

INDIAN MOBILE GAMING MARKET 2017



Table of Contents

Demystifying the 3Bn Mobile Game Market in India: A Fantastic Boon for App Developers!	3
Mobile Game Downloads Continue to Project 5.3 Billion by 2020	6
Strategy Games Have Risen 140% Over Casual Games in 2016	9
NASSCOM has Projected Game Revenue in the Indian market to Grow 87% by 2020	12
Mobile Gaming Revenue in India is Expected to Reach \$1.1 Billion by 2020	15
India is Set to Bypass Both Russia & Brazil in Mobile Gaming Revenue	18

Demystifying the 3Bn Mobile Game Market in India: **A Fantastic Boon for App Developers!**



It's no secret that the Indian mobile gaming market is experiencing explosive growth right now. This growth has been trending for the past few years and doesn't show any signs of slowing down. As a result, this is and has been a golden season for app developers both local and abroad to tap into this rapidly growing market. Part of taking advantage of this growing market requires that developers have an understanding of what the trends are as well as what it would take to be successful in this market.



An Opportunity for App Developers

There are many reasons why the mobile gaming industry in India is booming. Users generally engage with apps longer than other users after purchase, compared to other users globally. This fact alone suggests that app developers have every opportunity to not only launch an app but to have confidence that retention rates will be greater than users in other parts of the world. Of course, this cataclysmic growth is a direct result of the increase in smartphone use. In 2010, there were a mere 25 game developers prevalent in India, fast-forward to the present and now that number exceeds 250. Plus, access to online and console games are less prevalent making mobile gaming the easiest and most user-friendly way to game. This is why the market is mostly mobile driven. The mobile gaming industry has made it possible for app developers to get feedback much quicker, resulting in more rapid improvement and upgrades.

Trends In India's Mobile Gaming Industry

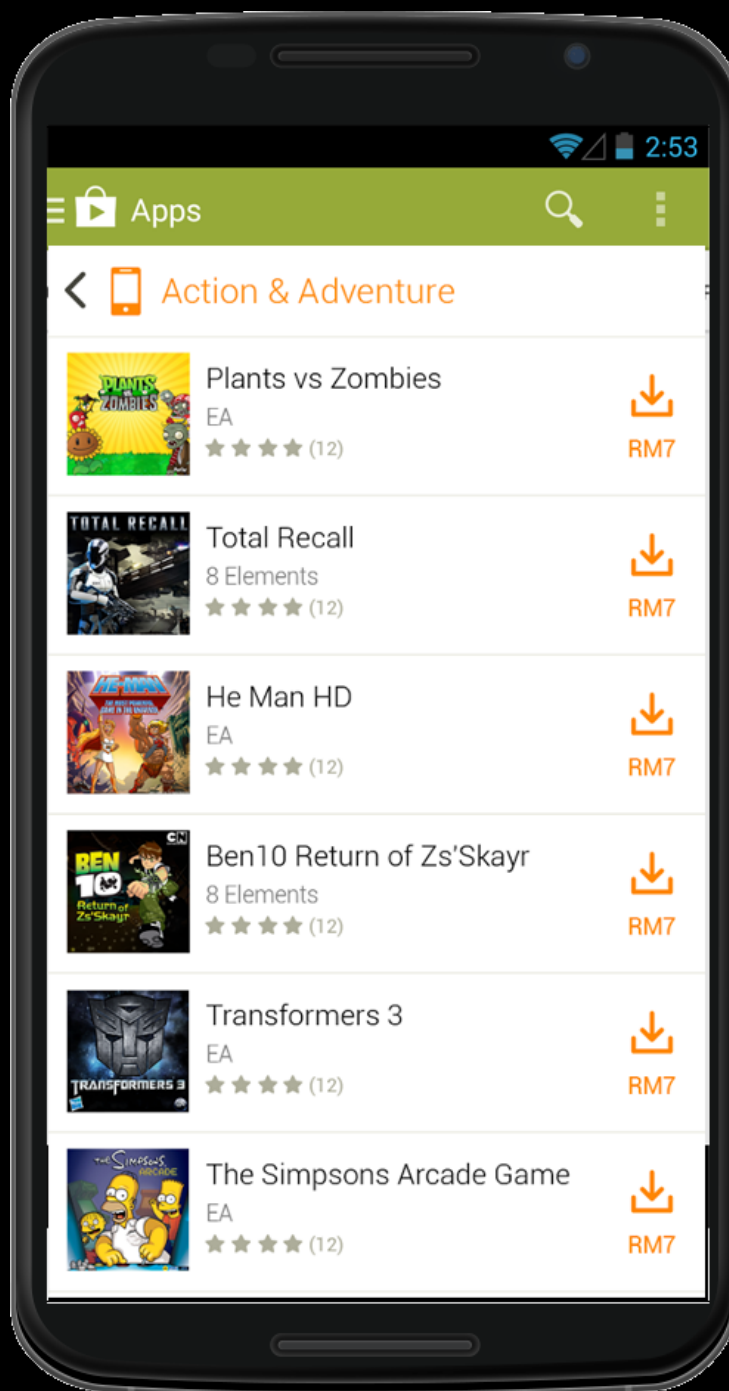
India comfortably holds the fifth position in mobile gaming globally, trumped directly by only Brazil and Russia. Currently, the US and China hold the first and second positions respectively. However, predictions suggest that India is set to surpass both Brazil and Russia before long. In 2016 alone, more Indian developed games topped the local Google Play download charts than ever before. In addition, carrier billing, online payments, and digital wallet have made in-app purchases more common and much more affordable and convenient, not to mention the fact that Google is setting up free WiFi hotspots all over India. Mobile gaming has never been so convenient and affordable for users and lucrative for app developers. Revenues from mobile gaming are predicted to reach \$286.2 million by the end of 2017.

