liftoff **SocialPeta**

Guide to Growing Chinese Gaming Apps Overseas

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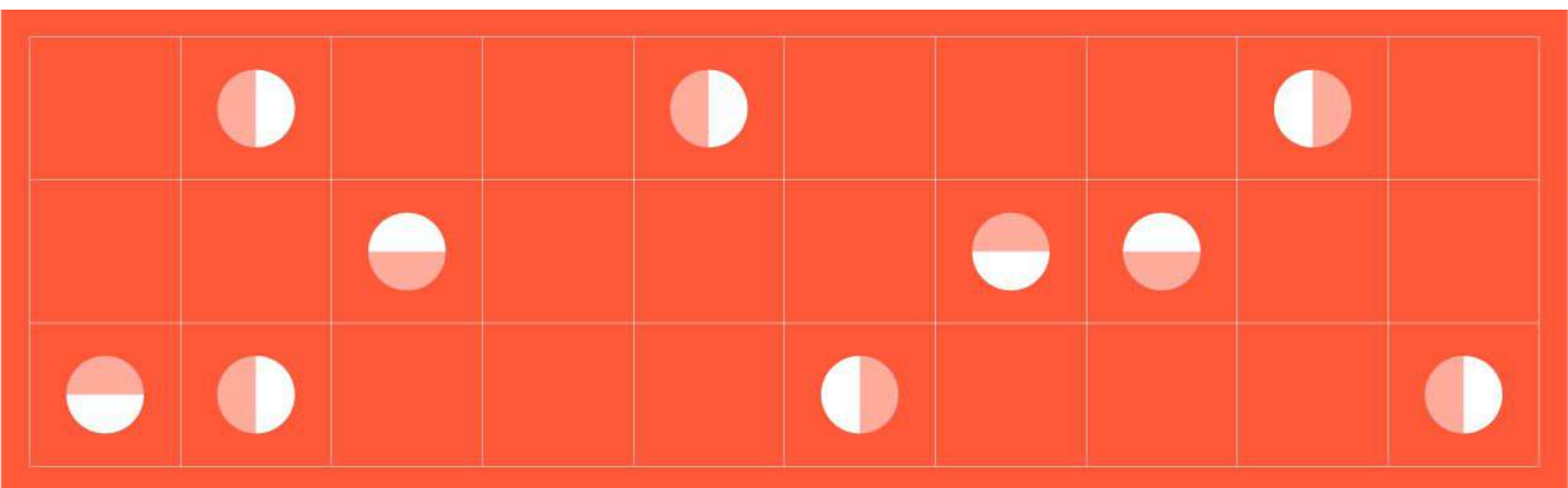
Highlights & Methodology

CPI

South Korea, Japan, and the US have high CPIs and are highly competitive markets for Chinese games. Malaysia and the Philippines have comparatively lower CPIs.

ITI Conversion Rates

In the US and Canada, costs are higher overall, but conversion rates are also higher than in other markets.

D7 ROAS

EMEA has the highest average ROAS for Chinese games at 17%. Video ads offer the best average ROAS at 21%.

Monetization Tip: Time-Limited Offers

Implement trial characters and innovate on time-limited gachas that tap into player FOMO to shore up your monetization strategy.

Top Advertisers

The top advertiser in H1 of 2024 (by number of unique creatives) was Legend of Mushroom. On Android, it was Tycoon Casino Vegas Slot Games.

Data for the report comes from **GameRefinery**, **Accelerate**, Liftoff's programmatic advertising solution, and **SocialPeta**, a creative intelligence platform.

Liftoff data is based on data from
May 1, 2023 - June 15, 2024

133B	**7.9B**	**18M**
Impressions	Clicks	Installs

SocialPeta data is based on ad creative data from January 1, 2024 - June 30, 2024

Finding Success in Overseas Markets

There's no doubt about it. Chinese games have found an audience in the global market. According to Business of Apps, China makes up over 31% of worldwide mobile gaming revenue. As giants like Tencent and NetEase dominate the ROI charts worldwide, Chinese gaming revenue is expected to top $39.6 billion globally by 2027.

For game developers in China, tackling overseas markets is now a core part of their growth strategy. Yet, while there is no shortage of successful examples, there is still plenty of room to grow. Market penetration in many regions remains limited. Earnings from more saturated markets like the US, Japan, and South Korea still make up more than half of Chinese gaming's earnings from other countries.

Chinese game developers need a focused strategy to succeed internationally, especially in newer markets. They must adapt their games for foreign audiences and adopt a hyper-localized approach to UA that speaks to their target markets. To stay competitive, developers also need to keep up with new gaming and monetization trends across different regions.

Going global isn't easy, but Liftoff's new guide, featuring data from SocialPeta, a top ad intelligence platform, is designed to help. We cover cost and ROI and install conversion benchmarks across key regional markets, as well as insights into ad creative and localization trends. We also asked the experts from GameRefinery to pinpoint winning monetization and engagement trends to help developers and marketers deliver tangible ROI.

> "Increased privacy regulations and more competition from international games can make overseas growth harder to come by. But Chinese games can gain an advantage by prioritizing quality users in mature markets and tapping into new, emerging markets with a focused long-term strategy."
>
> Joey Fulcher
> SVP, Global Demand Sales, Liftoff
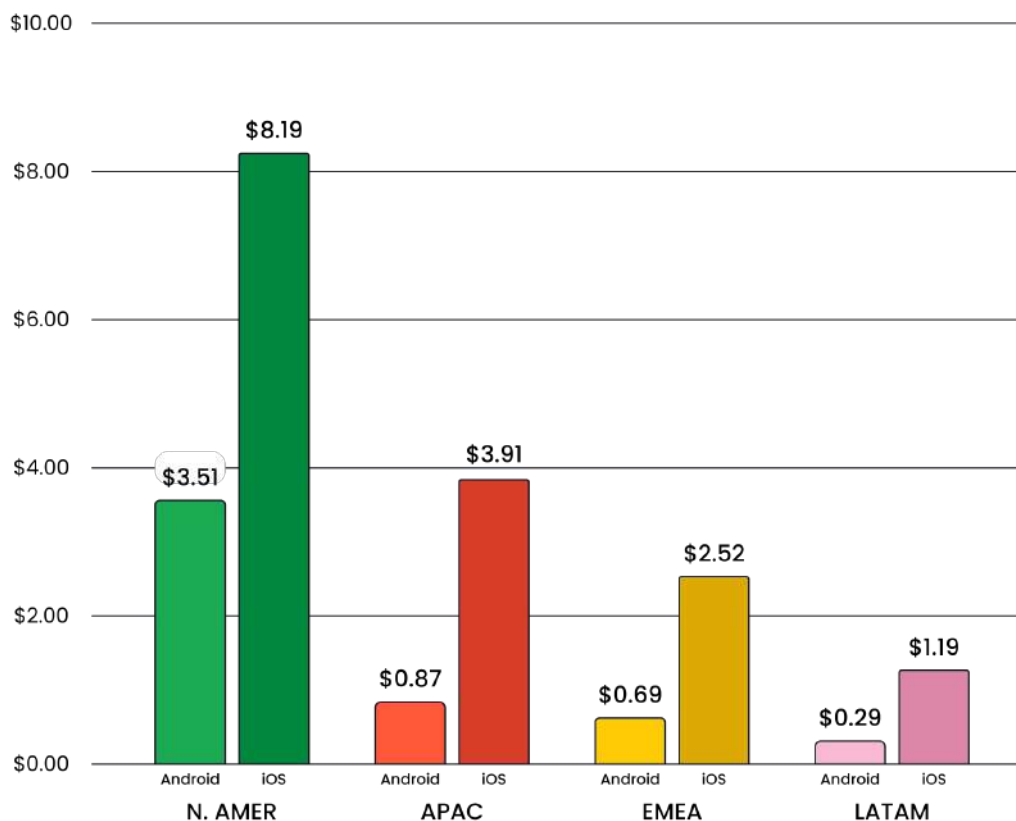
Going Global: At a Glance

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The Cost of UA in Different Overseas Markets

Chinese games have found an audience across multiple markets in every region, but different target markets also have varied costs. Parts of North America—the US in particular—are highly competitive markets and this is reflected in the costs.

