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Guide to Next.

FINANCIAL SERVICES



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**SUPER APPS:
A NEW WAVE OF DIGITAL DISRUPTION IN BANKING**





Super Apps: A New Wave of Digital Disruption in Banking

IN RECENT YEARS, THE CONCEPT OF A “SUPER APP” HAS EMERGED AS A DISRUPTIVE FORCE IN THE MOBILE/SMART PHONE INDUSTRY, PARTICULARLY IN ASIA, WHERE PLATFORMS LIKE WECHAT AND ALIPAY HAVE TRANSFORMED THE WAY PEOPLE INTERACT WITH DIGITAL BANKING.

Super apps are multi-functional, all-in-one digital platforms that can integrate a wide range of services delivered directly to consumer smart phones. But can this one-stop shop super app concept translate to banking apps?

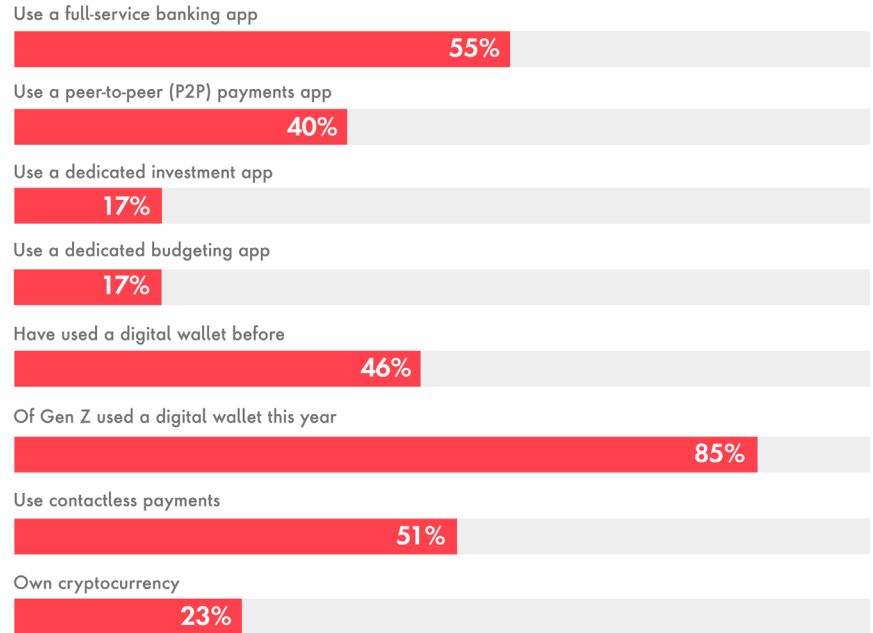
The rise of super apps

Surprisingly, the concept of super apps isn't entirely new; the idea was introduced by BlackBerry's founder, Mike Lazaridis, over 10 years ago. With consumers leading the charge on a mobile-first future, the demand for an all-in-one platform has continued to evolve, and looking ahead, in 2024 demand will continue to rise as will the level of complexity needed by customers from digital banking apps.

The success of super apps is convenience and simplicity for consumers. As an all-in-one platform, users can use the app for messaging, shopping, transportation (like Uber and Lyft), food delivery and paying bills. The question remains: with the number of apps downloaded on consumers' smart phones growing daily, can all consumer needs really fit under one umbrella?

The future of financial super apps in 2024

U.S. Financial Service App Usage



Sources: Daxue Consulting; Finder; Associated Press; Boston Herald; Global Payments

Mobile banking is a right, not a privilege

Mobile banking is no longer a luxury, as more than half of consumers are using a full-service banking app (with even more taking advantage of digital wallets).

Even so, consumers are struggling to manage their finances across multiple banking platforms, which is something the super app is trying to solve. The convenience factor of a one-stop shop plays a vital role, offering 24/7 access, personalized experiences and enhanced security—all of which have continually attracted consumers to seek out alternatives to traditional banking.



The impact of super apps in banking

This all-in-one solution provides a broad range of services within a single app, which can help financial institutions enable:

1. CONVENIENCE AND SIMPLIFICATION

Super apps consolidate multiple services and functions into a single platform, eliminating the need for users to switch between different apps. This streamlines the user experience and makes it more convenient, saving time and effort. Instead of downloading and managing several individual apps, users can access various services and perform multiple tasks seamlessly within a single app.

2. ENHANCED USER ENGAGEMENT AND RETENTION

Super apps provide a compelling reason for users to spend more time within the app. By offering a wide range of services, these platforms can keep users engaged, encourage frequent usage and increase user retention. The more time users spend within the app, the more opportunities there are for generating revenue and delivering personalized experiences.

