“PhonePe Case Study”

Summary

PhonePe’s success stems from aligning closely with India’s national UPI push , building scalable and robust tech infrastructure, deploying hyperlocal marketing, and expanding into a comprehensive financial ecosystem—all while balancing growth with compliance. As it eyes an IPO, the key challenge remains shifting revenue dependency from high-frequency payments to value-generating services like lending, insurance, and investments.

Problem Statement

PhonePe enables digital payments and financial services for millions in India. However, as the user base grows, especially among non-tech-savvy and rural users, the app faces usability challenges such as cluttered UI, unclear hierarchy, and cognitive overload.

Solution Statement

Redesign the PhonePe app interface with a user-centered approach to:

- Simplify navigation for both core and advanced services.
- Make the interface accessible to users across age and literacy levels.
- Improve clarity and hierarchy for faster task completion.

Design Process

Understand

PhonePe's current version, PhonePe 3.0, focuses on simplifying user experience and expanding its financial services. It features a redesigned homepage with prominent placement for travel and transit options, unified bill management, and integrated financial services like insurance and loans. The app also emphasizes user comfort with refreshed visuals in both light and dark modes.

Define

Based on research,Too many services on the homepage caused cognitive overload. Low discoverability of investment and insurance features.Inconsistent icon meanings across screens. Network-dependent transactions caused failure confusion

Ideate

Based on research,Grouping services into categories (e.g., "Recharge & Pay Bills", "Investments").
Introducing personalized shortcuts and recent activity cards.
Simplifying UPI flow into 2–3 clear steps.
Adding QR scan as a floating CTA for frequent use.
Smart suggestions like frequent payees and saved billers.

Design

Home screen with card-based layout.
Strong brand identity with purple theme (#5F259F)
Modular components: Top bar (search, profile), middle content (tiles), bottom shortcuts.
Clear, minimalist iconography with labels. Light/dark mode support for accessibility

Prototype

I linked all main screens in Figma to demonstrate the user flow from searching for a show to selecting the Phonepe app. The prototype was tested with 3 users for feedback.

Test & Iterate

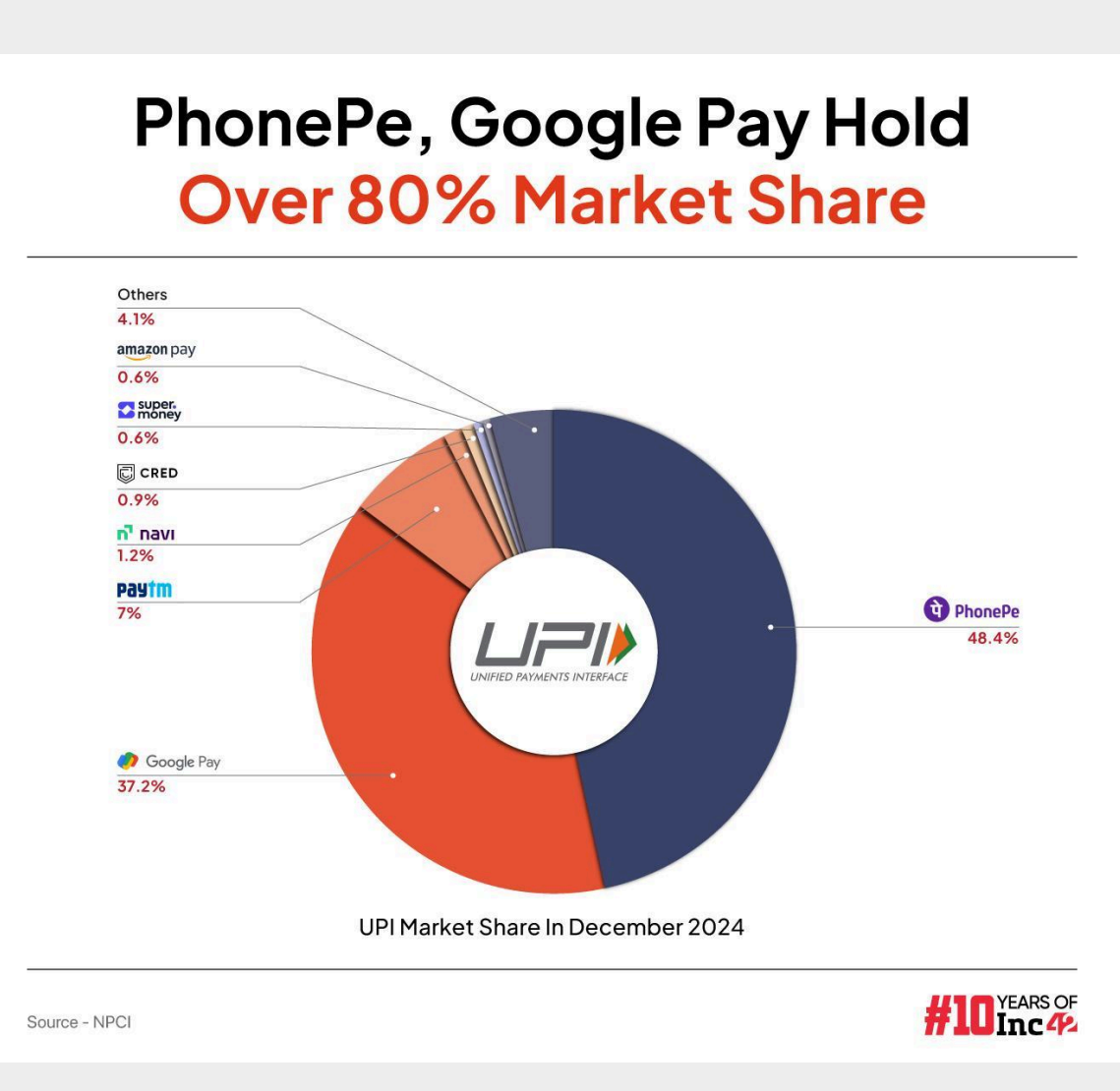
Regular feature updates and design tweaks. Addition of new mini-apps via Switch.Focused UX improvements (e.g., bill reminders, smart suggestions).
Performance optimization to ensure smooth experience even on 3G/4G.

