Super Apps in Asia, "Everything App" in the US?

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All-in-one apps that dominate China and other Asian markets may soon materialise in the United States, albeit with significant variations.

When Elon Musk **announced** the appointment of Twitter's new chief executive, he also reminded the world of his ambition for the platform: " Looking forward to working with Linda [Yaccarino] to transform this platform into X, the everything app."

But for once, the entrepreneur who popularised electric cars and pioneered private space exploration is behind the curve. Apps that serve as one-stop shops for a multitude of services – from online messaging, grocery and food shopping, e-payments, ride-hailing and entertainment to travel bookings – are already widely used in China and Southeast Asia. WeChat, the king of the so-called **super apps**, has **more than 1.3 billion** monthly active users.

No super app has emerged in the United States to date, although American Big Tech firms appear poised to change that. A few examples: Facebook's main app now includes payments, e-commerce, gaming, dating and

podcasts; Amazon's platform offers medical consultations, pharmacy services, grocery delivery and content streaming; Uber now peddles not just ride-hailing but also travel bookings as well as food and package deliveries.

They may well succeed – though perhaps not on the scale of their Asian rivals. As **Dan Prud'homme**, **Tony W. Tong** and I explain in an **article** for *Harvard Business Review*, deep-rooted legacy, regulatory and culture reasons mean super apps will likely remain a pipe dream in the US, but the convergence of a number of conditions including demographics could usher in an age of "super apps lite".

Legacy issues and the culture gap

Any prediction of the future would benefit from an examination of history, so let's first consider the factors that have impeded the emergence of super apps in the US. They include historically divergent growth trajectories, a tighter regulatory environment and cultural differences.

Different growth paths

In the US, tech companies including Google (search), Facebook (social media) and Amazon (e-commerce) offered narrow services on personal computers before smartphones became widespread. These companies later developed mobile apps for their services, but the apps likewise offered a single service or just a few services. This could be due to the fear of cannibalising their own ad revenue, since each app can serve as an advertising channel.

In Asia, by contrast, many consumers' first experience with the internet was through mobile platforms and multifunctional apps. Tech companies such as WeChat's owner Tencent and Alibaba, which runs Alipay, were able to quickly grow their user bases as they added new services to their original offerings (a mobile messenger and an online marketplace respectively).

On the technical side, US tech companies have reason to be wary of stuffing an app with numerous features, rendering it slow to load and ironically undermining user engagement. For example, Google engineers we spoke to indicated they were hesitant to add more functionality to Google Maps because it was already operating at infrastructural limits. Facebook spun off the Messenger function from its flagship app over similar concerns about capacity.

Another legacy reason for super apps' absence in the US pertains to payments. Western consumers are used to using credit and debit cards and are hence lukewarm to mobile fintech innovations, whereas in China and many other Asian markets, large populations without banking access spurred the development of mobile payment systems that underpin many super-app ecosystems.

Regulatory differences

For all their success, neither WeChat nor Alipay could have become the behemoths they are today if not for a conducive environment of loose regulation in data privacy, competitive practices and financial transactions. On the last point, for example, WeChat Pay and Alipay used customer funds stored in their digital wallets to invest in overnight funds and interest-bearing accounts. They also facilitated underregulated peer-to-peer lending. Chinese regulators have since cracked down on companies' use of consumer funds as well as **anti-competitive practices and tightened data privacy** rules.

Meanwhile, the Chinese authorities' decision to block tech platforms from the US, South Korea (KakaoTalk) and Japan (LINE) for national security reasons effectively removed foreign competition and helped homegrown apps flourish. This also fostered a Chinese app market that is less fragmented than those of the West.

Cultural differences

Surveys by **KPMG**, **Bain** and the **World Bank** have shown that Asian consumers tend to be more willing to adopt new digital technologies than their American counterparts. In China, for example, the traditional practice of giving cash gifts in red envelopes spurred the growth of WeChat's digital payment system, which enables users to send digital red envelopes to friends and family.

Asian consumers are also generally **more comfortable** with large conglomerates, such as WeChat's owner Tencent, Alibaba and Samsung, dominating many aspects of everyday life. Americans, on the other hand, tend to view large corporations with suspicion, not least due to concerns about **privacy and trust**.

Is the time ripe for super apps lite?

Cultural and legacy reasons might have held back the emergence of super apps in the US, but several recent trends, from demographic shifts and regulatory pressures to technological disruptions, suggest omnibus apps are imminent.

On the demand side, American consumers appear ready for multifunctional apps. Look no further than a **2022 consumer survey** in which 72 percent of US respondents indicated they would be interested in using a super app.

There are obvious demographic and social reasons underlying this newfound taste for one-stop apps. Younger Americans are **more interested** in mobile gaming, new social media and other digital services that fit well within super apps. Many of these so-called digital natives are also less averse to sharing their data with online platforms.

Meanwhile older consumers are becoming more digitally savvy. A **2022 study** by the Pew Research Center found that Americans aged 65 and older were five times more likely to own a smartphone and four times more likely to use social media in 2021 than a decade ago.

Potential for new super-app ecosystems

These trends coincide with regulatory pressures that may further fuel the development of multifunctional apps. First, data privacy laws in the US and European Union are making it harder for tech companies to monetise user data. This has led to Apple and Google taking steps to make it more difficult for third-party apps to share data mined from iOS and Android operating systems with other companies. As a result, companies may consolidate apps to keep user data within their own digital ecosystems.

Second, the US government's **crackdown** on alleged anti-competitive practices by Big Tech companies including Alphabet, Facebook and Microsoft could, ironically, push platforms to invest in diversified app services to lock in customers, since expansion via mergers and acquisitions is increasingly risky.

Parallel to these developments is the advent of new technologies such as **generative AI** and stablecoins that may create opportunities to develop complementary tools and ecosystems similar to those of super apps.

In China, people "basically live on WeChat because it's so usable and helpful to daily life," Musk **said last year** when he first flagged his goal of building

an "everything app". "I think if we can achieve that, or even get close to that at Twitter, it would be an immense success." That day may come sooner than we think.

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About the author(s)

Guoli Chen is a Professor of Strategy at INSEAD. His research focuses on the influence of CEOs, top executives, and boards of directors on firms' strategic choices and organisational outcomes, as well as the interaction and dynamics in the top management team and CEO-board relationships.