

Did you know?

Growing shared urban mobility

Ride-hailing, also known as ride-sharing, has emerged as a global phenomenon over the past decade, with many people favouring it over the traditional taxi serviceⁱ.



Southeast Asia as a region boasts a population of 680 million in 2023ⁱⁱ. The market value of online ride-hailing and food delivery areⁱⁱⁱ:



Inclusive of Malaysia and the Philippines, the total market value for the region could reach approximately **US\$22 billion**.

Reason for the rise of ride-hailing in SEA

Rapid urbanisation in the region

Southeast Asia has experienced significant urbanisation and population growth in the last few decades, leading to a surge in demand for improved transportation infrastructure. This uptick necessitates substantial investment to enhance transportation networks and meet the evolving needs of urban residents. Consequently, the emergence of ride-hailing services addresses this pressing demand for efficient and accessible transportation solutions.



Ride-hailing platforms typically has an additional layer of security to ensure the safety of passengers and offers a range of features to ensure that passengers reach their destination safely.

In some Southeast Asia countries, there is a lack of public transportation penetration to less developed areas. Ride-hailing services enable travelers to reach those previously inaccessible places.

Ride-hailing platforms enhance the travel process by reducing the wait times commonly associated with traditional taxi services. By simply tapping a button on their smartphone, travelers can request a ride, eliminating the necessity to wait in line or signal passing taxis, thereby optimising time efficiency.

What's next?



Main components of a Super-app

- Ride-hailing:** connecting customers to drivers.
- Online delivery:** Similar to ride-hailing, this feature links drivers (cars, motorbikes, delivery vehicles) to meet the needs of consumers and merchants requiring delivery services.
- E-Commerce:** Marketplace to connect consumers and third-party sellers.
- E-wallet:** digital wallet that enable users to store funds, pay bills, make purchases, and payments.
- Social:** Instant messaging, calls, content sharing. Typically, free to consumers.

Super-apps are online or mobile platforms that can combine multiple services into one-app. Plenty of ride-hailing apps like Grab or GoTo have started off with one business unit but have sought continual improvements to increase its service offerings.

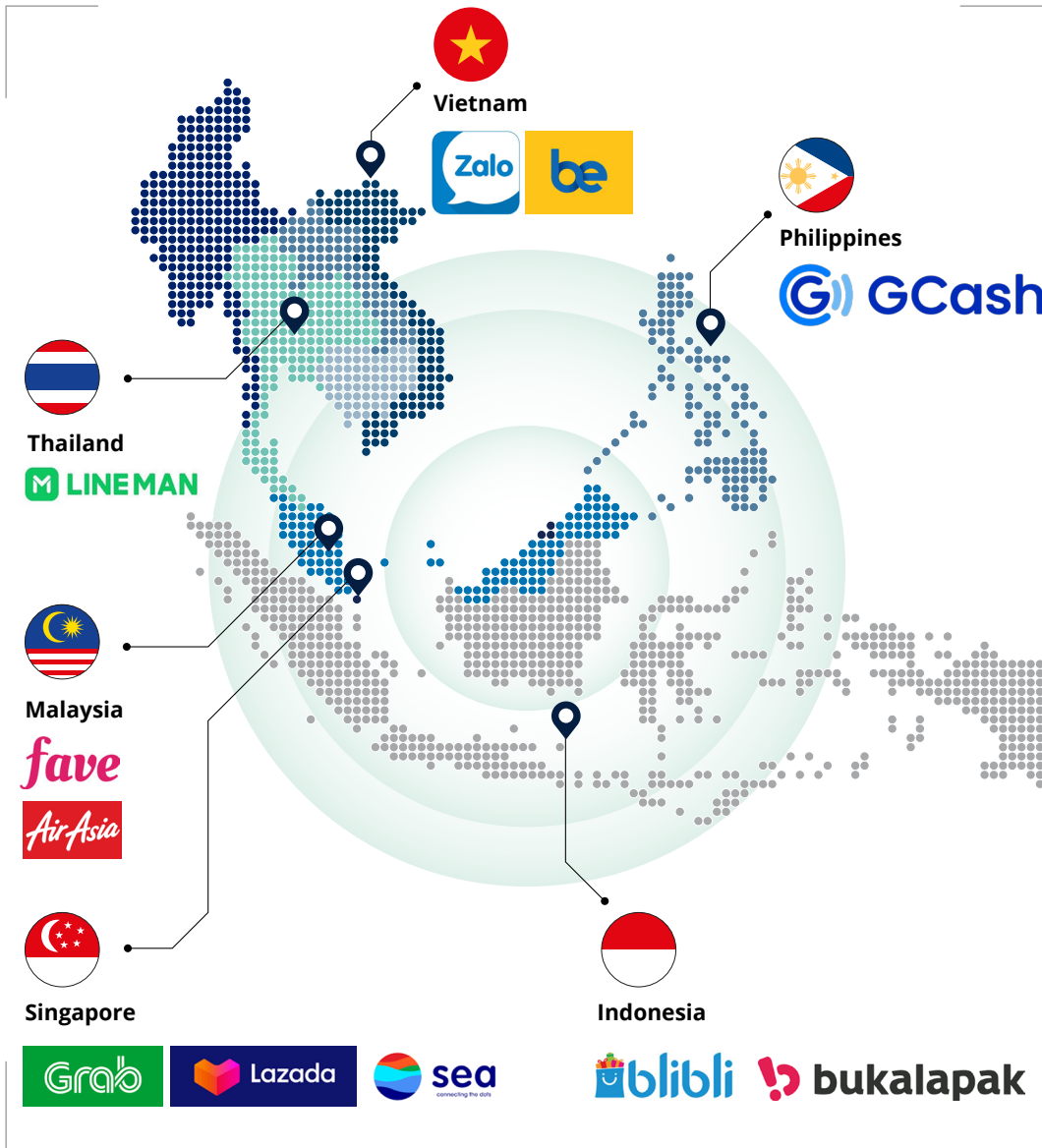
There was a shift in consumer spending patterns amid the COVID-19 pandemic. Consumers around the world had an increased interest in online shopping with the use of home delivery options. Furthermore, a survey conducted by PYMNTS revealed that 67% of respondents express interest in accessing a mobile application that consolidates multiple activities into a single platform^{iv}.

