THE SUPER APP SHIFT:
How Consumers Want To Save, Shop And Spend In The Connected Economy

SUPER APPS
FOR THE **SUPER CONNECTED**

PYMNTS   PayPal
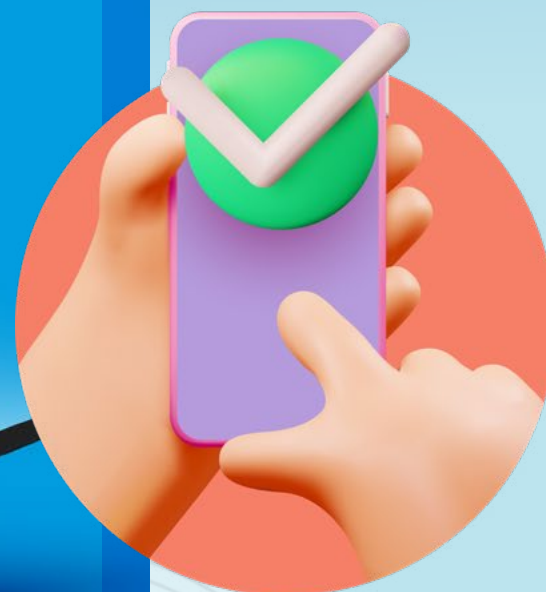
■ OCTOBER/NOVEMBER 2022

Super Apps For The Super Connected, a PayPal and PYMNTS collaboration, looks at how consumer demand for streamlined payment experiences has created widespread interest in a super app to manage the complexity of modern life. The report is based on a census-balanced survey of 9,904 consumers in Australia, Germany, the United Kingdom and the United States conducted between Jan. 11 and Jan. 31.

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INTRODUCTION

Many of today's consumers want the ability to upgrade their personal, retail and entertainment experiences in the same way that apps automate their technical updates. These consumers are both tech-savvy and tech-prescient — embracing the digital tools that deliver the most value to them well ahead of the curve. Understanding their needs, preferences and values is key to engaging super-connected consumers in the global marketplace.

The popular early 2000's catchphrase "there's an app for that" represented a tidal change in global consumer culture. Consumers expected form and function to align with a clear, conceptual value for the end user. Out of millions of apps, consumers stayed engaged with those that efficiently, intuitively and consistently met their needs. The popularity of digital tools relied on their ability to optimize users' time and increase their enjoyment of everyday activities.

Our research shows that 96 million consumers across the United States, the United Kingdom, Australia and Germany are highly interested in a super app — a centralized user interface through which they can manage their lives, from interacting with friends to banking and everything in between.

In Super Apps For The Super Connected, a PYMNTS and PayPal collaboration, we examine new data on consumer preferences and behaviors and pinpoint why new trends may herald a permanent digital shift. Our report is based on findings from four census-balanced panels of 9,904 consumers across the U.S., the U.K., Australia and Germany. The survey was conducted between Jan. 11 and Jan. 31.

This is what we learned.

To further contextualize our sample, our researchers identified three consumer personas with differing levels of engagement with technology as well as varied interest in a solution that would allow them to converge and manage critical tasks through a single super app. We use the following identifying terms to refer to technology personas throughout this report:

BASIC-TECH:

These consumers primarily use computers or smartphones and exhibit low overall ownership of devices, possessing one or two devices on average. They represent 28% of respondents or an estimated 107 million consumers. This persona is composed mainly of baby boomers and seniors, at 41%, and low-income consumers, at 48%.

MAINSTREAM-TECH:

These consumers use computers, smartphones, tablets, smart TVs and gaming consoles and own four devices on average. This persona represents 60% of respondents or an estimated 234 million consumers and is dominated by baby boomers and seniors, at 36%, Generation X consumers, at 27%, and millennials, at 27%. Its members are evenly distributed by income.

