

PhonePe Digital Payments Project - Key Insights

Digital Payments Growth (2018-2021)

Explosive Growth Phase (2018-2020)

Transactions: Surged 600% (100M -> 700M)

Transaction Value: Skyrocketed 750% (Rs.1.2L Cr -> Rs.10.2L Cr)

Registered Users: Jumped 200% (50M -> 150M)

Driver: UPI adoption + COVID-driven digital shift

2021 Market Correction

Transactions dipped 8% (700M -> 644M)

Value declined 11% (Rs.10.2L Cr -> Rs.9.1L Cr)

New user registrations fell 36% (150M -> 96M)

Possible reasons: Post-pandemic normalization, market saturation

Key Payment Trends

Merchant Payments

Volume: Grew 32x (90M -> ~3B)

Value: Increased 8x (Rs.23K Cr -> Rs.1.8L Cr)

Why it matters: Reflects deep fintech penetration into small retail (kirana stores, local vendors)

Peer-to-Peer (P2P) Payments

Volume: Surged 6.4x (0.5B -> 3.2B)

Value: Rs.1.5L Cr in 2018 to Rs.12.3L Cr in 2020 before slight dip in 2021

Driver: UPI's dominance in daily money transfers

Key Correlations & Behavioral Insights

Population Impact

Population <-> Registered Users (0.66)

Translation: Larger populations = More potential users, but not necessarily more active usage.

App Engagement = Growth Engine

Near-Perfect Correlations:

App Opens <-> Transactions (0.84)

App Opens <-> Amount (0.84)

App Opens <-> Registered Users (0.86)

Action: Push notifications, daily rewards, and session-based incentives to boost app opens.

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ATV (Average Transaction Value) is Static

No meaningful correlations with population, density, or usage metrics.

Strategic Shift:

Do not optimize for larger transactions.

Instead, drive frequency (more transactions = more revenue).

Top-Performing States (2018-2021)

State	Avg. Transaction Growth	User Growth	Key Takeaway
Telangana	220%	~45%	Tech hubs drive digital adoption
Karnataka	199%	~50%	Bangalore's startup effect
Rajasthan	162%	~30%	Rural digitization success
Puducherry	142%	~35%	Small states punch above weight