The competition between leading application developers like Grab and GoTo extends far beyond ride-hailing services. It now encompasses a broader spectrum of functions, including digital wallets, online delivery services, and e-commerce capabilities, all integrated under a single platform.

Super-apps are redefining digital ecosystems globally. At the heart of their success lies two crucial factors: user engagement and scale. By seamlessly integrating a diverse array of services and experiences into a single, user-friendly platform, super-apps offer unparalleled convenience and accessibility. From transportation and food delivery to financial services and entertainment, these platforms cater to every aspect of modern life, creating a one-stop destination for users to meet their needs.

But it's not just about offering a wide range of services – it's about keeping users coming back for more. Super-apps achieve this through strategies such as loyalty rewards, incentivising users to facilitate their daily activities within the app ecosystem. By offering exclusive benefits and discounts, these platforms encourage user loyalty and drive engagement, ultimately maximising the value of the user experience.

Southeast Asia's Super-app & their country of origin



Southeast Asia has a dynamic landscape to facilitate the growth of a super-app ecosystem. The region's rapid economic growth is fuelling this transformation, with projections indicating that Southeast Asia will become the world's fourth-largest economy by 2030. Currently, around 310 million people are already tapping into super-app services, but there's still headroom for expansion. Only one in three users are fully utilising the array of offerings within these platforms i.e., more than 1 function, suggesting immense potential for growth. Furthermore, Southeast Asia's youthful population, 57% of whom are under 35—signals a fertile ground for innovation and adoption. With their tech-savvy mindset and appetite for convenience, this demographic is poised to drive the next wave of super-app adoption, propelling the region into a new era of digital integration^v.

Ryde, a zero-commissioned ride-hailing company, joined the latest growing number of Singapore-based companies listed in the US. The battle for ride-hailing market shares in the respective countries had intensified with new market entrants like Tada (Singapore), Robinhood (Thailand), Angkas or Joyride (Philippines). Some of these market entrants had managed to secure fundings via the private market but it is only about time that they would start tapping the capital markets.

The next homegrown super-app could potentially be one of these companies if they can set themselves apart through innovation and differentiation. As Southeast Asia charts its course towards becoming a global tech powerhouse, all eyes are on the horizon, eagerly anticipating the unfolding of the super app revolution.

- i <https://www.statista.com/outlook/mmo/shared-mobility/ride-hailing/worldwide>
- ii <https://www.worldometers.info/world-population/south-eastern-asia-population/>
- iii <https://www.statista.com/statistics/1007208/southeast-asia-ride-hailing-market-value-country/>
- iv <https://www.rocketequities.com/research-centre/8/rise-of-the-super-app-disrupting-fintech-in-southeast-asia/>
- v <https://partners.wsj.com/grab/delivery/the-super-apps-are-coming/>

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