CONNECTED-TECH:

These consumers have all the devices used by mainstream users but also incorporate smart home and activity-tracking devices into their ecosystems. They own seven to eight devices on average and represent 12% of respondents or an estimated 48 million consumers. They are mainly millennials, at 42%, and high-income consumers, at 50%.
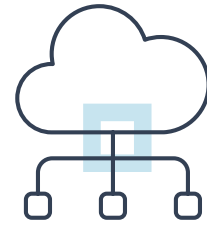
Connected-tech consumers, particularly millennials, see the convenience and seamless connectivity between devices, payment methods and shopping experiences as a basic component of their lifestyles. Their interest in a super app is a way to match their activities to their preferences.
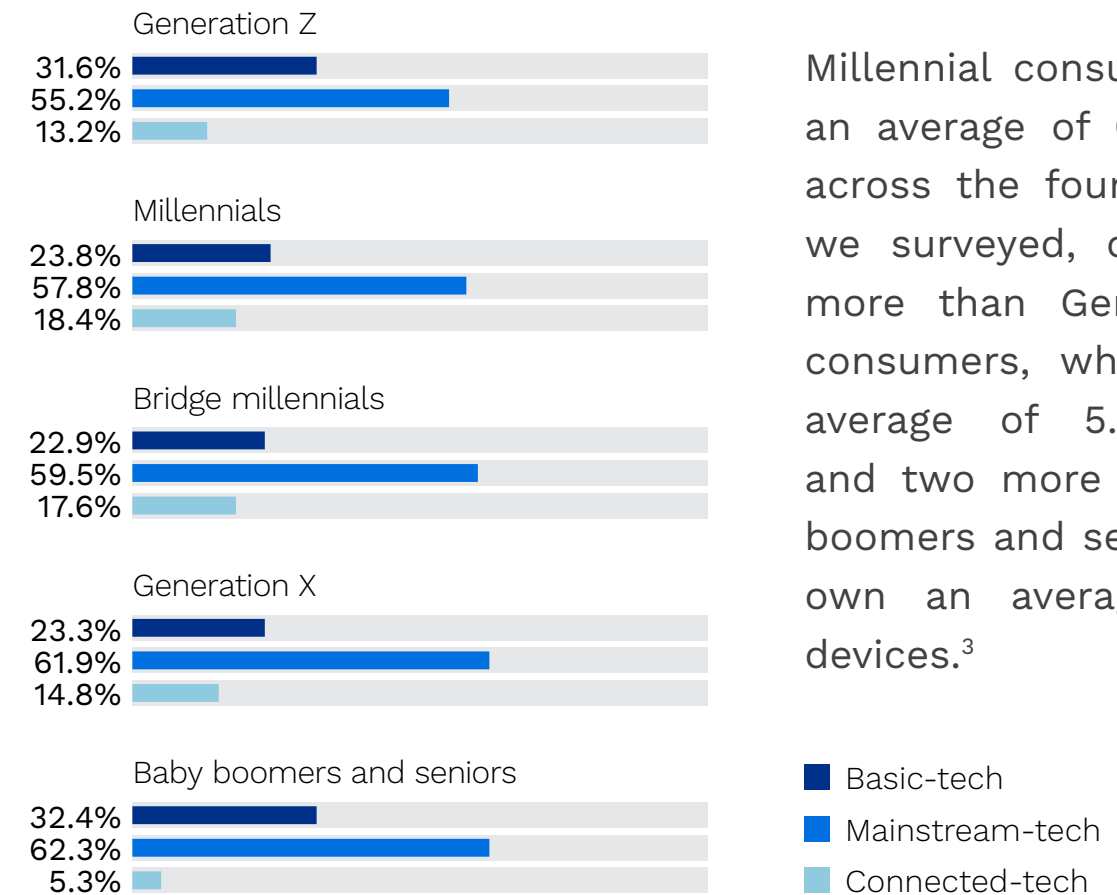
Roughly four in 10 millennials are part of a "connected-tech" ecosystem, meaning they use devices to organize and optimize activities to get the most out of their time.[1] Their engagement with technology is purpose-driven and focused on the value, utility and enjoyment they receive from their digital experiences.

[1] We used statistical analysis to identify three consumer "clusters" characterized by the number and type of devices they possess. The identified groups were defined as "basic-tech" (low device ownership with computer/smartphone dominance), "mainstream-tech" (medium ownership characterized by incorporating tablets, smart TV and/or gaming consoles to the basic set) and "connected-tech" (incorporates smart home and activity tracking devices into their ecosystem).