UPI Market Share Breakdown

- PhonePe held a dominant 48.4% share of the UPI
- market. This solidified its position as the leading UPI
- app in India by a wide margin.
- Google Pay followed closely with a 37.2% market share. It remains the second most popular UPI platform in the country.
- Paytm accounted for 7% of the UPI market. While trailing behind the leaders, it still holds a significant presence among users.
- Navi captured 1.2% of the market. It represents a small but notable player in the growing digital payments space.
- CRED held a 0.9% market share. It remains a niche app, primarily used by a specific segment of credit-savvy users.

Overall, PhonePe and Google Pay together controlled over 85% of the UPI market. This reflects a high concentration of usage among just two major platforms.

PhonePe, Google Pay Hold Over 80% Market Share

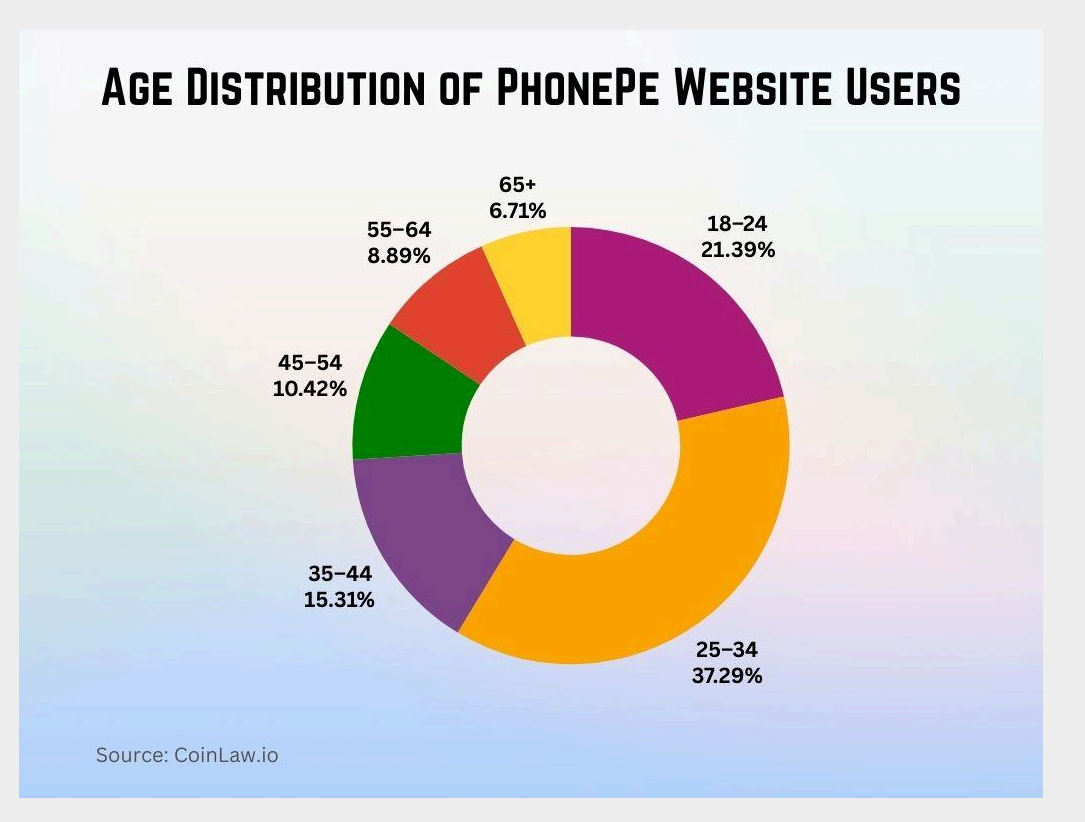


UPI Market Share In December 2024

Source : NPCI

10 YEARS OF Inc42

Age Distribution of PhonePe Website Users



Source: CoinLaw.io

User Persona

Ravi Kumar
Delivery Agent

Pain Points:
App slows down in poor network areas
Too many services on the home screen
Gets confused by financial product terms like “Liquid Fund” or “Switch”