On iOS, costs per install (CPI) in North America are over 2x what they are in APAC. As Chinese games make headway in LATAM, there are more opportunities to scale. CPIs on both platforms are much lower than in other regions.
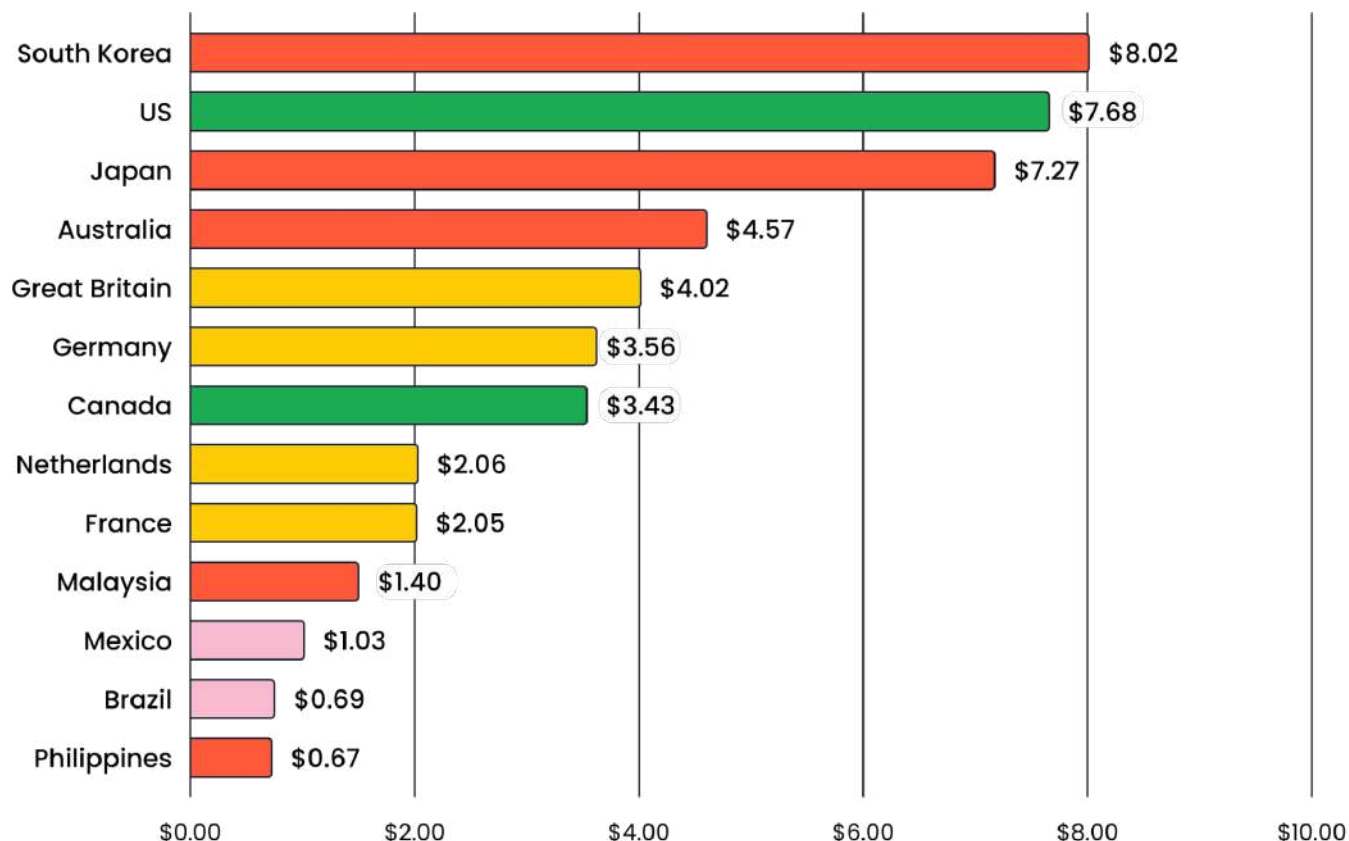
Chinese Games Average CPI by Region, by Platform

(in USD)

Chinese Games Average CPI by Country

(in USD)

Country	CPI
South Korea	$8.02
US	$7.68
Japan	$7.27
Australia	$4.57
Great Britain	$4.02
Germany	$3.56
Canada	$3.43
Netherlands	$2.06
France	$2.05
Malaysia	$1.40
Mexico	$1.03
Brazil	$0.69
Philippines	$0.67

As key markets for Chinese games, South Korea, Japan, and the US are highly competitive in terms of user acquisition. The US averages $7.68 per install, just under South Korea at $8.02. Although these markets are costly, they are also essential to building loyal user base for many games.

Chinese games are also making headway in Southeast Asia and Latin America. Countries including Malaysia and the Philippines are more cost effective per user. Brazil, also an emerging market for Chinese games, averages around $0.70 per install.

![liftoff logo]

Chinese Games Average D7 ROAS by Region
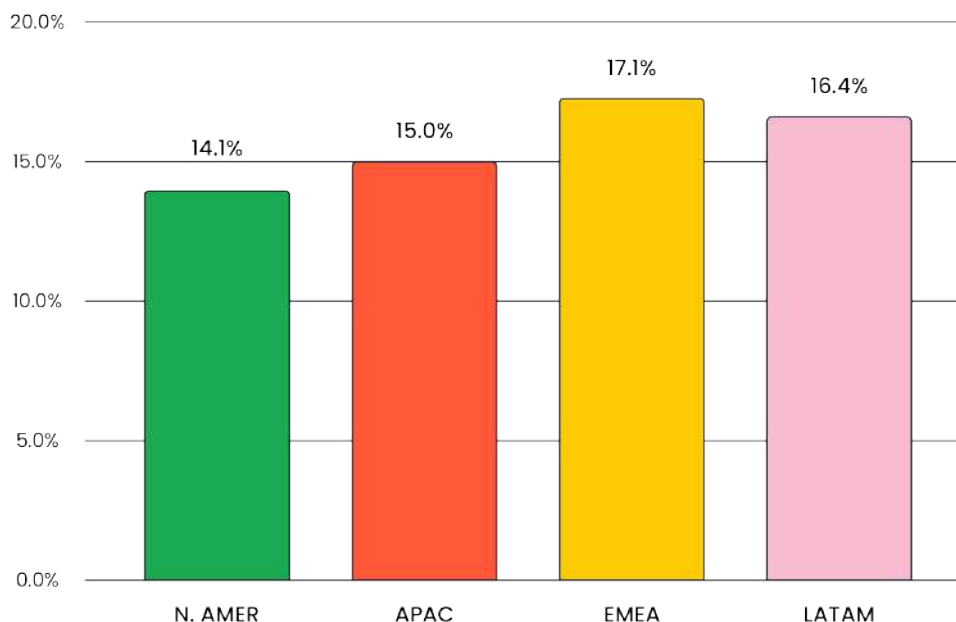
Chinese games have higher D7 ROAS than global averages. The difference may be the number of established midcore games with sustainable revenue models. But it's important to note that campaign ROI for individual games will vary dramatically.

