

## Super Apps and GCash's role in the ecosystem

While telcos seek new revenue opportunities, SuperApps are presenting themselves as consumer-goliaths that enable revenue diversification and impressive user engagement.

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## Introduction

In an evolving digital landscape, financial services are undergoing a significant transformation thanks to the proliferation of smartphones and innovative mobile technologies. One particular development in this space is the rise of super apps, multifaceted platforms that offer all-in-one solutions for various daily needs, including banking, payments, e-commerce and lifestyle services.

Find out more in our full-length report: [Lifestyle service aggregation – a revenue opportunity?](#)

Leading the pack in the Philippines, is Globe's GCash, a pioneering super app that has quickly become a part of consumers day-to-day lives enabling them to pay bills, make payments and access a digital lifestyle that was previously inaccessible. With its expanding capabilities, low sign-up barriers and large partnership base, GCash is proving to be a strong contender with traditional finance in a country with one of the world's lowest banking penetration rates. Super apps could provide the model for telcos to access new opportunities as Mynt, Globe Telecom's subsidiary, reached a \$2 bn valuation in 2021. Mynt is profiting from the next wave of digital inclusion by breaking barriers to financial inclusion, and empowering individuals to have greater control over their finances.

In this article, we explore some of the reasons why GCash has become so successful and the ongoing challenges they will face in enabling financial digital inclusion. This article will also examine Globe's intentions and strategy moving forward; providing lessons as to how super apps will continue to redefine the fintech landscape.

## What is Gcash?

GCash is a mobile wallet service developed by Mynt, a subsidiary of Globe Telecom. It is the most popular mobile wallet in the Philippines, with over **76 million registered users** as of 2023, accounting for 67% of the Philippines' population. GCash allows users to send and receive money, pay bills, buy load, and shop online. It also offers a variety of other features, such as investment products and insurance, that encapsulate it as a fintech app offering services that don't only align with financial services.

## Serving a young, digital Filipino market

The convergence of a number of factors is creating a new, underserved market that is demanding new financial and digital services in the Philippines:

- **GDP expansion:** The core growth of between **6-7% CAGR** between 2022 and 2030 in the Philippines economy represents a strong base for the expansion of fintech digital services in the market.
- **High digital penetration:** **Over 73%** of the population has internet access with a high average device usage compared with other similarly developed countries.
- **Youthful population:** The Philippines has a rapidly growing population rate and particularly young demographic, with over **30% of the population** being under 15. This means the market will only continue to increase as they begin to access digital lifestyle and financial services.

- **Underbanked communities:** The Philippines has one of the lowest banking penetration rates, meaning consumers are finding new ways to access financial services, remittances and service payments without the complication of legal form banking verification.

The financial growth of the Philippines has driven greater digital literacy and created a new generation of young adults that have, in some areas, limited access to traditional bank branches or outlets. This creates the opportunity for super apps to gain access to consumers and fill the role of traditional finance, while also offering services that align with consumer preferences.

## Meeting the needs of cashless payments with connectivity

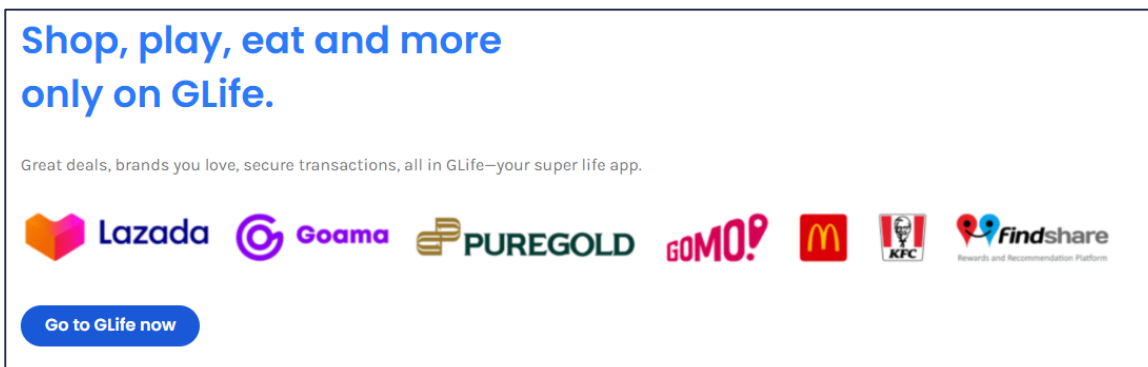
GCash was able to differentiate itself from competitors by providing a digital experience through SMS payments. Its competitors used linked mastercards to pay merchants which relied on ATM and bank branches. As a result, there were large rural populations without access to banks or ATMs and that merchant payments were not possible for. GCash developed a fully digital SMS system that meant, as long as customers had cellular connectivity, they would be able to submit payments to merchants. This was followed up with an app in 2012 and QR code-based payment systems that made merchant and remittance payments even simpler for the consumer.