Needs:
Lightweight interface
Visual confirmation of successful payments
Easy access to QR and payment history

Radha
Homemaker

Pain Points:
Icons without labels are confusing
Difficult to understand investment-related options
Cannot find past bill history easily

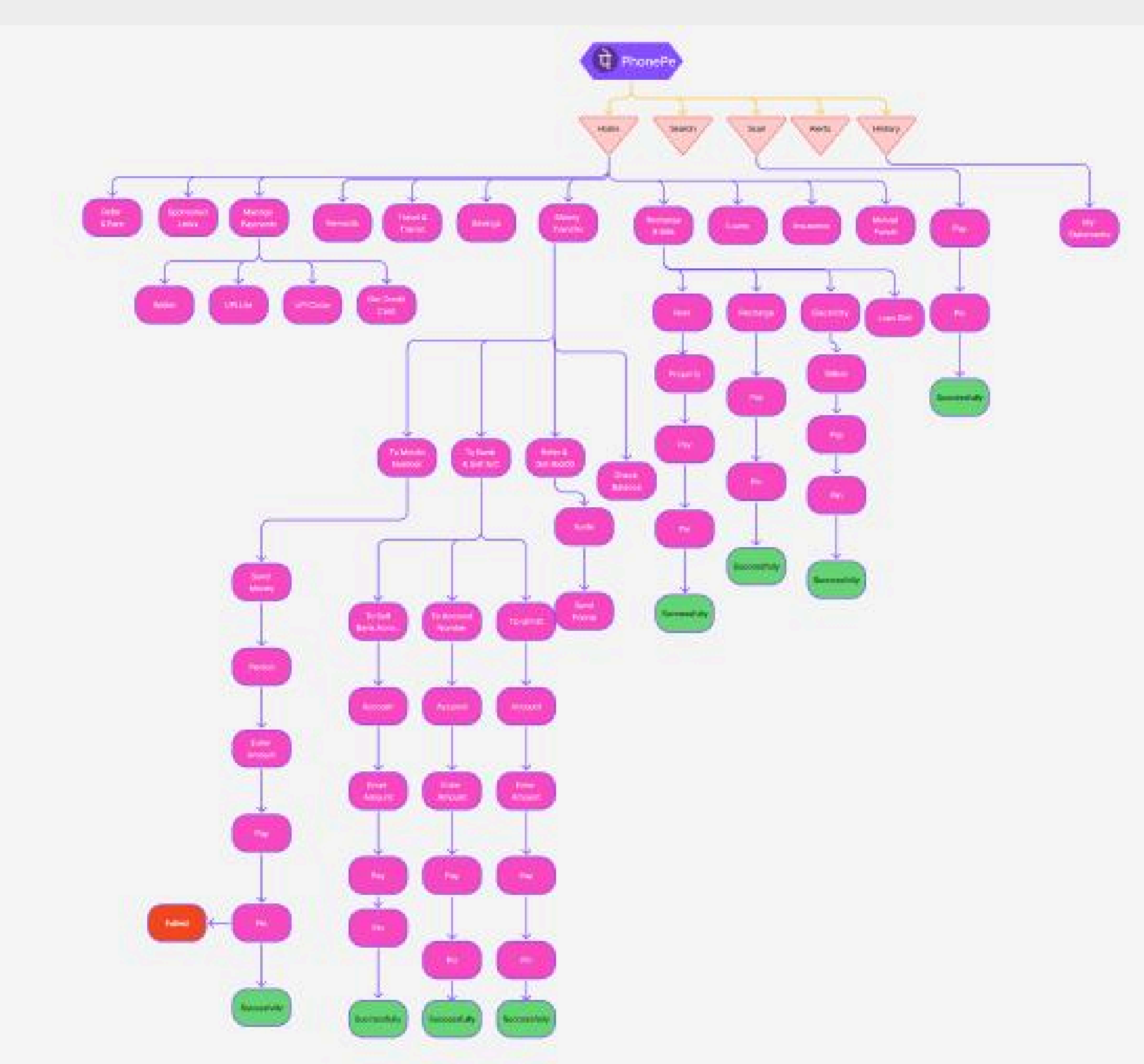
Needs:
Simple, clean layout
Help guide or chatbot support
High-contrast text and labels