Rising Revenues In India's Mobile Gaming Market

Much of the revenue from India's mobile gaming market has been derived from freemium and virtual reality games. This increase is expected to continue to rise due to the number of users, which is projected to explode to 628 million by the year 2020. Another potential growth contributor is the fact that the quality of India's wireless connectivity has continued to improve. However, the true growth catalysts in the mobile gaming market have been increased smartphone subscribers coupled with the ease and convenience of mobile gaming.

It's clear that India's mobile gaming industry is thriving and shows no signs of stopping its meteoric rise. With technological improvements in many areas, and smartphone use at an all time high, mobile gaming has never been so easy, convenient, and affordable for users, nor has it ever been this lucrative for app developers. The opportunity is clear, with mobile gaming trends telling the story of what's to come in this rapidly growing market.

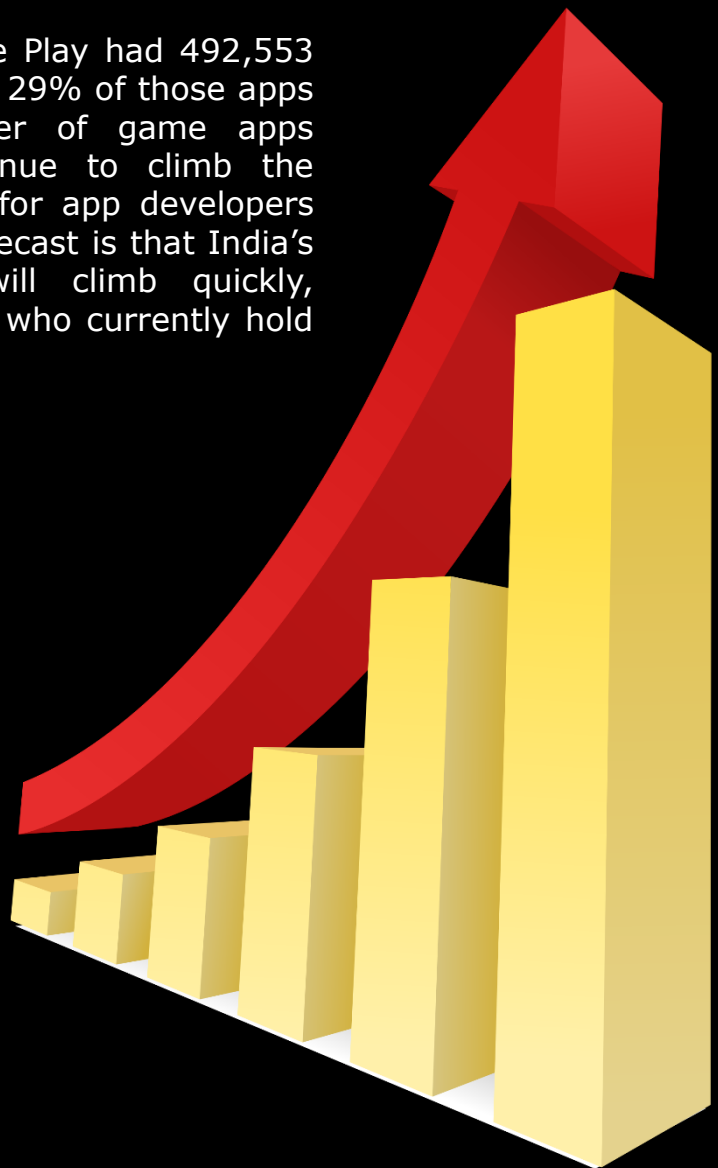
Mobile Game Downloads Continue to Project **5.3 Billion** by 2020