These innovations helped GCash to establish itself as a leader in the application space and also helped to create a strong narrative around digital inclusion. The greater the cellular reach of Globe Telecom, the greater the financial inclusion of rural Filipino's that had been previously excluded from transaction-based finance.

## GCash's features

- **Send and receive money:** GCash users can send and receive money to and from other GCash users. This is a convenient system to send money to friends, family, and colleagues. It is also secured by end-to-end encryption to protect transactions.
- **Pay bills:** GCash users can pay their bills for utilities, credit cards, loans, and more. The app provides the functionality to pay bills & setup standing orders; and do it from anywhere with an internet connection. It is also a secure way to pay bills, as GCash uses a secure payment system.
- **Purchase mobile load:** GCash users can buy load for their prepaid mobile phones. This is a remote means of topping up a phone balance.
- **Order food & shop online:** GLife features a host of 'mini-apps' from merchants and brands within an overall Gcash dashboard. This allows users to shop and order food from various online stores and merchants, while accessing in-app discounts.

**Figure 1: Gcash enables access to popular merchants so that consumers can explore nearby options, access discounts and ordering directly from the app**



Source: [Gcash website](#)

- **Invest:** GFunds enables users to invest in a variety of investment products such as stocks, bonds, and mutual funds from partner product providers. GFunds simple account verification process and zero commission/sales fees allows unbanked individuals to access financial growth opportunities. Their **latest expansion, GCrypto**, enables the transaction of coins, tokens and NFTs.
- **Loans:** GGives and GLoan offer financial means to buy now and pay later or for a regular loan. The application process is fully integrated into the user database, making it easier to get access to short term loans.
- **Insurance:** GInsure users can get insurance for their health, car, and home through a partnership with Singlife. Again, applications are simple, with existing Gcash users able to apply for multiple types of insurance.

## GCash's success

Gcash's expansion & partnerships into retail, insurance, investment services and more are proving a success as users spend greater time across the application. Their seamless integration and, importantly, low barrier to entry for most of these services, is enabling the app to have a far greater reach than corresponding services.

Through an analysis of Globe's quarterly statements & appearances, we looked into the super apps current performance and highlights, as it cements itself in the ecosystem:

1. **Diverse revenue generation:** GCash employs a multifaceted approach to generate revenue, as referenced above, leveraging several streams that include platform advertisements, pay per click, promoted services, and data monetization. Through these strategies, GCash can create a sustainable revenue model that not only benefits the platform itself but also offers a lucrative advertising channel for businesses seeking to reach a vast user base.

2. **Impressive user base and engagement:** With a registered user base of 76 million, GCash has firmly established itself as a favored financial services platform among Filipinos. The app's popularity is reflected in its active user base, which stands 5 times larger than that of its closest e-wallet competitor and even surpasses the active user bases of popular social media sites. This user engagement is a testament to how deeply GCash has become integrated in the everyday lives of Filipinos, positioning it as a central player in the country's digital landscape.
3. **Robust ecosystem:** GCash's growth and success can be attributed to its commitment to building a robust ecosystem. With a merchant and social seller base reaching 5.8 million, the platform has solidified its position as the largest digital ecosystem in the Philippines. Furthermore, its vast network of cash in and cash out outlets, totaling 640,000, ensures widespread accessibility for users. Additionally, the introduction of the G life mini-application, serving as a digital storefront for over 855 merchants, showcases the platform's dedication to expanding its offerings across diverse categories, including content, health insurance, and e-government services.
4. **Sustained growth in GTV:** GCash achieved a significant milestone during the first half of 2022, surpassing the 3 trillion mark in Gross Transaction Volume (GTV). This achievement nearly matched the platform's entire GTV for the previous year. Such sustained growth exemplifies its dominance in comparison with competitors.
5. **Financial Inclusion Initiatives:** GCash's has placed greater impetus on enabling financial inclusion through their G Save feature. With over 3.3 million G Save accounts, the platform has enabled a Filipinos to access savings services conveniently, that otherwise wouldn't have access to a bank branch or financial institution. Moreover, GCash's expansion into lending services, with one million active borrowers, seeks to enable individuals with access to credit and financial opportunities.
6. **Diverse Investment Marketplace:** GCash has diversified its offerings through the GInvest platform, which now boasts seven local and global funds. This expansion has attracted a considerable share of mutual fund investors in the country, creating financial accessibility to Gcash's user base. It's most recent expansion into crypto-wallets, allows users to access crypto investment such as bitcoin and Ethereum directly from their GCash investment account.

GCash's journey toward financial inclusion, its impressive user base, and diverse revenue streams underscore its significance in the Philippines' digital landscape. With its commitment to providing accessible financial services, GCash has provided the footprint for other telcos to make their mark on digital and financial inclusion.

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