We see that EMEA has the highest ROAS out of all 4 regions at 17.1%. Although North America represents a mature market for Chinese games, it has a comparatively lower average ROAS—likely as a result of stiff competition and higher costs.

> "Succeeding in overseas markets is about understanding your audience and having a localized strategy. Work with a partner who can help connect you with quality users from the start and build relationships with local influencers to set your game apart."
>
> Rebecca Zhou, Senior Account Executive, Liftoff

A Closer Look: Chinese Games in the US Market

Chinese game publishers have a strong presence in the US market, especially in strategy and RPG.

The US is a key market for nearly all game developers. For Chinese publishers, the market accounts for enormous ad spend but also delivers high returns. We took a look at the top 200 highest-grossing US publishers on iOS. Here's a snapshot of top revenue-generating Chinese games:

34%	of the top 200 US games on iOS come from Chinese publishers
48%	of RPG games come from Chinese publishers
69%	of strategy games come from Chinese publishers

More than one-third of top-grossing games come from Chinese publishers, an indicator of a healthy but also highly competitive market. Chinese publishers dominate midcore staples like RPGs and strategy in particular.

For example, in 4x strategy, Chinese publishers account for a whopping 88% market share led by titles such as Last War: Survival and Whiteout Survival. Top RPG titles include AFK Journey, Honkai: Star Rail, and Genshin Impact.

> "China's mobile gaming industry has demonstrated exceptional growth in international markets thanks to their high-quality development and adaptability. Hits like 'Genshin Impact' and 'PUBG Mobile' have captivated players worldwide and set new standards for revenue and engagement, proving the global appeal of Chinese gaming companies."
>
> Kalle Heikkinen
> Chief Game Analyst, China, GameRefinery

Creative Benchmarks & Insights

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Impression-to-Install Conversion Rates

A key factor in determining UA spend allocation is how well marketing levers—creative testing and campaign optimization—impact performance where the rubber meets the road. Impression-to-install (ITI) rates capture just that. Below, we compare ITI rates for Chinese games by country:

Country	2024 Average ITI Rates (Jan-Jun 2024)
Japan	1x
South Korea	3x
Australia	3x
US	4x
Great Britain	4x
Canada	4x
Germany	4.5x
South Africa	5x

Average ITIs vary depending on market penetration and across higher-value regions and lower-value regions. Comparatively, Japan proves a more challenging market to drive conversions. Asian markets including South Korea and Australia have ITI conversion rates that are 3x that of Japan.

In places like the US and Canada, where costs are higher and markets are more saturated, ITI rates are also higher. Impressions there are four times as likely to result in an install than in Japan.

Chinese Games CPI, CPA by Ad Format

Looking at Chinese games across all markets, we found that video ads have lower average CPI and average CPA post-install.

Banner, native, and interstitial ads post higher CPAs, showing that users who click tend to be less engaged post-install. Banner ads especially post the highest CPA at $1.87, over 3x the cost of native ads and 18x that of video ads.

Did You Know?

Longer videos can be surprisingly effective at attracting valuable users—on Liftoff Direct, spending on video ads over 40 seconds long grew 245% year-over-year.

Learn more in Liftoff's 2024 Mobile Ad Creative Index

Chinese Games, D7 ROAS by Ad Format
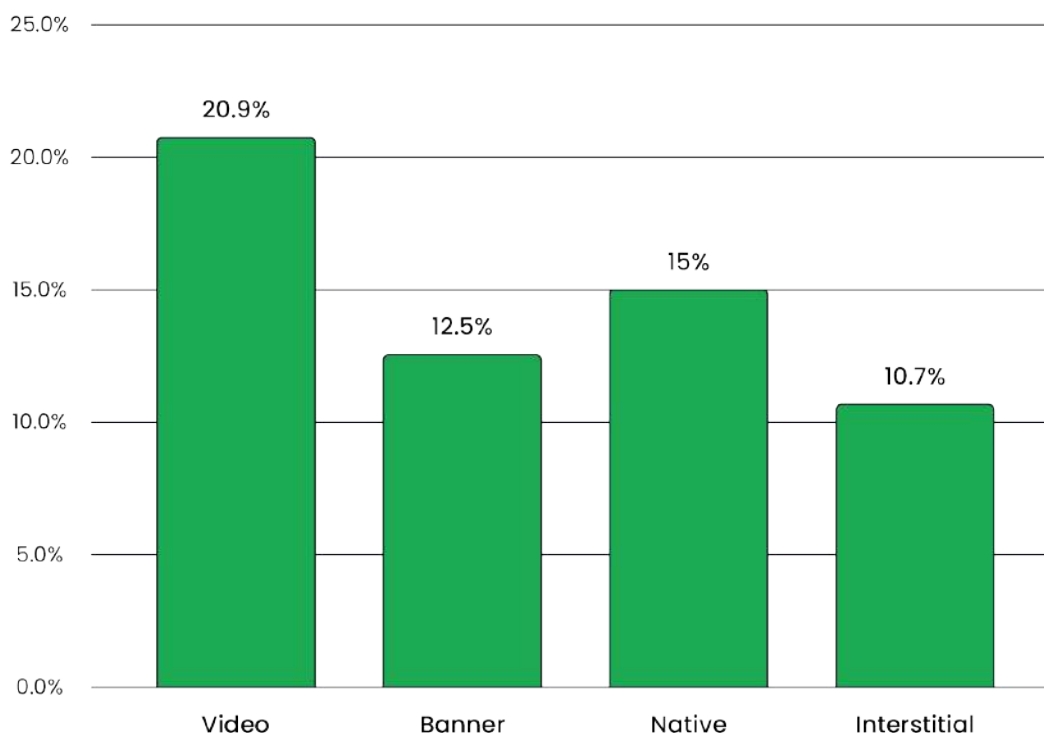
For many gaming publishers across all markets, ROAS is still the determining metric for marketing success. If we look at the average D7 ROAS for Chinese games across ad formats, video ads provide the highest returns by a significant margin (~21% compared to 10-15% for other formats).

Native ads deliver the second-best returns at 15%. It can be a very successful format, albeit highly dependent on context and placement. Interstitial and banner ads deliver lower D7 ROAS, but since they are less costly to produce and place, they can offer greater reach.

Insights: Connect Across Markets With Video

Video ads are engaging for users, easy to combine with playables, and proven to increase ROI. So, how do you leverage them to break into new markets?

◆ **MAKE CORE GAMEPLAY YOUR CENTERPIECE**

We find that showing off core gameplay drives higher ROAS. This is especially important in higher-cost markets where games need to drive revenue from the start. Attract stickier users by showing authentic, representative gameplay.

