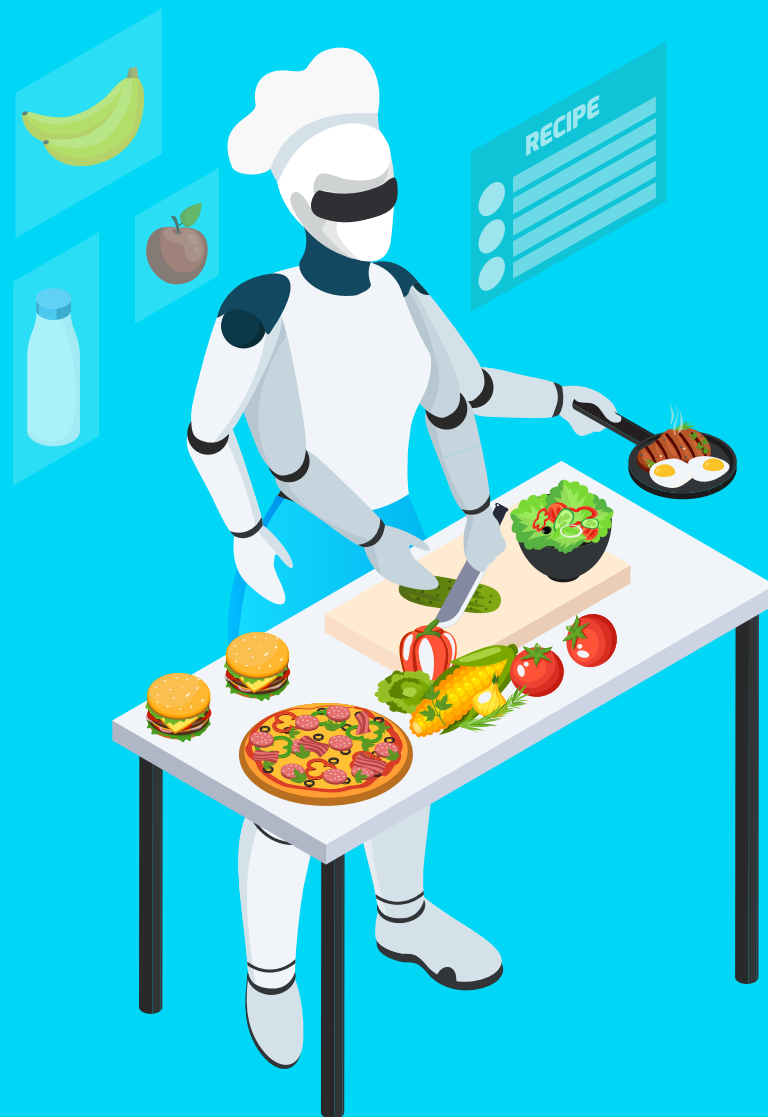
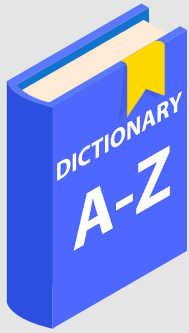