Over 244 million people will own smartphones in India by 2017. This factor has heavily influenced India's rank which is now in the top 25% of countries globally, for paid app install retention after a 14-day period. This is one of the factors that make the mobile gaming market in India an attractive investment for mobile game developers. The aggressive growth patterns and paid app retention rates represent a real opportunity. Globally, Indian users make up 30.1% of paid acquisition, as opposed to the global average of 24%. These numbers support the industry forecasts that the mobile gaming market in India is an up and coming market worth the time and attention of both foreign and local app developers.

Google Play Game Downloads on the Rise in India

VMAX reports that Indian Google Play had 492,553 apps as of March 2016, and over 29% of those apps were games. With the number of game apps available, the downloads continue to climb the charts making the market ripe for app developers based upon the demand. The forecast is that India's current fifth place ranking will climb quickly, eclipsing both Russia and Brazil, who currently hold the 3rd and 4th place



positions for gaming downloads. Over 300 million games were downloaded on both iOS and Google Play in 2016 and although Google Play downloads were 13 times more prevalent than iOS downloads, the combined total of both reveal that game downloads have more than doubled over the past two years.

Smartphone Users in India Game Regularly

Tune has reported that over 84% of all smartphone users in India play at least one game regularly. These habits reflect a 30% increase in time spent gaming by smartphone users. The increase in smartphone gaming continues to drive revenues that explain the 80% increase since 2014. The demand alone represents a salient opportunity for app developers to plug into the mobile gaming trend in India.

Multiple Payment Methods Have Increased the Prevalence of Gaming

The growth in both game downloads and revenues can be explained in part by the many payment methods that have made gaming readily accessible to many people. The launch of Google Play prepaid vouchers, carrier billing, and lower IAP tiers have all made mobile gaming more accessible to the Indian masses. The ease and convenience that multiple payment methods have created have produced an upward spike in mobile gaming, revenues, and downloads and these trends are nowhere near slowing down. App developers have the opportunity to readily take advantage of India's mobile gaming market because it's poised for global ascension.

Mobile gaming in India could represent a golden parachute for many app developers, should they choose to take advantage of this rapidly growing market. With smartphone users in India reporting that they game on a regular bases and game downloads reflecting this growing trend, the market continues to rise to such a degree that it will soon surpass both Brazil in Russia in downloads. With multiple payment methods now more accessible than ever before, the market is projected to continue its meteoric rise to the projected 5.3 billion in downloads by 2020.

Strategy Games Have Risen

140%

Over Casual Games
in 2016



Game app developers in India have found different ways to create monetization within India's mobile gaming market. Current trends in mobile gaming point to monetization through ads. There are four ways to achieve monetization, however, ads hold great promise because Indian users typically don't pay for games. As a result, users have a high tolerance for ads while gaming. This finding has given wings to ads in alternative forms, as a way of strategical advertising within the gaming platform. This innovative use of advertising has created native and rewarded ads that yield better results and are less intrusive to the gaming experience, as well as premium subscription services and in-app purchases.

In-App-Purchasing & Advertising

Companies have created cash based strategy card games and witnessed a 20-25% rise in monthly spending. This has proven to be a lucrative monetization opportunity because revenues from strategy games have risen 140% over casual games in 2016. Many companies have approached advertising with a strategy that seeks to cater to the user. They have created advertising that is part of the gaming experience in a way that works



with the flow of the game without interrupting it. This natural non-intrusive strategy has yielded far greater results in terms of customer retention. It also respects the user's game flow by naturally embedding the advertising within the game

Incentive Advertising

An additional strategic and highly successful advertising approach is the use of incentive-based ads. Another common term for these incentive-based ads would be rewarded videos or rewarded ads. This concept offers opportunities within the game to perform better by offering the user an opportunity to watch a video or take advantage of some other advertising offer in order to retain game advantages like advancing to a higher level within the game.