◆ **UNLOCK NEW LEVELS/CHALLENGES**

Many players are motivated by a new challenge. Try adding graphics to "unlock a new level." It's also a smart way to showcase different styles of gameplay and an easy method to introduce a minigame.

◆ **WORK WITH A LOCAL INFLUENCER**

Audiences are more likely to try a game recommended by someone they trust. Especially in a new market, having an influencer walk users through gameplay lends your game much-needed credibility. Liftoff UGC creatives increased ROAS by 4x when tested against branded content.

*Work with a local creator to unlock a new audience for your game.*

Learn more from Liftoff's Creative Studio.

Bonus Tip: Remember to **always keep your logo visible**—even if the user doesn't install in the moment, they'll remember the app.

Popular Art Styles Across Different Regions

Aesthetic preferences vary across countries. When adapting games and ads for a new region, it's essential to consider local players' visual preferences. We examined popular art styles from two key markets—Japan and the US—in contrast with those in China's domestic market.

US **China** **Japan**
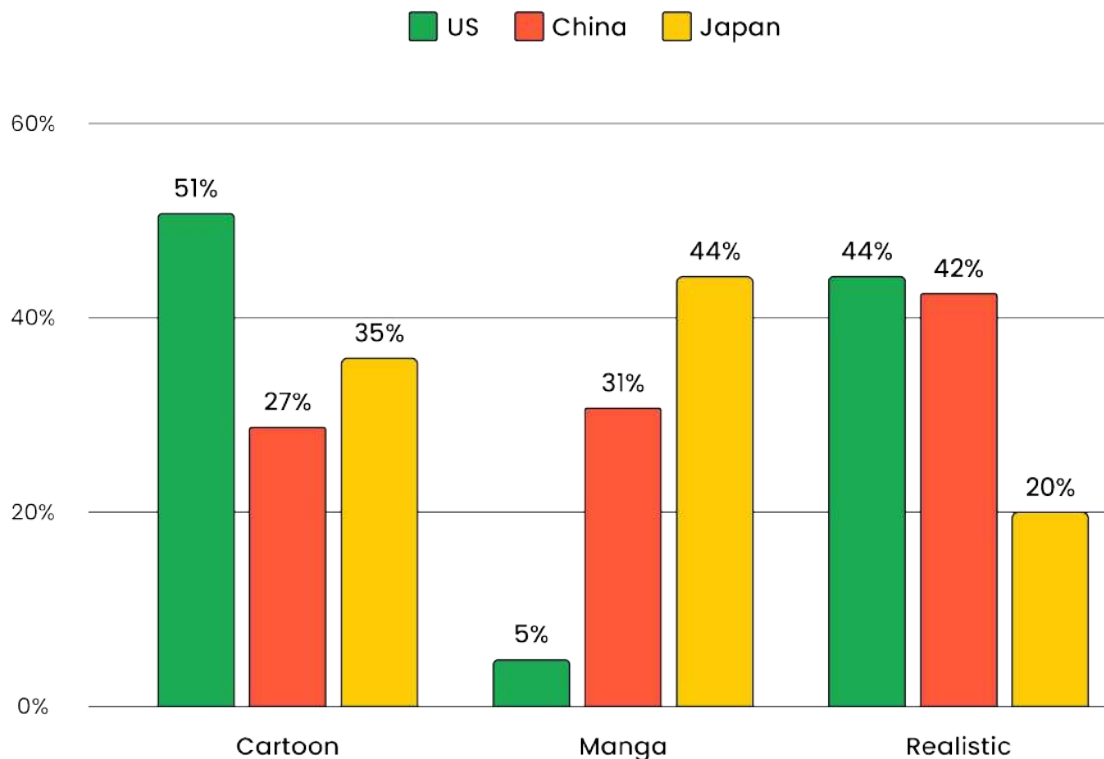
Art styles based on GameRefinery data for the top 200 highest-grossing gaming apps for iOS in three countries

In China, realistic graphics are more popular, followed by manga and cartoon styles. While about a third of top Chinese games prefer manga, it's the dominant art style in Japan, favored by close to 50% of the top-grossing gaming apps.

In contrast, realistic and cartoon graphics are favored in the US, but only 5% of gaming apps feature a manga art style.

Insights: Embrace Gen AI for Localization

In the past year, a new caliber of AI-based creative tools has exploded onto the scene. While the industry is still developing best practices, one of the most exciting applications for gen AI is localizing ad creative. Here are a few tips to harness its power.

◆ **TRY VOICE LOCALIZATION WITH AI**

Working with actors or voice over actors? With Gen AI, you can easily translate voices into any language. But scale carefully and focus on local flavor. Incorporating local sayings and catchphrases can spark a connection with a regional audience.

◆ **LOCALIZE THE DETAILS**

Localizing key elements like CTA copy or button colors can provide a performance boost to campaigns serving global geos. With Gen AI, it's possible to test and scale at speed—so take advantage!

◆ **PRIORITIZE BRAND PROTECTION**

If you're working with licensed IP, or even if you're not, be careful about generating voice-overs or assets from scratch. It's essential to be brand-compliant—especially when scaling in new markets.
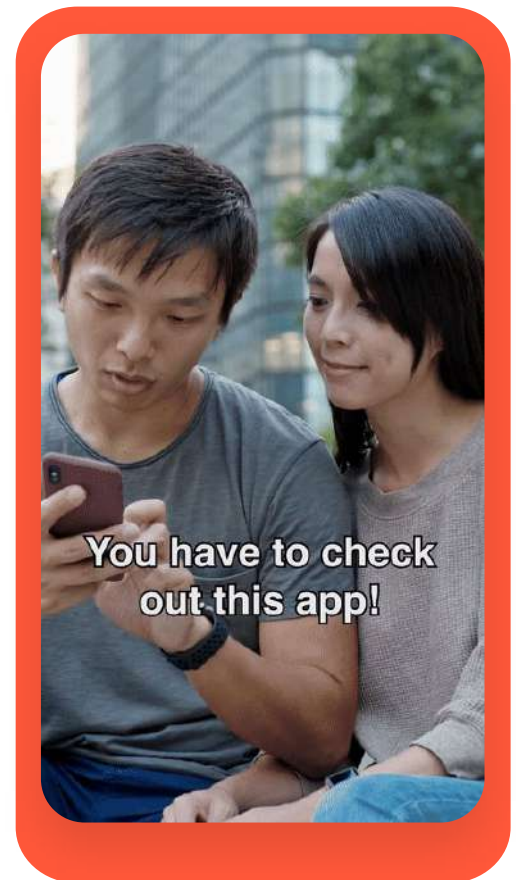
Easily translate voice and copy with gen AI.

At Liftoff, we believe the Gen AI revolution is about speed, efficiency, and scale. Learn more about <u>what Gen AI can do here</u>.

Ad Creative Insights From Top Games

→ H1 2024 Top 20 Chinese Mobile Games, by Unique Ads

→ Insights: Light SLG

→ Insights: Legend of Mushroom

→ Insights: Block Blast!

