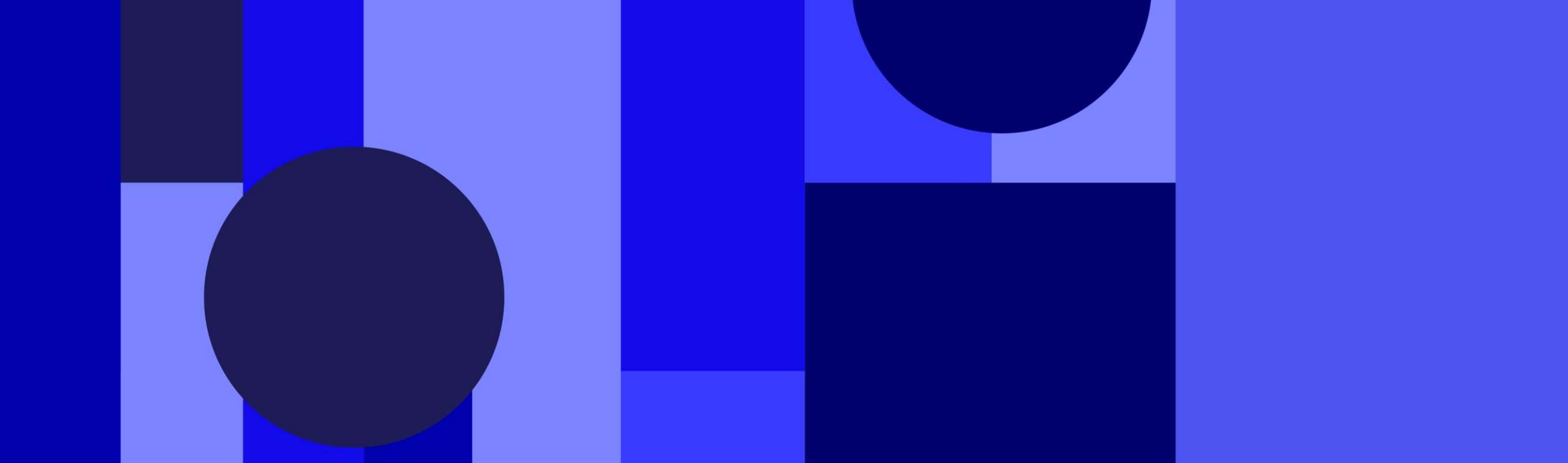
In-app event optimization
(purchase, retention, etc.)