The Gaming Subscription Service

Gaming subscriptions have become a lucrative way to create monetization. Wynk is a premium subscription gaming service that has joined forces with Airtel, the largest mobile operator in India, to provide unlimited access to premium games. This service eliminates the need to pay for individual downloads and is free to Airtel users, while others can pay a low monthly fee for unlimited access. By providing users with unlimited access to many games for a low monthly fee, users are able to avoid the fees that come with downloading single games and instead gain instant access to many games for a low fee. This creates revenue for game developers on a monthly basis by using the subscription platform.

Game developers have employed several strategies to monetize the mobile gaming market in India. The biggest vehicle has been through advertising using naturally streamlined strategies that don't interrupt the gaming experience. Other methods have included in-app purchases and premium gaming subscriptions. Each strategy has created ample opportunity to raise revenues and continues to grow the mobile gaming industry in India in innovative ways.

NASSCOM has Projected
Game Revenue in the
Indian market to Grow

87%

by 2020

India's number 5 position in the mobile gaming industry has come as a result of increased smartphone use as well as readily available prepaid options to pay for gaming. This boost in the industry has created many popular trends in gaming, with casual games leading the pack in trending game genres and thus more opportunity for young app developers to shine in the industry. With approximately 20,000 games available, and puzzles and arcade games following closely behind, the mobile gaming phenomenon is quickly revealing what games are popular in India. With casual games taking a 33% lions share, and arcade and action games coming in at 28% and 25% respectively, what's hot in mobile gaming has continued its ascension with growing trends translating into increased revenues.

Action Game Downloads Lead the Way

When it comes to downloads, according to Priori Data, the most popular genre among users was racing, from April 2015 to March 2016. Racing lead with over \$170 million downloads. The action games came in second with \$163 million downloads, followed by \$156 million for casual. In fact, game downloads in India more than doubled between 2014 and 2016, with the greatest number of downloads coming from Google Play instead of iOS. In fact, Google play received 13 times more downloads than iOS. In addition, app store downloads rose 80% during this same period.



More Time Playing Strategy Games Results in Increased Revenue

The time that Indian users spend playing strategy games has increased 170%. Although strategy games don't make up the most significant mobile downloads, revenues and time spent gaming continue to grow. This aggressive growth spurt took place between 2015 and 2016 and the link between increased strategy gaming has translated into a rise in revenue as a result. This same growth was noted in social card games which experienced a 190% increase from 2015 to 2016, with a 120% time increase in game playing. Other genres have continued to gain ground as well, with action games reporting a 130% increase in revenue and casual games reporting an increase of 110%.

Single Player Games are Most Popular with Indian Users

The popularity of single player games among Indian users has emerged as another growing trend. The growth in this trend may be attributed to the fact that single player games don't require any other participants and as a result can be played at any time, and often without an internet connection. Another perk is the fact that they don't require a significant data stream.

The mobile gaming industry continues to grow significantly in India, with casual games trending heavily. Several genres have experienced substantial growth in both revenue, downloads, and the average user gaming time. Racing games were the most popular, with over \$170 million in downloads. Increased gaming time also resulted in higher revenues, particularly in the genre of strategy games which experienced a 170% increase. Another emerging trend was the increased popularity of single player games among Indian users. Ongoing data continues to uncover growing trends in the Indian mobile gaming market. This is perhaps why App-Annie NASSCOM has projected game revenue in the Indian market to grow 87% by 2020.

Mobile Gaming Revenue in
India is Expected to Reach
\$1.1 Billion
by 2020

Indian Mobile gaming revenues are set to reach \$1.1 billion by 2020. This is perhaps why developers should be focused on India as an up and coming market. This number reflects an 87% growth spurt in this emerging market through 2020. This makes the opportunity ripe for both local and foreign game app developers who would be wise to invest in this rapidly growing market due to its continuous growth. The rising numbers in revenue prove it's headed to the top.