→ Insights: AFK Journey

H1 2024 Top 20 Chinese Mobile Games, by Number of Unique Ads

 iOS

#	Game	Publisher		#	Game	Publisher
1	Legend of Mushroom	4399		11	My Cruise	EYEWIND
2	マジックカード	Bingchuan Network		12	Last War:Survival	First Fun
3	Block Puzzle	Doodle Mobile		13	BangBang Survivor	SpringGame
4	Block Blast!	Hungry Studio		14	Rent Please! Landlord Sim	Shimmer Games
5	Dragonscapes Adventure	Century Games		15	新武俠大明星	CloudOcean Star
6	異世界奇妙生活	EWORLD		16	Brain Teaser Guru	Montgame
7	Whiteout Survival	Century Games		17	Evony	Top Games
8	了不起的AI修仙	UNI-STAR INTERACTIVE		18	Cash Club Casino	Bole Games
9	出發吧麥芬	XD Inc.		19	Adventure Island Merge	FlyBird
10	潘朵拉：命運先知	SPGame		20	The Grand Mafia	Yotta Games

So which games are winning the advertising wars? SocialPeta looked at the top 20 games by number of unique advertisements on each platform. iOS was dominated by Legend of Mushroom, マジックカード, and Block Puzzle.

H1 2024 Top 20 Chinese Mobile Games, by Number of Unique Ads

Android

#	Game	Publisher	#	Game	Publisher
1	Tycoon Casino Vegas Slot Games	Triwin Games	11	Doodle Magic	Dream of Dragon
2	Block Blast!	Hungry Studio	12	Legend of Mushroom	4399
3	The Grand Mafia	Yotta Games	13	Whiteout Survival	Century Games
4	Lords Mobile	IGG	14	Nexus War: Civilization	Yotta Games
5	マジックカード	Bingchuan Network	15	Sky Utopia	JunHai Games
6	Titan War	Bingchuan Network	16	Jackpot World™	Bole Games
7	Cash Tornado™ Slots	Zeroo Gravity Games	17	Dragonscapes Adventure	Century Games
8	Mafia City	Yotta Games	18	Build Master: Bridge Race	First Fun
9	Doomsday	IGG	19	Arena Breakout	Tencent Games
10	Word Search Block Puzzle Game	Pandas of Caribbean	20	BangBang Survivor	SPGame

Android sees many of the same games, but has a slightly different profile. Casual game *Block Blast!* still features in the top four, but the top slot belongs to Tycoon Casino. The Grand Mafia rounds out the top three, and Legend of Mushroom features in number 12.

Insights: Light SLG

In H1, Light SLG topped revenue charts for Chinese games released globally. This is mainly due to their perfect integration of a parkour-shooter mini-game into SLG gameplay.
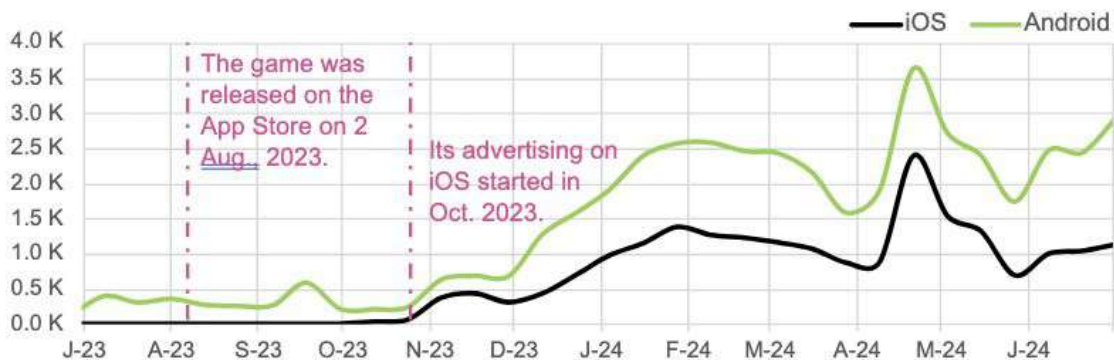
Last War:Survival

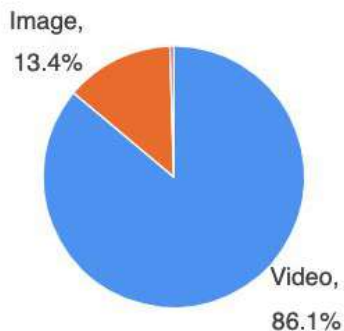A mixed light SLG by First Fun

Advertising Data

Start date: 3/2023
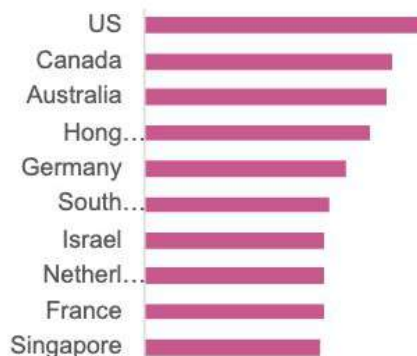Total deduplicated creatives: 22.1K

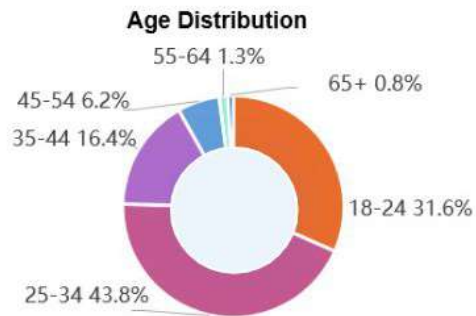## Observations about the game's advertising on iOS & Android

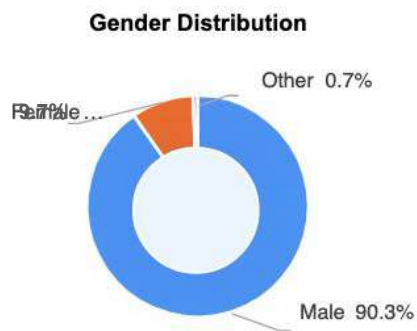The game was released on the App Store on 2 Aug. 2023.

Its advertising on iOS started in Oct. 2023.

% of creatives by type

Image, 13.4%

Video, 86.1%

Top 10 countries/regions by advertising

US
Canada
Australia
Hong...
Germany
South...
Israel
Netherl...
France
Singapore

Advertising Audience Analysis

Gender Distribution

Other 0.7%

Female...

Male 90.3%

Age Distribution

55-64 1.3%

45-54 6.2%

35-44 16.4%

65+ 0.8%

18-24 31.6%

25-34 43.8%

Channel: YouTube

Estimated Impressions: 10M

Features: The game's ad creatives showcase "**parkour and shooting to level-up**," and the minigames are highly integrated with the game itself.

Additionally, **live-action elements** are added to make the game's ad creatives more convincing.

