# The West copying Asia — the rise of super apps

*Tech investors are often in a great position to witness the industry defining innovations of tomorrow. Due to the speed and quality of innovation across Asia, we are starting to see the influence on product and software design around the world.*

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A big trend to watch out for in 2021 is the rise of 'Super Apps'. These will fundamentally change how companies design their apps, and how consumers interact with them. More importantly, they have the potential to disrupt several industries at once leveraging one user base.

In a nutshell, Super Apps are digital applications that offer a wide variety of services: users can, for example, chat with friends, order takeaway, shop and book a plane ticket — all within one app. The app becomes a multifaceted marketplace, rather than just a 'one service' offering. Perhaps the most well-known Super App is WeChat, but across Asia tech companies with a large user base are consistently becoming Super Apps, e.g. Grab, Lazada and others.

Super Apps represent a major difference in design philosophy between the East and the West.

Over the past few decades, the school of thought in the West and across leading management training programs (e.g. MBAs) tend to focus on specialisation and on how to leverage core profit centres. As a result, executives recommend large conglomerates and complicated businesses to be split up, activist investors call for business units to be spun off or

sold, and new companies choose to focus on their core offerings.

This line of thinking has also been widely adopted in the tech world, where startups focus on creating 'single purpose' apps which solve one consumer problem with a clear and simple user interface. A classic example is Uber, which for a long time focused only on moving people from A to B. Another example is Facebook, which has kept its photo and chat services (Instagram, WhatsApp, and Messenger) as separate apps and even as separate brands from its own social networking platform.

> *In Asia, the school of thought is different. Large conglomerates are still common in most Asian countries: companies like Reliance in India and Ayala Group in the Philippines do everything from tech to hospitals, infrastructure to retail, and more. This approach has carried over into technology.*

WeChat, owned by Tencent (China's equivalent to Facebook), integrates a ton of customer services, including mobile payments, social media, gaming and retail, all into one app. Meanwhile, Grab, a ride-hailing company headquartered in Singapore that acquired Uber's Southeast Asian division in 2018, has an app that not only offers transportation services, but also food and package delivery, and digital payment solutions. Broadly, you can almost consume all digital services you need on a daily basis within one app.

These two Super Apps are massively popular. Grab has roughly 187 million users across eight countries, while WeChat has over a billion users around the world.

These two Asian apps, alongside others like Alipay and Gojek, have become so successful because they integrate multiple services within one payment infrastructure that is easy to use and frictionless. By integrating other merchants and third-party services, the Super Apps create an ecosystem that monopolises the user's time as they don't need to use a variety of apps, which leads to greater customer loyalty.

As well as providing a wide variety of experiences and services with which to engage users, Super Apps have grown popular for a more practical reason: one Super App generally takes up less phone memory than downloading dozens of single-purpose apps, all of which will require regular updating and may increase data usage - a big topic in lower bandwidth/income countries.

The rise of Super Apps has already created a sub-industry of services that exist to support Super App infrastructure. Companies such as _Appboxo_ (a company in which Antler is invested), enables any app to become a Super App, by offering a marketplace of services that can then be offered to users. Of course, the other side of the marketplace is equally interesting: any service provider can become a mini-app, that can be integrated into a Super App.

> _The design approach of Super Apps is slowly shifting from Asia to Europe and the US, where we can see a handful of technology firms starting to adopt this approach._

For instance, Spotify CEO Daniel Ek recently described during an interview how his music streaming platform chose to integrate its new podcast service into one app, rather than building a separate, single-purpose podcasting app.

Similarly, Uber is now — perhaps belatedly — trying to become a Super App. Last year, the company launched Uber Money to provide financial services to drivers and customers, and earlier this year it doubled down on its UberEats proposition by acquiring food delivery service Postmates in a deal worth $2.65bn. Expanding from transportation to delivery now seems like a wise move, considering demand for ride-sharing has dropped massively as a result of Covid-19 leading to national lockdowns and a surge in remote working.

Beyond these examples, it is clear that the Super App innovation is coming to the West. It is likely that more companies will consider how they can integrate several services together within one app, rather than focusing solely on specialisation, in order to tap into this growth potential.



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