Smartphones Lead the Way

Much of the growth can be attributed to the growing use of more potent smartphones. The significant increase in smartphone use has lead to the universal implementation of direct carrier billing. With smartphones making gaming so accessible, Indian users have reported spending 34% on mobile games monthly; A survey of 3,500 Indian smartphone users revealed that Indian gamers are more likely to invest in virtual games which translate into 34% of Indian gamers purchasing mobile games on a monthly basis.



In-app Purchasers in India Drive the Global Market

According to TUNE, the percentage of in-app purchasing gamers in India makes up 16%, based on 200 billion users. This is higher than the global average, making it a strategic opportunity for mobile publishers who want to increase monetization beyond advertising. The Chinese gaming company, Youzu Interactive, has taken this lead and plans to launch local casual strategy games in India in 2017. Independent sources have revealed that the company plans on spending \$10 million to create local games and look for acquisitions, investments, and partnerships in the gaming and entertainment industry in India. In that same vein, Indian game publisher Gamesbond has joined forces with Vietnamese publisher Stom Studio for a collection of casual games.

Indian Gaming Industry Growth is Exponential

The gaming industry in India is valued at \$200 million. Real money gaming takes a \$70 million portion of that total, with the remaining balance of \$130 million comprised of casual gaming. These numbers bear witness to the opportunities that mobile game developers, both local and foreign, can expect to take advantage of by investing in the mobile gaming industry in India. This fact is further supported by the rapid increase in the number of powerful smartphones that will continue to fuel this powerful movement in the mobile gaming industry.

When it comes to the explosive growth of the mobile gaming industry in India, the numbers tell the story. The opportunity is clear for mobile game developers with the increase in smartphones and direct carrier billing. This growing trend has led to the increase in the amount of time and money that Indian users spend playing mobile games. The rise has been substantial enough to aggressively grow the market at an alarming rate. With the increase in smartphone use and in-app purchases, the mobile gaming market in India is set to continue to increase creating a lucrative opportunity for developers, both local and foreign.

India is Set to Bypass Both
Russia & Brazil in Mobile
Gaming Revenue

India has claimed the fifth spot in the mobile gaming market. Mobile game downloads and rising revenues have helped India level up quickly, and there's no slowing down in its ascent. San Francisco business intelligence firm, App Annie released a report on the country's mobile gaming industry which revealed that India leveled up two places in 2016 over the previous year. With this type of growth, India is expected to move ahead of both Brazil and Russia, who currently hold the third and fourth places in the mobile gaming industry.

Mobile Gaming Revenues are Exploding

The total game revenue in India from both local and foreign contributors is expected to reach \$1.1 billion by 2020. Cash-based strategy games have grown in revenue by 140% over casual games in 2016. Much of this growth can be attributed to the increase in smartphone use; With console gaming giving way to mobile gaming as a result of improved wireless connectivity in the country as well as the increase in smartphone use. The rise in revenues can also be connected to the fact that India is within the top 25% globally for mobile user retention. Indian users are typically still using an app 14 days after a paid install. This is significant considering the global average use of an app after 14 days is less than that of Indian users.



Mobile Downloads Continue to Rise

Indian downloads were set to double to 1.6 billion in 2016 and those numbers have continued to climb. The forecast is that this number will rise sharply to 5.3 billion by the year 2020. According to VMAX, Indian Google Play had 492,553 apps available in March of 2016 and 145,208 of those apps were games, further contributing to the increase in downloads and revenue. The sharp increase in downloads as well as a 30% increase in time spent gaming on mobile devices, is a strong indicator that monetization will be the next big area of explosive growth.



Google Play Vouchers, Carrier Billing, and IAP Tiers

With all the methods available to make mobile gaming more accessible, the numbers continue to increase. Prepaid google play vouchers, carrier billing, and lower IAP tiers make mobile gaming much more readily accessible. This factor can also be attributed to the growing number of engaged gamers spending more time and money paying for in-app purchases. This factors into the 87% increase in revenues that will drive the Indian mobile gaming industry to \$1.1 billion by 2020.

The mobile gaming industry in India has continued to experience explosive growth and is set to continue its ascension. With the number of apps steadily increasing on google play, as well as the number of downloads taking place, the Indian gaming industry is set to bypass both Russia and Brazil, as revenues continue to rise aggressively. With all the methods available to pay for mobile gaming, there's no stopping this rapid growth.

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