78.7K
Likes

45.2K
Estimated Conversions

Click to play the complete creative

Insights: Legend of Mushroom

Legend of Mushroom was the best among all minigames scaling globally in H1 2024. First released in Hong Kong, Macao, and Taiwan, it soon launched in South Korean, Japanese, English, and Southeast Asian versions.
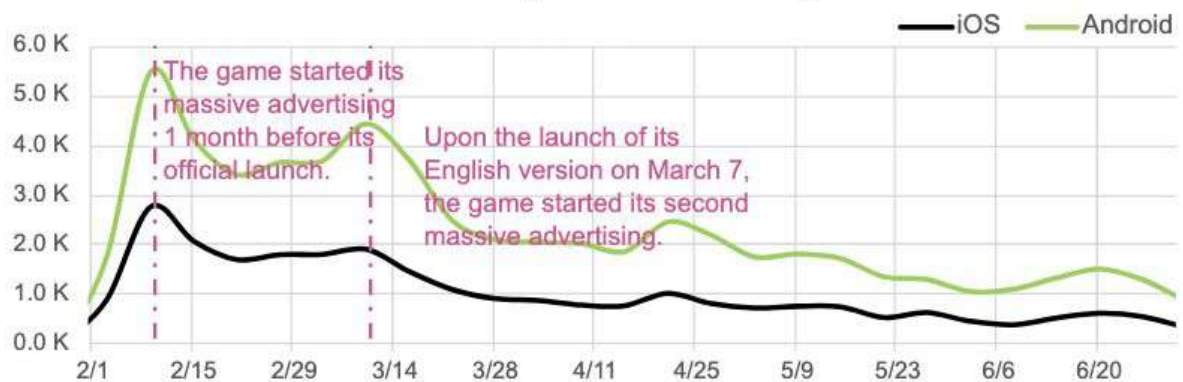
Legend of Mushroom

A globally released minigame
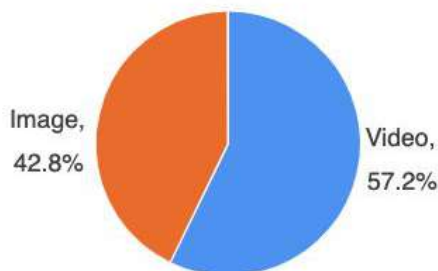by 4399

Advertising Data

Start date: 2/2023

Total deduplicated
creatives: 27.2K

Observations about the game's advertising on iOS & Android

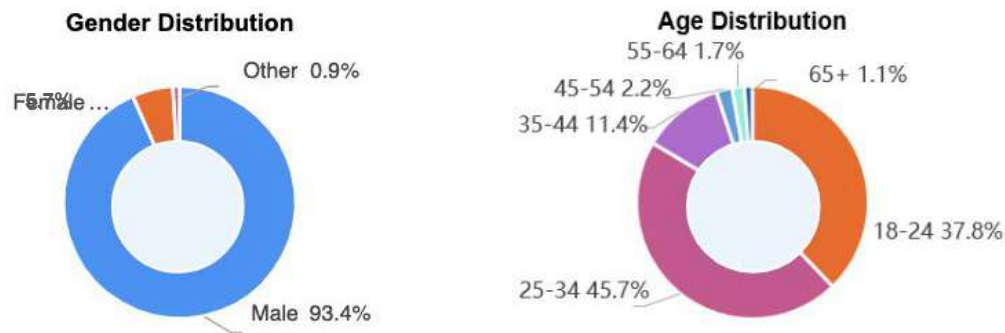The game started its massive advertising 1 month before its official launch.

Upon the launch of its English version on March 7, the game started its second massive advertising.

% of creatives by type

Image, 42.8%

Video, 57.2%

Top 10 countries/regions by advertising

US
Canada
Australia
UK
France
New…
Germany
Spain
Sweden
Italy

Advertising Audience Analysis

Gender Distribution

Other 0.9%

Female ...

Male 93.4%

Age Distribution

55-64 1.7%

45-54 2.2%

35-44 11.4%

65+ 1.1%

18-24 37.8%

25-34 45.7%

Channel：**facebook**

Duration：93 Days

Features: AIGC ad creatives are a new marketing trend among game advertisers in 2024. The following creative is an example of AI image with animation effects, providing better overall quality and leaving space for the imagination. "Free 3000 Pulls" are also an attractive offer.

715.1K
Estimated
Impressions

400+
Estimated
Conversions

SSR

Free 3,000 Pulls
Choose Your Strongest Mushroom

LEGEND of MUSHROOM

Click to play the complete creative

Insights: Block Blast!

The game topped the App Store chart for free games in the US for over 100 days, acquiring a vast number of players thanks to its classic block-matching gameplay.
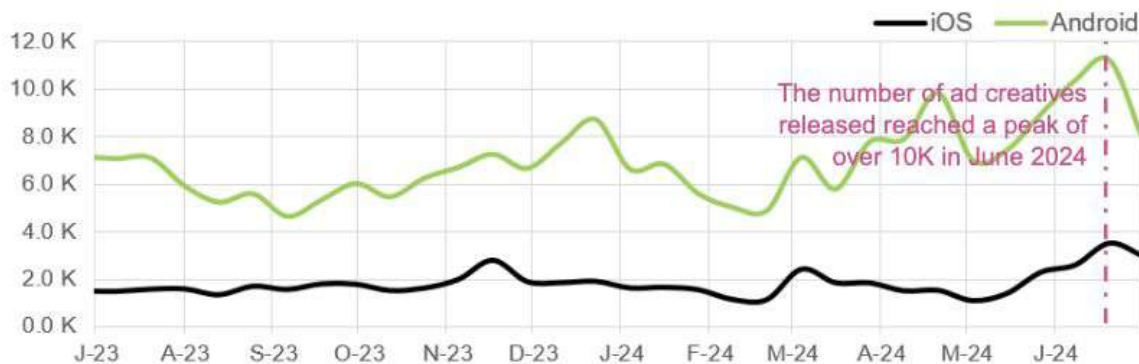
Block Blast!

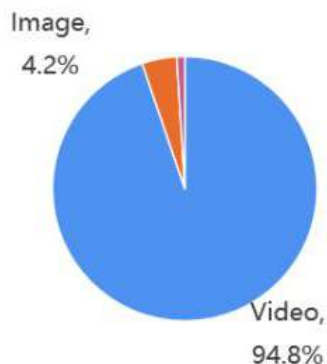A classic block-matching game by Hungry Studio

Advertising Data

Start date: 4/2022
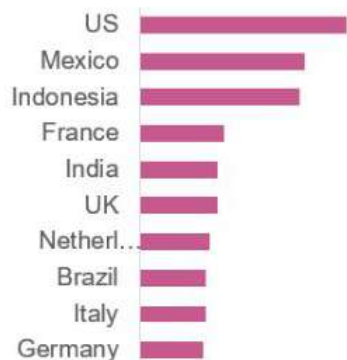
Total deduplicated creatives: 86.1K

Observations about the game's advertising on iOS & Android

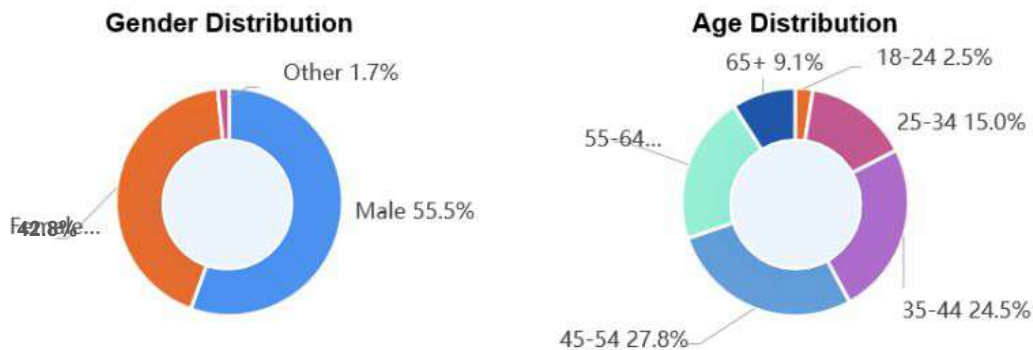The number of ad creatives released reached a peak of over 10K in June 2024

% of creatives by type

Image, 4.2%

Video, 94.8%

Top 10 countries/regions by advertising

US
Mexico
Indonesia
France
India
UK
Netherl…
Brazil
Italy
Germany

Advertising Audience Analysis

Gender Distribution

- Other 1.7%
- Male 55.5%
- Female 42.8%

Age Distribution

- 65+ 9.1%
- 18-24 2.5%
- 25-34 15.0%
- 55-64...
- 45-54 27.8%
- 35-44 24.5%

Channel: ♪ TikTok

Release Date: 1/23/2024

Features: Creatives for classic casual games are sometimes the hardest to get right. Typically, these ad creatives showcase gameplay, but the trick is to add something unique to make the game seem exciting and innovative. Players respond to this ad from Block Blast!, for example, because of its distinctive sound effects—a metallic ding followed by a kaboom.