3

Support playable ads with
built-in conversion potential

4

Free playable production
and adaptation tools

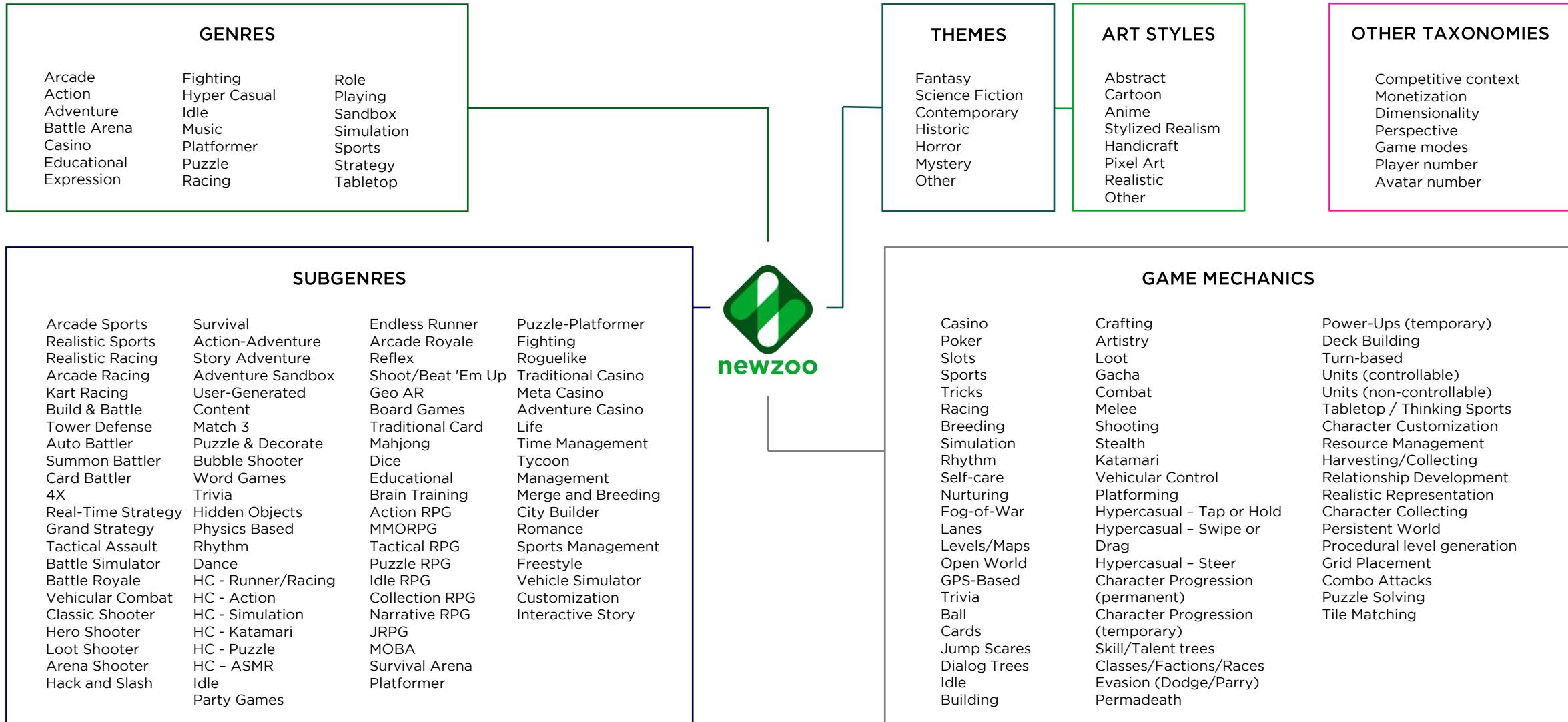


Appendix

Newzoo Games Taxonomy & Consumer Insights Terminology



Newzoo Games Taxonomy



Newzoo Consumer Insights Terminology

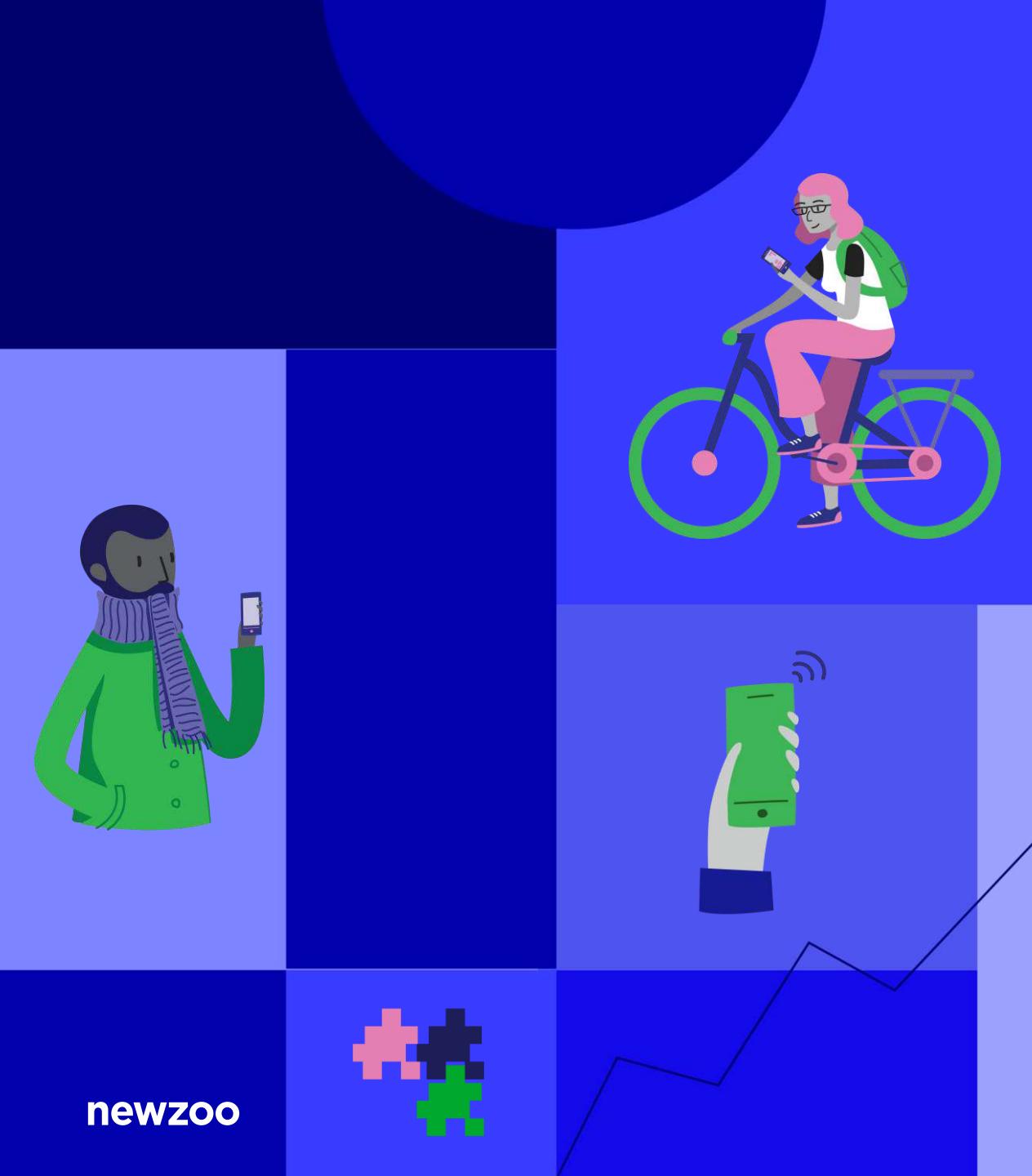
Income and Education Brackets | Newzoo Consumer Insights - Games & Esports 2021