Generation Z
31.6%
55.2%
13.2%

Millennials
23.8%
57.8%
18.4%

Bridge millennials
22.9%
59.5%
17.6%

Generation X
23.3%
61.9%
14.8%

Baby boomers and seniors
32.4%
62.3%
5.3%

■ Basic-tech
■ Mainstream-tech
■ Connected-tech

Millennial consumers own an average of 6.1 devices across the four countries we surveyed, one device more than Generation Z consumers, who own an average of 5.5 devices and two more than baby boomers and seniors, who own an average of 4.3 devices.[3]

[2] Our survey defines our generational demographics as follows:
• Generation Z: Born between 1998 and 2004
• Millennials: Born between 1982 and 1997
• Bridge millennials: Born between 1979 and 1989
• Generation X: Born between 1966 and 1981
• Baby boomers and seniors: Born between 1920 and 1965

[3] The U.S., the U.K., Australia and Germany
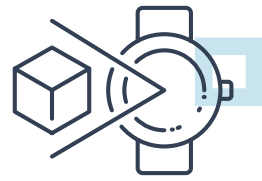
Millennials are convenience natives, using different technology and devices for daily activities.

Millennials are more accustomed than other generations to engaging in digital activities, whether it is shopping, buying groceries or streaming music and videos. They also tend to regard efficiency and ease as the baseline of their digital interactions and tasks.

Young consumers have integrated apps into critical household tasks, such as food shopping. We learned that 76% of millennials in our survey bought groceries online in the 30 days prior to the study — 65% of baby boomers and seniors did the same. In addition, 70% of millennials across four countries used connected devices to order food from a restaurant, exceeding the 60% of Gen Z consumers who did so.

76%
OF MILLENNIALS
SHOP FOR GROCERIES ONLINE —
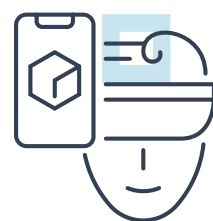THE HIGHEST ENGAGEMENT RATE
OF ALL CONNECTED ACTIVITIES.

TABLE 1:

DIGITAL ACTIVITIES IN WHICH CONSUMERS ENGAGE THE MOST
Share of consumers who engaged in select digital activities in the past 30 days, by generation

GENERATION	Shop for groceries	Complete tasks related to driving	Purchase restaurant meals for pickup or delivery	Track anything related to their health	Shop for retail items	Contact a pharmacist to order or pay for prescription medication	Obtain local transpor-tation	Conduct a transaction with a financial institution	Access entertain-ment	Purchase travel-related items	Access local health provider information	Engage in a telemedicine appointment or access online-only healthcare
GENERATION Z	64.3%	**77.1%**	60.5%	63.7%	47.3%	46.5%	47.4%	46.1%	40.1%	38.1%	37.3%	42.7%
MILLENNIALS	**75.6%**	74.4%	70.1%	66.0%	58.2%	55.5%	54.6%	51.6%	47.6%	41.4%	44.5%	46.0%
BRIDGE MILLENNIALS	**74.2%**	70.5%	67.6%	63.6%	53.5%	53.8%	50.3%	46.9%	43.9%	36.6%	41.1%	41.3%
GENERATION X	**74.1%**	66.0%	63.5%	51.2%	48.2%	42.7%	40.4%	35.4%	32.3%	30.8%	30.5%	26.5%
BABY BOOMERS AND SENIORS	**64.8%**	40.4%	49.1%	26.6%	37.9%	25.4%	21.4%	15.9%	19.3%	24.8%	17.1%	9.4%