75.8K
Estimated Impressions

2.4K
Estimated Conversions

Click to play the complete creative

Insights:
AFK Journey

A sequel to the popular RPG AFK Arena, the game topped the charts for free games immediately after its release in many regions, including the US, Canada, and the UK.
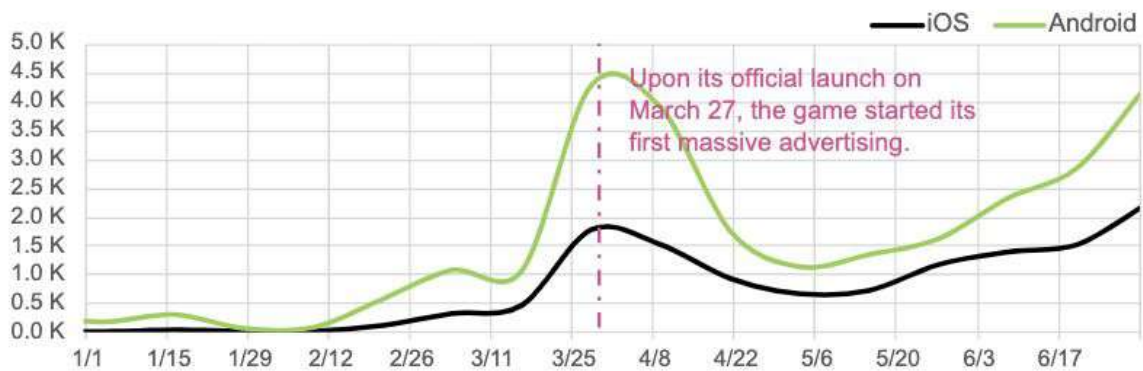
AFK Journey

An Adventure Idle RPG
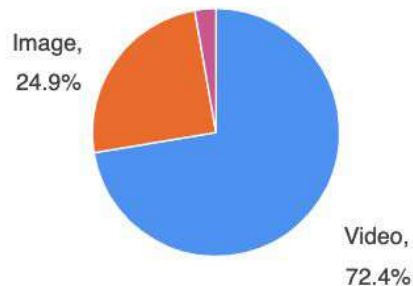by Lilith Games

Advertising Data
Start date: 4/2023
Total deduplicated
creatives: 18.7K

Observations about the game's advertising on iOS & Android

—— iOS —— Android

Upon its official launch on March 27, the game started its first massive advertising.

% of creatives by type

Image, 24.9%

Video, 72.4%

Top 10 countries/regions by advertising

Canada
Australia
US
France
Italy
Portugal
UK
Switzerl...
Belgium
UAE

Advertising Audience Analysis

Gender Distribution

Other 1.7%
Female ...
Male 76.3%

Age Distribution

55-64 0.7%   65+ 0.9%
45-54 2.6%
35-44 9.4%
18-24 48.4%
25-34 38.0%

Channel： YouTube

Estimated Impressions: 2.4M

Features: Key Opinion Leader (KOL) advertising has become an effective and efficient way of marketing newly-released games. A game can quickly build its user base by working with online celebrities whose audience matches its target audience.

4.4K
Likes

13.9K
Estimated Conversions

Click to play the complete creative

Gameplay and Monetization Trends

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Innovations in Gameplay: Social Hangouts & Home Systems

Consistent user engagement brings sustainable ROI, so how do Chinese game publishers who find success overseas keep players engaged? Two increasingly popular, innovative ways to keep players coming back are social hangouts and home systems.
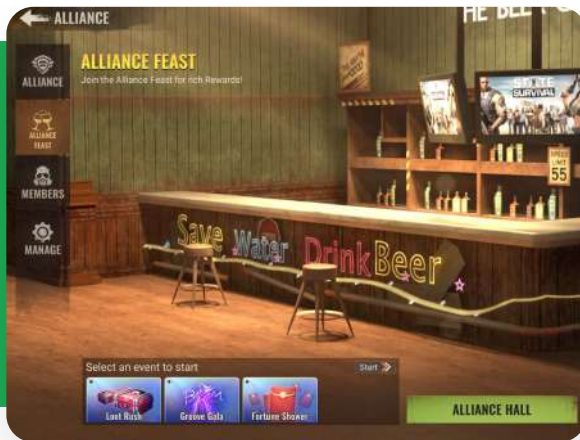
Alliance Hall in State of Survival, for example, is a social hangout space where players can plan social events, decorate, and interact with other alliance members in various ways.

Players can also unlock rewards and resources to decorate and personalize their space by participating in events.

PUBG Mobile has a home system that lets players build, decorate, and customize their own islands. Players can also use special currencies to purchase furniture and upgrades.

This feature has a welcome social component, as players can visit friends' islands and participate in events. They can also collect coins, upgrade & decorate "butler" characters, and enjoy an exclusive gacha system.

Monetization Trends: Trial Characters & Items

Introducing new characters and items is essential to evolving any game. But how do you introduce your new, amazing characters without impacting monetization? Many Chinese games get around the problem by offering trial versions of characters.
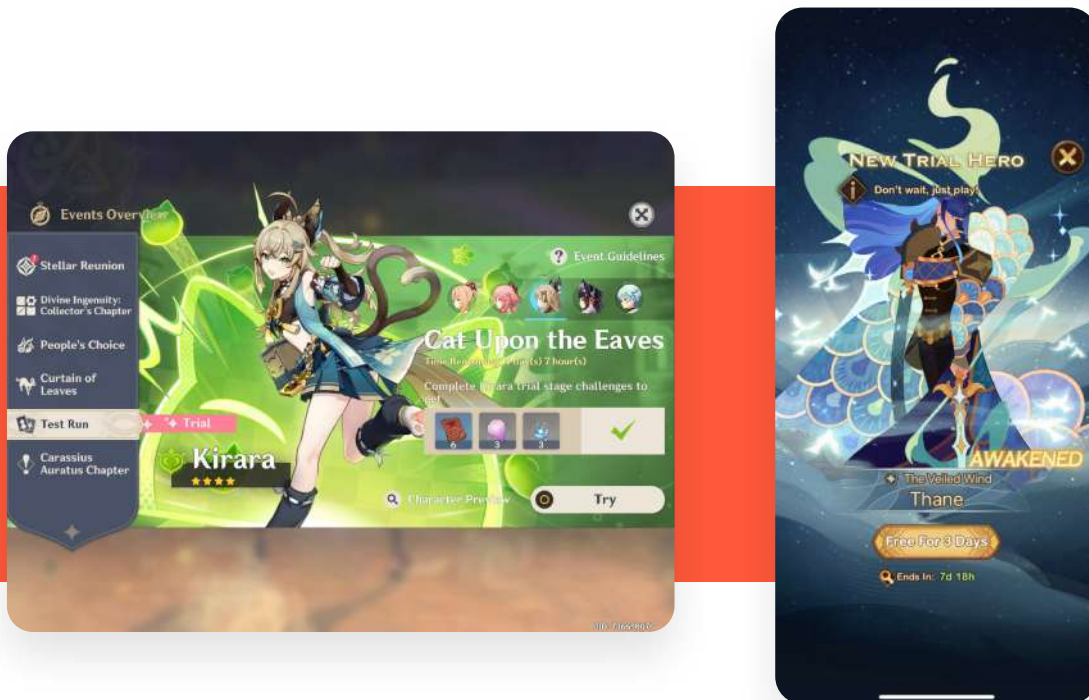
Character Trial in Genshin Impact (left), Character Trial in AFK Arena (right)