The super app recipe

How super apps create more value for
businesses and consumers in Southeast Asia





Definition

Super App | /ˈsuːpə ap/ | noun

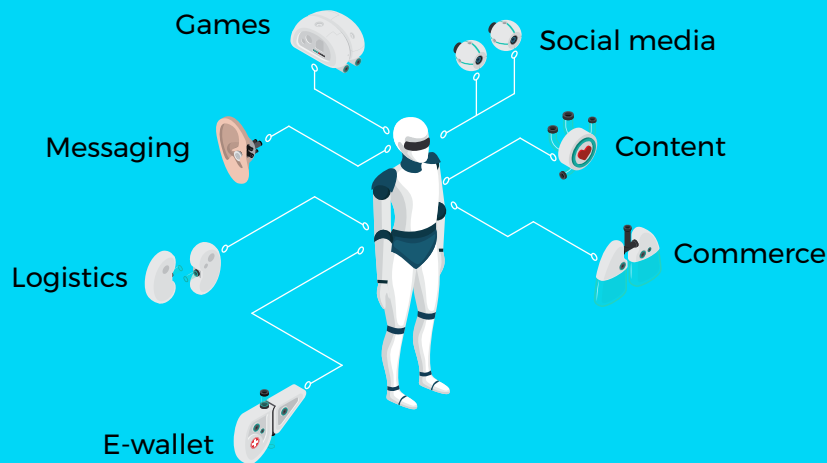
“A super app is many apps within an umbrella app. It’s an OS that unbundles the tyranny of apps. It’s the portal to the internet for a mobile-first generation.”
Sidu Ponnappa, senior vice president of engineering, Gojek

Source: Gojek

What does it take to become a super app?

The simple recipe

A super app must have two or more of these functions:



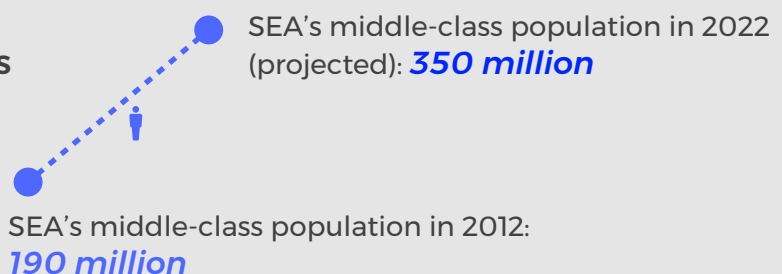
Southeast Asia: The breeding ground for super apps



The region is ripe for the emergence of super apps because of these factors:

1

Growing middle class



2

Large unbanked population



73% of people in SEA don't have bank accounts

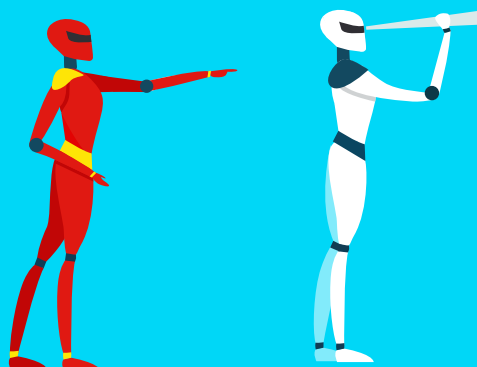
3

High mobile phone penetration



The region has a mobile broadband connectivity of 101%, higher than the global average of 74%

Source: SGSME, Bain & Company, Quartz, The ASEAN Post, We Are Social



Following China's lead

The situation in Southeast Asia today mirrors the conditions in China approximately 10 years ago, when the country saw the rise of its first generation of super apps.



Baidu
(founded in 2000)

Services include:

- Search engine
- Online mapping
- Community-driven encyclopedia
- Forum



Meituan-Dianping
(founded in 2010)

Services include:

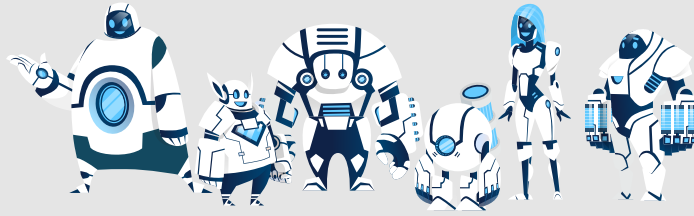
- Group-buying feature for vouchers
- Food delivery
- Retail services



WeChat
(founded in 2011)

Services include:

- Messaging
- Social media
- E-wallet



Other notable players across Asia



Services include:

- Ride-hailing
- Travel booking
- Hotel booking
- Movie ticketing
- Food delivery
- Parcel delivery
- Grocery delivery
- Business loans
- E-wallet