Income Brackets

Country	Time Period	Low	Medium	High
United States	Yearly	< \$40,000	\$40,000 - \$75,000	\$75,000
United Kingdom	Yearly	< £28,000	£28,000 - £49,000	£49,000 >
Japan	Yearly	< ¥4,000,000	¥4,000,000 - ¥7,000,000	¥7,000,000 >
South Korea	Yearly	< 20,000,000 KRW	20,000,000 - 60,000,000 KRW	60,000,000 KRW >

Education Brackets

Country	Low	Medium	High
United States	Elementary school. Middle school, Incomplete Secondary (high school) Education	Secondary (high school) Education, Some College, University, Technical School, or Further Education, Associate's Degree	Vocational or Technical Degree, Bachelor's Degree, Master's Degree, Doctoral or Professional Degree
United Kingdom	Combined Junior and Infant School (Primary school) / Infant School, Junior School, Incomplete Secondary Education (Below GCSE / O Level)	Secondary Education Completed (GCSE / O Level / CSE or equivalent), Secondary Education Completed (A Level or equivalent), Some Vocational or Technical Qualifications	Vocational or Technical Qualifications Completed (e.g., HND, NVQ), University Education Completed (Undergraduate Degree e.g., BA, BSc), Postgraduate Education Completed (e.g., Masters), Doctorate, Post-doctorate or equivalent (Higher Degree)
Japan	中学校を卒業しました, 中等教育未終了 (中学卒業以下)	中等教育修了 (中学卒業または同等レベル), 大学または職業学校中退	職業資格または専門的資格取得 (職業専門コース、専門学校など), 大学教育修了 (学位: 文学士号、理学士号), 大学院教育 (大学院など), 博士号、博士課程終了後または同等レベル (上級学位)
South Korea	중학교졸업, 중등 교육을 마치지 못함(예: 고등학교 중퇴)	중등 교육 마침(예: 고등학교 졸업), 일부 대학 과정 또는 직업 교육 수료(예: 자동차 정비) 직무 능력 인증 과정 또는 전문가 양성 과정 마침(예: 물리치료사), 대학	직무 능력 인증 과정 또는 전문가 양성 과정 마침(예: 물리치료사), 대학 과정 마침(예: 학사), 대학원 과정 마침(예: 석사), 박사 또는 박사 후 과정 마침(예: 박사)



Pangle x Newzoo:
Mobile Game Genre Report

Hypercasual

Comparing & Contrasting
Eastern and Western Markets