Players can own these characters for a period of time with temporary trials, but permanent ownership requires a purchase.

In many instances, it's also possible for players to obtain the character permanently by collecting enough resources or currencies—for example, by participating in events or increasing game engagement. Either way, the pathway to ownership is monetized through games that offer attractive ways to obtain resources or currencies.

Trial characters are an excellent solution for balancing character variety with monetization. As an alternative, some Chinese games also "rent" characters to players, allowing players to purchase a character for a limited spell.

Monetization Trends: Limited-Time Gachas

Gachas are a great way to increase monetization depth. They're especially popular for RPG, shooter, and 4x strategy genres. One way to enhance their appeal is to make them time-limited, tapping into player FOMO.

*Diceboard event in SOULS (left), Box Gacha in CoD: Mobile (right)*

Limited-time gachas are great monetization tools, and they've been combined with several new innovations in gacha mechanics from Chinese publishers:

- For box gachas, each pull removes an item from the pool, making subsequent pulls more attractive.
- In-gacha shops grant players a special currency for making gacha pulls. The currency can then be used in a dedicated shop.
- Players can be rewarded for gacha pull milestones after pulling the gacha a set number of times.

Additionally, we've seen heavy monetization through minigame-like events, such as bingo or diceboards. "Gamifying" monetization events this way can make them more exciting for players, boosting engagement.

Engagement Success Story: Gossip Harbor

Gossip Harbor continuously developed their live event palette to increase event types and cadence—this has helped keep engagement high in a competitive environment.
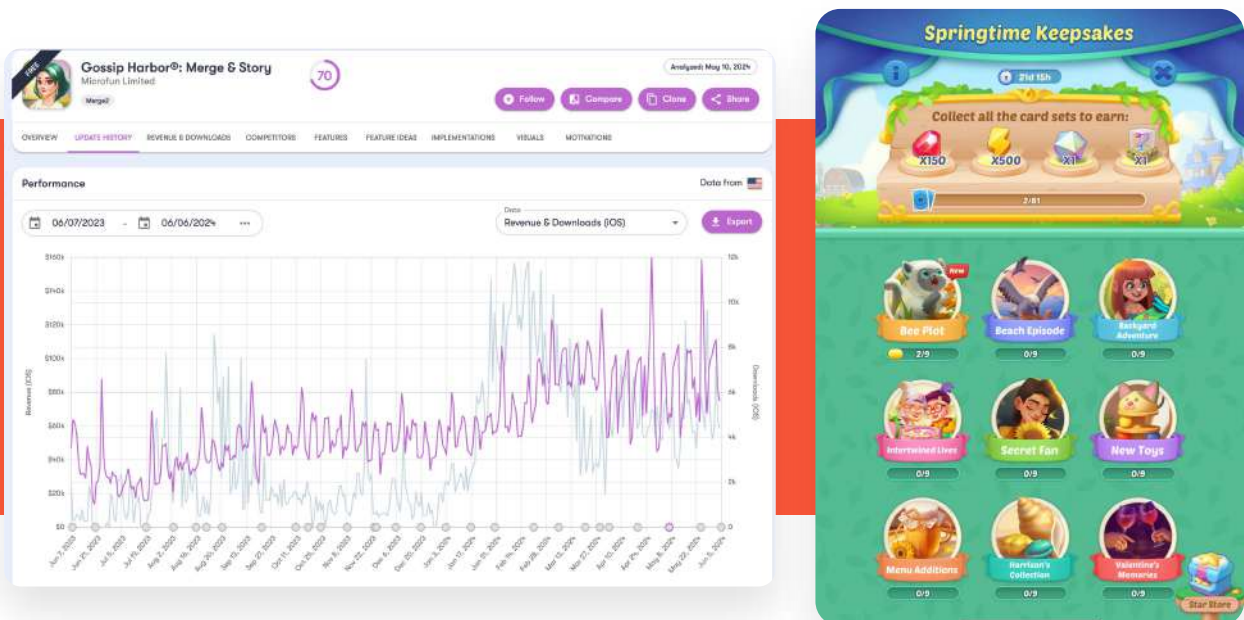
iOS performance (revenue and downloads) for Gossip Harbor (left), Gossip Harbor's Seasonal Collection Album (right)

When it comes to choice, sometimes more is, well, more. The more expansive the live event palette, the better the game can cater to different player motivations and audiences. Here are some examples of what Gossip Harbor has been adding just recently:

- Seasonal collections album system.
- A race event (rarely seen in the merge-2 genre).
- A boost event called *Recharger Perk*, designed to enhance short-time engagement.
- *Frosty Escapades*: An exciting diceboard event with a strong emphasis on randomness.

Adding new event types can keep the game experience fresh, but remember, monitoring the competition is crucial. You don't want to miss out on a new trending event type in your genre.

Who is *GameRefinery*?

Build better mobile games with GameRefinery, the #1 trusted mobile game intelligence tool.

Intelligence to Build Better Games

GameRefinery speaks to game and product teams throughout the development process, from pre-production to LiveOps, to help them build better games. Leverage industry-leading market research, competitor intelligence, and player insights.

Improve your LiveOps with our **Live Events Tracker** →

Who is Liftoff?

<u>Liftoff</u> helps mobile businesses maximize their revenue. It provides machine learning-powered marketing, monetization, and creative solutions that create better ad experiences and connect people with the products they love.

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Who is SocialPeta?

With SocialPeta, you can spy on your competitors' ad data, and get ad data from networks, media, and advertisers around the world to inspire you. SocialPeta covers more than 70 countries/regions and over 80 well-known ad channels worldwide, such as Facebook, Twitter, YouTube, TikTok, and Unity. We provide nearly 1.6 billion ad creatives, updating millions each day. Through duration, impressions, popularity, and interactions, we can quickly locate the active high-quality creatives which will be provided to you in real time to help with your marketing plan.

As one of the world-leading advertising and marketing platforms, SocialPeta boasts a huge database and the experience of working with thousands of game companies and providing mobile game workers with more practical methods in order to develop more popular games.

Website: **www.socialpeta.com**

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