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The next frontier in travel with Superapps

By Angelica Chan - April 18, 2022 @ 9:51am



Back in 2009, Apple coined a catchy phrase -- "There's an app for that". It was meant to show off the multitude of mobile applications available for iOS devices through its popular App Store.

Over a decade later, the App Store houses over 2.22 million apps -- a figure that shows how it has multiplied exponentially and become part of everyday life for most people.

As time passed, a new breed of apps -- Superapps -- started gaining popularity, especially in Asia in the last three years.

A Superapp is one app that clubs a variety of services and today, it is becoming a major disruptor in the online marketplace and the digital financial services ecosystem.

Take Traveloka for instance. What started off as a metasearch engine, an online aggregator of flight ticket comparison, today is one of Southeast Asia's leading lifestyle Superapp.

What Makes a Superapp Super

The idea of the super app first gained popularity in China with WeChat, the messaging app that essentially acts as a platform for facilitating life online in the world's most populous country.

WeChat doesn't just let you message your friends and see their updates in a feed; it can also be used to take out a loan to buy your next car.

WeChat basically pioneered the concept of 'mini-programs' or apps-within-an-app, and in today's term, Superapp. Their path from a messenger to a real ecosystem of various services, is how the first super applications were shaped and that is basically how Traveloka grew into the Superapp it is today.

Since its founding in 2012, Traveloka has delivered a variety of products and services providing convenience to more than 40 million consumers.

A decade in the business also meant collaborating with millions of partners, and partnering with a number of stakeholders to jointly contribute to the tourism industry and national economy.

As the largest online travel startup in Southeast Asia, it transformed into a Lifestyle Superapp that offers end-to-end solutions to fulfil consumers' lifestyle needs.

After all, as highlighted in the Global Payment Report by FIS, "Many super apps begin as digital wallets, search engines, messaging, taxi or even delivery services and then undergo an evolution by attaching different products and services.

They're [Superapps] shaping a new future of commerce that redefines how consumers shop, pay and connect with brands."

For a company like Traveloka, innovation has been the driving force -- as it should be for any thriving consumer-centric business.

If one were to look into the suites of products and services today – from its core travel offering, to local services and financial services – it is tailored to empower the region's fast growing and highly aspirational users to enjoy new experiences and explore the world around them.

Orchestrating Demand

Frankly, technology was born out of people's search for convenience. In fact, in the digital era we are in today, we can get anything delivered to our doorsteps with just one click.

During the Covid-19 pandemic especially, the need for technology has become even more paramount.

With Traveloka, technology has allowed the company to be more agile in shifting to new business verticals and adjusting operating models in real time.

Moreover, the digital boom in Asia has created a virtuous loop of commerce, payment and lifestyle, which has allowed us to grow into a Superapp.

FIS, in its report, emphasised how Superapps first emerged in Asia as powerful disruptors and economic innovators, and till date, the region remains the primary hub of super app leadership.

"For APAC consumers, a single app opens doors to virtually everything they need or want to do, from social media to payments, ride-hailing and gaming.

Super apps are not just a glimpse into the future –they're the living future."The convenience of technology also gave birth to more demand for convenient, connected experiences -- especially among millennials these days who see value in managing every aspect of their digital lives online from a single app.

So when the pandemic forced us all to remain at home, impacting the travel industry as a whole, our agility has allowed us to come up with new verticals to meet the demand for convenience millennials look for today.

Today, we have products and services that include over one million accommodation listings; more than 150 airline partners; 750 over bus, car rental and airport transfer; as well as more than 21,000 local services under our Xperience & Eats.

Basically, as how a Superapp should be, ours can cater to a variety of users' needs from daily, to weekly and even monthly needs on top of the longer-term needs like life insurances.

Having provided all that under just one app has given us more than 60 million downloads out of which, more than 40 million are monthly active users across seven of the most dynamic markets in the region.

Precisely, Indonesia still stands as our dominant market. The strength is underpinned mainly by our innovative technology – from AI recommendations to our personalised chatbot and in-house credit risk model.

Safe to say, we have one of the most comprehensive, seamless, and personalised user experiences in the industry. Above all, Superapps have also come to address critical financial inclusion, especially in this part of the world.

Reviving Malaysia

Since Traveloka first opened its regional office here in 2015, the Superapp have been fulfilling the growing needs of Malaysians in travel and lifestyle. Even with the pandemic, we had in place, recovery efforts to help contribute significantly to the reopening of the local tourism industry.

When the first travel bubble to Langkawi was announced, we worked closely with Tourism Malaysia and achieved a 70% increase in flight bookings, 40% growth in hotel bookings, and a three-fold jump in tourist attraction receipts.

Interestingly, most of our customers are millennials aged between 20 and 40 years old and more than 50% of the decision-makers are female based on consumer research.

To top it off, 80% of our consumers made bookings online, showing a major shift during the pandemic.

After all, consumers would embrace brands and companies that are able to provide an ecosystem where their time is monopolised and there is no need for them to use a variety of apps.

Although Westerners aren't really familiar with Superapp, across much of Asia, superapps are the internet.

Inevitably, the unprecedented competitive advantages superapps offer has spurred US and other technology and fintech firms to catch-up to their APAC counterparts. Take Amazon, Facebook, PayPal, Square and Walmart for an instance--they have all taken steps to morph their existing offerings into super apps.

"People in the East tend to be very happy to have a single source for everything, but in the US and Europe, that's not necessarily the case.

People also have data and privacy concerns that exist in the West that don't exist at that level in the East.

That may be one of the challenges that superapp faces in becoming truly global," IS senior vice president and general manager of Global E-commerce for APAC Phil Pomford said in the report.

An app, like Traveloka, reaches super status when it knits together a critical mass of services and makes them addictively easy to toggle among. The more services, the stickier and more lucrative.

Ultimately, whatever the future holds for superapps, competitive pressures are enormous as they push the industry toward bundling, consolidation and simplicity. These platforms are shaping the next frontier of commerce and payments.

By Angelica Chan, Country Manager, Traveloka Malaysia.