Services include:

- Ride-hailing
- Food delivery
- Parcel delivery
- Grocery delivery
- On-demand services
- E-wallet
- Movie ticketing
- Content



Services include:

- Customer loyalty
- E-wallet
- Table-ordering
- Business loans
- Marketing
- Data analytics



Services include:

- Chat
- Gaming
- Music
- E-wallet
- Ride-hailing
- News
- Livestreaming
- Food delivery
- Parcel delivery
- Grocery delivery



Services include:

- Online shopping
- Investing
- Bill payments
- Insurance
- Travel booking
- Games
- Voucher purchase
- Public transport ticketing
- Event ticketing
- Movie ticketing
- E-wallet
- Food delivery
- Grocery delivery



Services include:

- Ride-hailing
- Food delivery
- Public transport ticketing
- Event ticketing
- Movie ticketing



Services include:

- Ride-hailing
- Food delivery
- Parcel delivery
- E-wallet



Services include:

- Video content
- Music streaming
- E-wallet
- Bill payment
- Customer loyalty

The concept of having many services housed in a single platform is older than you think.



The proto-super app

yahoo!

Founded by Jerry Yang and David Filo in January 1994, the company was one of the pioneers of the early internet era.

Services included:

- Web portal
- Search engine
- Web directory
- Email service
- News site
- Financial services
- Online discussion boards
- Community-driven Q & A website
- Advertising
- Online mapping
- Video hosting/sharing
- Fantasy sports
- Social media website

Yahoo is still among the most popular sites in the world.
Ranked 10th globally in terms of internet traffic and engagement, according to Alexa rankings in October 2019

Why go super?



- 1 A successful super-app strategy drives growth
- 2 Creates more ways to engage with existing customers
- 3 Opens new customer bases via partnerships, which leads to higher daily engagement rates
- 4 Reduce customer churn and re-acquisition cost by retaining user with other services
- 5 Becoming one can also attract large amounts of investment
Notable investments worth over US\$1b in super apps:



US\$4.5 billion
Late stage
March 2019

美团点评
Meituan-Dianping

US\$4 billion
Late stage
October 2017



US\$1.4 billion
Late stage
May 2017



The “straightforward” super-app strategy

Step 1: Provide a basic service with high frequency of use

Step 2: Acquire users and collect data

Step 3: Add e-wallet, credit, or rewards features

Step 4: Engage users with new services, using wallet to streamline usage

“Once you’re handling money for a user, you can build a castle of services within [the platform].”

Sidu Ponnappa, senior vice president of engineering, Gojek

Source: Gojek

Hot tip from a hot app: Don’t do it alone



“To meet the scale of our ambitions, we collaborate with partners who are the best in what they do, combining their expertise with ours.”

Jerald Singh, group head of product and design, Grab

Source: Tech in Asia



How to make bank

Super apps can monetize their user base by:

- ★ Introducing credit features on both the consumer and merchant side
- ★ Offering cross-border payment features for consumers and businesses
- ★ Creating marketplaces or ecosystems to earn fees and commissions from transactions
- ★ Scaling up advertising and rewards capabilities to charge for ad and traffic to merchants

Going super isn't easy

"Delivering one 'killer app' or experience is hard enough; consolidating [several experiences] into one super app is harder."
Joel Yarbrough, Asia Pacific vice president, Rapyd



Super apps face the challenge of:

- ★ Reducing the costs of implementing additional experiences
- ★ Finding the optimal combination of experiences to drive engagement
- ★ Remaining nimble enough to react quickly to competition/customer feedback

The future of the super-app scene



Yarbrough has three predictions for super apps in the near future:

- 1 Super apps will continue to flourish in Asia as more players emerge creating platforms of various types and sizes
- 2 Large consumer brands, retailers, telcos, payment companies, and gig platforms will join the super-app fray
- 3 An oligopoly will form as the value of strategic partnerships becomes more apparent