



Super Apps in India

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Why In News

Recently, the Tata Group is planning to get into aggregating its consumer offerings in an **all-in-one super app**.

Key Points

- A super app is an **omnichannel digital platform**, i.e.- a platform developed by a company offering various services and products under one umbrella.
For example, China's WeChat, which started out as a messaging app, expanded into payments, cabs, shopping, food ordering, cab services to become a super app.
- A physical world analogy of a super app would be a **mall**, which allows retail space to various brands and shops across businesses and verticals.
- There are **two concept of super app** emergence:
 - The concept of super app first emerged in **China and southeast Asia** where internet companies like WeChat, Go-Jek and Grab evolved their apps into versatile feature apps.
Customer Traffic to Services: These companies used the opportunity of customer traffic on their platforms that **originally came as social media** by offering additional services leading to increased revenue realisations.
 - A different approach is followed in the **west Asia region**.
Services to Target Customer: The traditional business conglomerates with a large portfolio with a presence in shopping malls, grocery and entertainment are building digital assets. These businesses observe high customer footfall and high repeat purchase frequency.

Advantages of Super Apps

- **For Businesses:**

- **Higher Revenue:** It ensures **increased revenue realization** due to consolidation of services at one place.
- **Control over Data:** It provides to companies a **large amount of consumer data.**

Such a large amount of data can be harnessed **to learn more about user behaviour.**

- **Market Access:** It enables domestic and foreign retailers to easily get access to the market.

- **For consumers:**

- **Convenience:** It shortens the way to the desired action.
- **Diverse Services:** It offers a variety of services.
- **Easy experience:** It allows for a uniform and individual user experience.
- **Less Load on Phone:** It saves phone memory compared to what it is in the case of multiple apps.

Concerns about Super Apps

- **Monopoly:** The very concept of a conglomerate trying to keep a customer within its own ecosystem for most services they might require increases the possibility of a **monopoly.**

The data collected by the master app **could then be used to train machines in artificial intelligence** which can be used either way.

- **Risk to Financial Systems:** Super Apps are disintermediating banks from their customers, which is not healthy for a financial system unless formal regulations are not in place concerning such apps.
- **Issue with Device:** A large chunk of India's smartphone market belongs to lower-end smartphones, most of which come with a space crunch.
- **Language Issue:** India is a multi-linguistic nation. So a super app must use vernacular language to increase consumer reach.
- **Privacy:** Concerns of privacy in cases where a super app has onboarded third-party service providers.

Indian Experience

- Main reasons why Indian companies are looking at building super apps are:
 - Relatively large base of the population is smartphones first instead of desktop.
India's smartphone base is estimated around 450 million (2020) and it is expected to reach 820 million in the next two years.
 - The ecosystem of apps customised to local needs has not yet evolved.

- **Few Examples:**

- **Jio umbrella** of Reliance Industries has consolidated various services and offerings such as shopping, content streaming, groceries, payments, cloud storage services, etc.
- Paytm has also brought together services like payments, ticket bookings, games, online shopping, banking, consumer finance, etc into one app.

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