

# The Rise of Location-Based Super Apps

By Teh Hon Seng, on 25th July 2022

It is obvious that app development is moving forward from simple to more complex super apps, in a trendier way the app owners like to refer to it as “building an ecosystem”. A super app, once downloaded, stuffs your little mobile screen with plentiful icons, scrollable and expandable with many sub-categories, for example TNG eWallet packed with over 40 main icons; Grab filled with 13 main icons and innumerable promotional and selectable items; and MAE, owned by Maybank, besides its core banking services, lined up with 22 non-banking services including food delivery. No matter how different their inception stories are and how lavish their owner’s background, eventually they have headed almost the same direction and competing in almost the same marketplace.

## The Rise of the Super App



Pyramid app, a physical shopping mall, extended its services as an eMall, and will soon link to its other township components, to provide a score of online to offline services within its ecosystem. All the super apps, set their **primary objectives to enlarge the user base, collect more extensive data for analytics, and ultimately for better monetisation.**

Regardless of their origin, whether they are created by a ride-hailing company, or banks, airlines, e-commerce platforms, oil and gas companies, an LRT operator, or a township developer, once the apps started to swell, the services will cross paths with one another. This is something unimaginable in the past, which all different industries set their own boundaries.

## Two Camps: Location-Based & Non-Location Based

To ease the comprehension of the super app’s future trend, I divided the super apps into two camps, which are location-based and non-location based. How is it defined whether an App belongs to a location-based camp or a non-location-based camp? Very simple. If the super app **centres around its real estate**, be it residential, shopping centre, or business tower, it is categorised as a location-based app. The rest, is non-location based.



Non-location based apps

Most of the popular super apps like Grab, eWallet apps like TnG and Boost, WeChat etc. are non-location based, and Pals for Life for Sunway Shopping Mall, i-City app, 1 Utama App etc. are location-based. You may find a huge gap in download rates for these two camps, non-location based easily hit 10 million plus for the download, whereas location-based super apps hardly achieve 100k.



Location based apps

This is not surprising because non-location-based super apps started much earlier and mushroomed in the 4G era, some out of nowhere pop-up as startups, and some are backed by their parent companies as an extension of their current businesses.

## 5G & IoT Boost Location-based Super App



In contrast to non-location-based, location-based super apps only emerged at a much later stage.

We expect more location-based super apps will surface in the era of 5G due to the booming of IoT. One of the criteria for location-based super apps, is to hook up the users via apps to interact with IoT devices. Why and how?

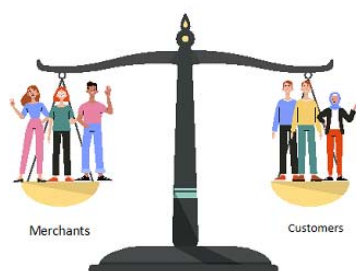
There are **four major categories of IoT devices involved in a location-based app, namely smart parking systems, smart surveillance systems, access control systems and smart office/home systems.**

All these activities help to improve stickiness, enhance security, smoothen daily operation, and automate building management. For example, for tenant employees that purchase a monthly season pass to enjoy a lower parking fee and simplify the parking access or to get a reserved bay, the integration of the parking system with the location-based app is essential, and for shopping mall apps, besides season parking for merchants, it will extend to include casual parking as well. I foresee larger township development in the future, it is of utmost importance to include a location-based super app as default that carries its branding, and integrates with all types of IoT devices to en-

## Platform vs Ecosystem

Other criteria to discern location- and non-location-based super apps are simply by their natural build. No matter how super a non-location-based super app is or indulges its users by a myriad of features and items offered to them, it is still a platform to connect merchants from one side, and customers on the other.

Unlike location-based super apps, different operational functions trigger one another for the same user even without any merchant onboard. For example, for a residential super app, a user might be blocked to book a facility slot if they have yet to pay their outstanding maintenance fee. Interactive operation modules within a non-location-based super app form an ecosystem to serve different user groups for its entire community. Different user groups have different rights to access the same or different features.



Platform

vs



Ecosystem

## Near Field Commerce

One thing is for sure, the huge lag in download rates doesn't matter for location-based super apps because the app is mainly used to serve certain demographic of users around their properties, which are the people that are working, living, shopping, visiting, or adhering to the purposes of the buildings being built, added with **extra commercial activities that improve the overall revenues generated by its real-estate related income**. Due to the geographical and demographic constraints for the location-based super apps, hence they are hardly competing in the same marketplace with the non-location-based super apps, so there should be no rivalry between the two camps.

Even for commercial module, for location-based super apps, instead of going all out for commercial activities, they will be focused more on near field commerce to add extra sales activities through their apps.

**Near Field Commerce represents a certain mix of online and offline operations** just like O2O, to connect buyers and sellers but within the same geographical area, which promotes community values, reducing time and cost, cutting waste, and reducing carbon emissions to a minimum.

Unlike the non-location-based super apps that emphasise commercial transactions, location-based super apps **should treat commercial activities as added value on top of the operational modules in the beginning; and gear up at a later stage for growth and monetisation**. More near-field commerce modules can be developed and plugged into the location-based super apps if user-based reaches its critical

mass. For examples:

- I. Group buy - With multiple purchases and one delivery because the buyers work or live in the same geographical area.
- II. Yard Sale - To connect sellers and buyers living and working in the same area to sell items to one another without transportation costs.
- III. Enhanced home service - Plumbing, electrical work etc. can be enhanced with preventive maintenance system.
- IV. Advertisement - With data analytics, the ad can be more targeted based on user trackable activities. For example, the loyalty point purchase record to prompt the targeted ad.

