

Apple may create the first US super app and other predictions about mobile wallet use

Article

Adoption of digital wallets is approaching critical mass as both retailers and payments providers look for ways to increase loyalty and reduce friction at checkout, our analyst Jaime

Toplin said on a “[Behind the Numbers: Reimagining Retail](#)” podcast.

Our analysts shared three predictions on the future of mobile wallet use, including who is in the running for super app dominance.

1. Mobile wallets will become more accessible

Over half (53.4%) of the US population will use a digital wallet this year, according to our forecast. By 2027, the number of US wallet users will reach 187.3 million, representing 64.5% of the population.

While most of that growth will come from increased Gen Z adoption, companies need to be sure older generations don't get left behind, said our analyst Sky Canaves.

US companies can look to Alibaba's ecommerce platform, Taobao, for a more accessible model. To ensure seniors could use the app, Taobao added features like voice shopping, simplified navigation, and support features like peer-to-peer chat functions that allow families to help older members buy or pay for products.

Accessibility also means ensuring digital wallets are usable by financially underserved communities, said Toplin.

“If you don't have access to a payment card, it's hard to use a mobile wallet because you have nothing to put into it,” she said.

Some providers, like Cash App and Venmo, are offering customers debit cards, helping to embed them into their payments ecosystem even if they don't have a bank account.

2. Mobile wallets have the potential to replace physical wallets, but they won't anytime soon

“Mobile wallets are inching toward becoming all-encompassing,” said Toplin. “They started with payment and loyalty cards as well as ticketing. And we're starting to see other documents get digitized, too.”

Apple and Google Wallet have added support for student IDs and are working with some states to digitize driver's licenses. Google Wallet also lets users store hotel or car keys.

As hard as digital wallet providers try to eliminate the need for physical wallets, it may take a while for customer adoption to catch up.

“Customers, especially in the US, really love their payment cards,” said Toplin. “They like having something tangible and physical.”

3. A super app could be on the horizon

Toplin outlined the four major players in the digital wallet space and what each brings to the table:

- **Apple Pay** comes built into iPhones, giving it a huge advantage among Apple-loving US consumers, specifically Gen Zers. Apple is furthering its push into finance with its buy now, pay later (BNPL) offering, Apple Pay Later, and its new high-yield savings account, which could tap into customers interested in financial services integration with their digital wallet, said Toplin.
- In addition to the storage of hotel and car keys, **Google Wallet** launched virtual cards in partnership with Capital One and American Express to make it easier and safer for consumers to pay online. It’s also started dabbling in couponing technology and flight price guarantees.
- **Venmo**, owned by PayPal, has continued to build out its Venmo Pay partnerships with companies like Live Nation (parent company of Ticketmaster) and Amazon.
- **Block’s Cash App** has focused on building out its in-store integrations and is now adding BNPL technology to its platform.

But do any of them have what it takes to build out a super app? Apple might. The company has a huge Gen Z and teen following, and it’s investing more heavily in the financial services sector.

“No one’s cracked the ability to integrate payments with shopping services,” said Canaves. “So there’s an evolutionary leap that needs to take place. But I’m pretty confident it will take place with the younger generation and their overwhelming use of iPhones.”

PayPal is also a contender, Toplin said. Combined with Venmo, the platform offers peer-to-peer payments, in-store payments, credit and debit cards, and crypto functionality.

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