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Millennials' interest in a super app outpaces other generations, including Gen Z.
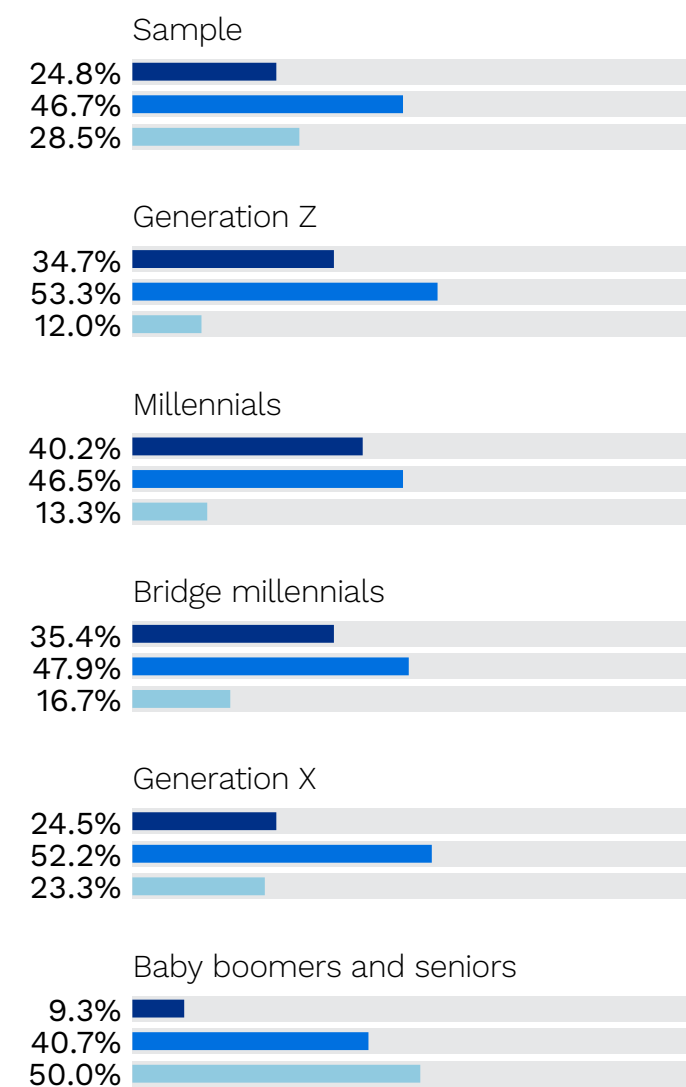
One-quarter of all consumers indicated high interest, but 40% of millennials reported being "very" or "extremely" interested in a super app. Just 35% of Gen X and 25% of Gen Z consumers reported the same level of interest.

FIGURE 2:

CONSUMERS' DESIRE FOR A SUPER APP
Share of consumers reporting select levels of interest in a hypothetical super app, by generation

Sample
- 24.8%
- 46.7%
- 28.5%

Generation Z
- 34.7%
- 53.3%
- 12.0%

Millennials
- 40.2%
- 46.5%
- 13.3%

Bridge millennials
- 35.4%
- 47.9%
- 16.7%

Generation X
- 24.5%
- 52.2%
- 23.3%

Baby boomers and seniors
- 9.3%
- 40.7%
- 50.0%

■ Very or extremely interested
■ Slightly or somewhat interested
■ Not at all interested

40%
OF MILLENNIALS ARE **VERY OR EXTREMELY INTERESTED** IN USING **A HYPOTHETICAL SUPER APP.**

Source: PYMNTS
Super Apps For The Super Connected, October 2022
N = 9,904: Whole sample,
fielded Jan. 11, 2022 – Jan. 31, 2022

CONCLUSION

Consumers' desire to make their lives more manageable and enjoyable drives their interest in a super app. For the connected-tech consumer, that means using multiple devices that help them efficiently connect to goods, services and experiences. Yet multiple devices and accounts can also create a new burden, as an abundance of digital tools and technology can be overwhelming. A super app is most appealing to consumers who want to get the most out of their devices and apps — in particular, convenience, enjoyment and effortless management of their daily lives.

METHODOLOGY
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This report is based on a survey of 9,904 consumers in Australia, Germany, the United Kingdom and the United States conducted between Jan. 11 and Jan. 31. Consumers were asked about their preferences and concerns regarding the use of a super app as a tool to manage shopping, banking and day-to-day activities including interpersonal communications.

A B O U T

PYMNTS

PYMNTS is where the best minds and the best content meet on the web to learn about "What's Next" in payments and commerce. Our interactive platform is reinventing the way in which companies in payments share relevant information about the initiatives that shape the future of this dynamic sector and make news. Our data and analytics team includes economists, data scientists and industry analysts who work with companies to measure and quantify the innovation that is at the cutting edge of this new world.

PayPal

PayPal has remained at the forefront of the digital payment revolution for more than 20 years. By leveraging technology to make financial services and commerce more convenient, affordable and secure, the PayPal platform is empowering 429 million consumers and merchants in more than 200 markets to join and thrive in the global economy. For more information, visit paypal.com.

We are interested in your feedback on this report. If you have questions, comments or would like to subscribe, please email us at feedback@pymnts.com.