3. NETWORK EFFECT AND ECOSYSTEM EXPANSION

Super apps often create an ecosystem of services and products that complement each other. As more users join the platform, the value of the app increases for both users and service providers. For example, a messaging app with integrated financial services can enable users to send money to friends, make payments and access other financial products. This network effect drives the expansion of the ecosystem, attracting more users and service providers to join the platform.

4. CROSS-SELLING AND MONETIZATION OPPORTUNITIES

Super apps can [leverage the vast user base and data](#) they accumulate to offer targeted advertising, cross-selling opportunities and personalized recommendations. By understanding user preferences and behavior, these apps can present relevant products and services, leading to increased conversions and revenue. Additionally, super apps can earn revenue through commissions or transaction fees for the services offered within their platform.

5. FINANCIAL INCLUSION AND ACCESS TO SERVICES

Super apps, particularly in emerging markets, can play a crucial role in providing access to essential services for underbanked or underserved populations. By integrating financial services, users can perform banking transactions, access loans, make payments and more, all within the same app. This helps bridge the gap between traditional financial services and users who may have limited access to physical bank branches.

6. INNOVATION AND DISRUPTION

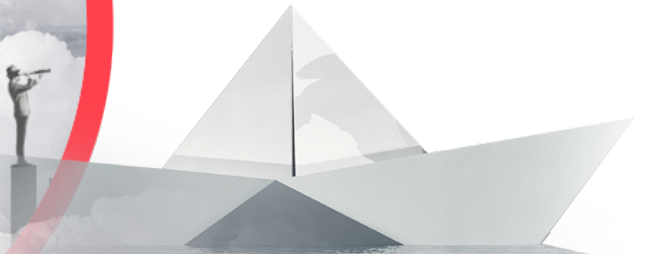
Super apps drive innovation by pushing boundaries and exploring new possibilities. These platforms often collaborate with third-party developers and service providers, [fostering a vibrant ecosystem of innovation](#). By opening up their platform to external developers, super apps can introduce new services, features and integrations that enhance the overall user experience.

Challenger bank disruption to traditional banking

Financial services have, typically, been handled exclusively by banks and other financial institutions. But big tech firms like Google, Amazon and Apple want a piece of the pie and are seeking more from consumers' financial purchases.

Because of this, super apps may remove financial institutions as the “middle man” entirely—where big tech firms can provide every financial service a consumer may need.

So, what can banks do to stay relevant?





Next steps for financial institutions

According to Grand View Research, the global super apps market size is expected to reach [\\$426 billion by 2030](#). Financial institutions will be left with one question: *Do they join the party (embed within a super app) or create their own?*

Strategy: Embed vs. Develop?

Embed is best for FIs that want to...

- Offer their services in another firm's super app (branded or not)
- Become an infrastructure provider of choice with a Banking-as-a-Service (BaaS) or Payments-as-a-Service (Paas) proposition
- Bring offerings/products to market quickly, efficiently and more cost-effectively
- Gain access to untapped market segments

Develop is best for FIs that can...

- Think and compete differently (competition based on product/service --> monetizing engagement and data)
- Use open data to bolster quality of insights between sub-apps
- Retain customer trust & can navigate regulatory requirements with ease
- Implement experience in leveraging financial data to better understand customer segments



Super apps represent a paradigm shift in mobile application development by consolidating multiple functionalities and services into a single, seamless platform. With their convenience, user engagement potential, monetization opportunities and ability to enhance financial inclusion, super apps have become a significant trend in the mobile technology landscape.

DAVE DONOVAN, EXECUTIVE VICE PRESIDENT, OPERATIONS

The banking app of the future: A lifestyle platform

Whether a bank chooses to embed or develop their own super app, the banking app of the future will focus on personalization and customer-centricity. [Advanced analytics and AI-driven insights](#) will enable tailored recommendations. To stay relevant in the market, traditional financial institutions will need to make a decision to provide the back-end for all embedded financial services or develop their own super app to improve customer engagement, increase revenue streams and promote potential growth.

With all financial products and services living in one place, users will be empowered to make more informed decisions, whether that's through cryptocurrency or stock trading, lending, credit services, Buy Now, Pay Later (BNPL) services, personal finance management and beyond.



Next starts now.

Traditional banks must adapt and embrace the rise of super apps across industries to remain competitive. By investing in the right digital capabilities, banks can drive innovation and transformation in financial services.

It is crucial for financial institutions to anticipate and leverage future advancements, like AI, to meet customer expectations. Publicis Sapient is ready to partner with banks to help them navigate this digital transformation and help drive success in the evolving mobile-banking landscape.



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