When incorporated with commercial modules, location-based super apps should avoid mimicking non-location-based super apps' business model. Even for shopping mall super apps, the main objective is to lure customers to visit more frequently to their physical malls; selling the merchandise via an app is not a good idea and delivering them to customers miles away is even worse, because it is not worthy if taking the ROI into account. Instead of going wide, location-based super apps should focus on going deep by **tapping on their near field geographical advantage and concentration of users to generate more income from the repeating orders and recurring services**. Always remember, as for consumer behavior, they normally tend to spend more around the places that they stay, or work, or frequently visit.

Extensions:

TimeTec Smart Township Ecosystem

<https://www.timeteccloud.com/solutions/smart-township>

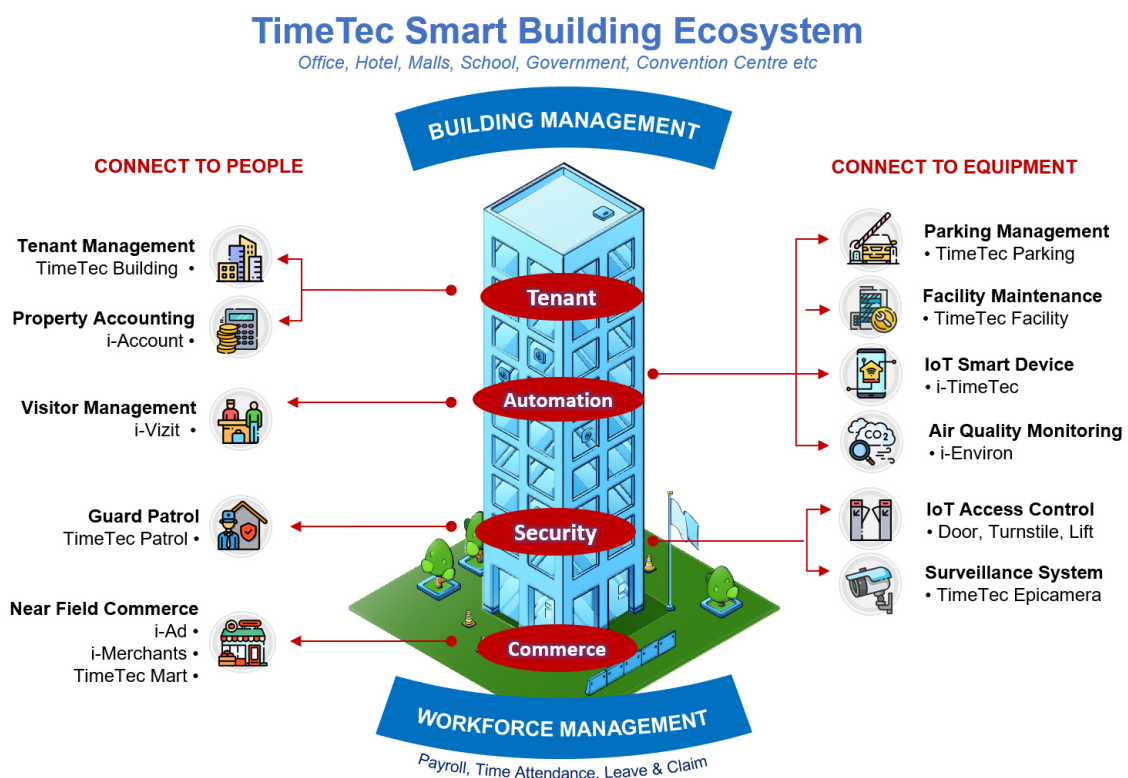
The Trend of Malaysia's Shopping Mall App

<https://www.timeteccloud.com/shopping-mall-apps/>

Can Housing Developer App Boost Property Sales?

<https://www.timeteccloud.com/developer-apps/>

TimeTec smart township ecosystem enriched with its 18 operation and commerce modules as illustrated in the diagram below:



## About Author



**Teh Hon Seng**, Group CEO of TimeTec Group of Companies. Prior to forming TimeTec, Teh led a tech start-up to be listed on the MESDAQ (ACE) market of Bursa Malaysia in 2002. Teh initiated the R&D in fingerprint technology in 2000, which later developed into a renowned global brand for commercial fingerprint products known as FingerTec. In 2008, he foresaw the trend of cloud computing and mobile technology, and over the years, he had strategically diversified and transformed its biometric-focused products into a suite of cloud solutions that aimed at workforce management and security industries including smart communities and digital building systems that centred around the cloud ecosystem. Teh has more than 20 patents to his name, and he is also a columnist in a local newspaper and a writer of several books.

## About TimeTec

TimeTec Group was established in 2000. Over 20 years, the Group had developed three homegrown globally recognized IT brands, FingerTec, TimeTec and iNeighbour, for workforce management, security, smart office, smart residential and smart township solutions by unleashing the power of biometrics, cloud & edge computing, IoT and AI technologies. All these solutions connect and change the landscape of work life and home life in a larger ecosystem. Through a vast network, TimeTec Group distributes its biometric hardware products and 16 cloud applications, including IoT devices, to more than 150 countries worldwide. Visit our company websites at [TimeTec Cloud](#), [FingerTec](#), [iNeighbour](#), [TimeTec Building](#) Various renowned clients have subscribed to TimeTec various solutions including IOI Properties, Putrajaya Holdings, Ibraco, Binastra, Thriven, Hock Seng Lee, QSR Brands, Central Sugars Refinery CSR, Sunway Constructions, Mamee, Yakult, Nano Malaysia Berhad, and many more. The versatility and feasibility of TimeTec products also attract various international customers from all over the world, including Hong Kong, Dubai, Australia, South Africa and etc.