Prakash Reddy
Kirana Store Owner

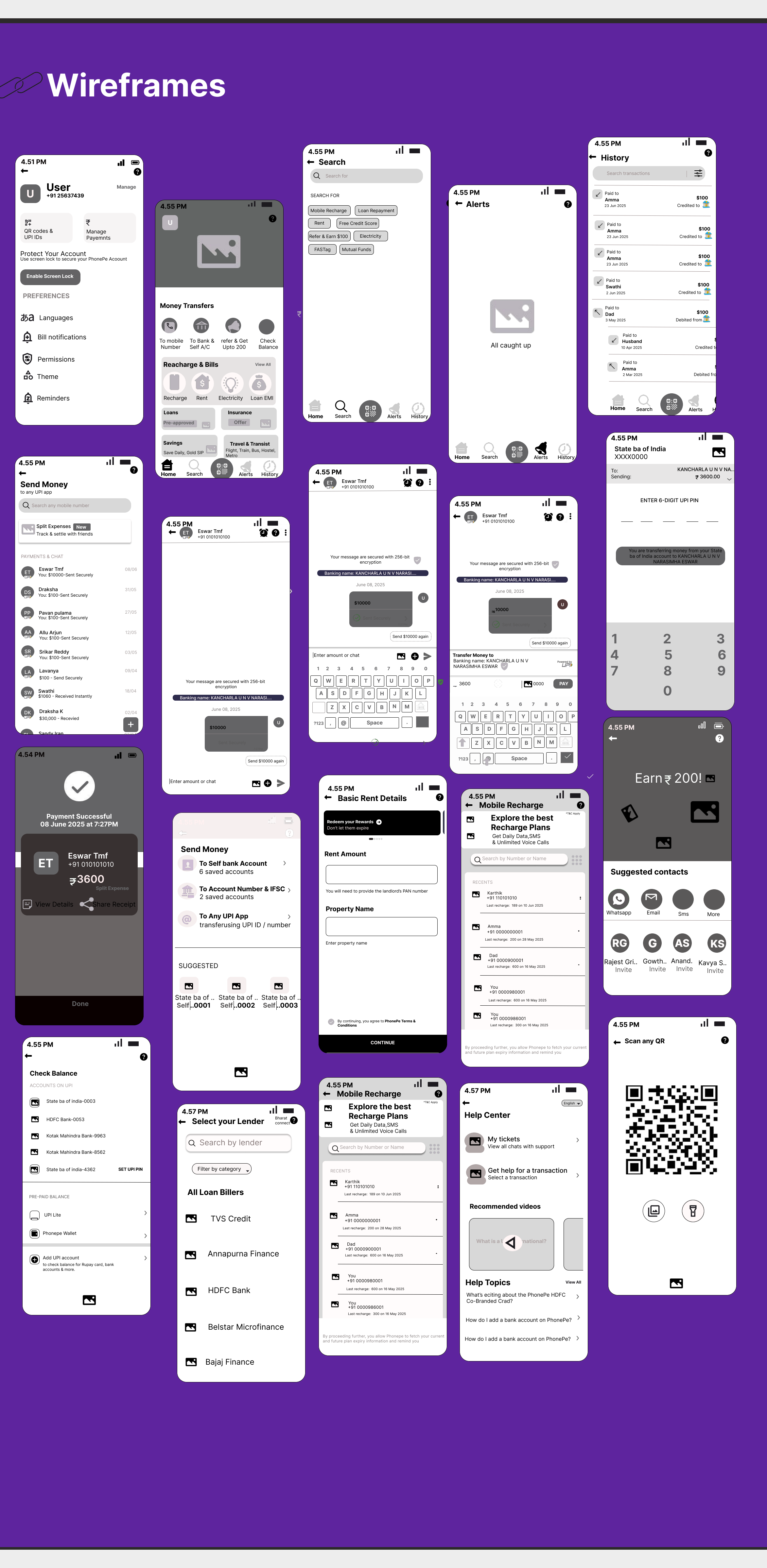
Pain Points:
Difficult to understand settlement status
Wants SMS or audible confirmation
Avoids advanced options like “Insurance” or “Switch”

Needs:
Simple merchant dashboard
Transaction confirmation sound
Clear earnings summary

User Flow



Wireframes


User
Send Money
Money Transfers
Recharge & Bills
Search
Alerts
All caught up
History
Payment Successful
Eswar Tmf
₹3600
Done
Check Balance
Select your Lender
All Loan Billers
TVS Credit
Annapurna Finance
HDFC Bank
Belstar Microfinance
Bajaj Finance
Basic Rent Details
Mobile Recharge
Explore the best Recharge Plans
Help Center
Earn ₹ 200!
Suggested contacts
Scan any QR
State ba of India

Colors

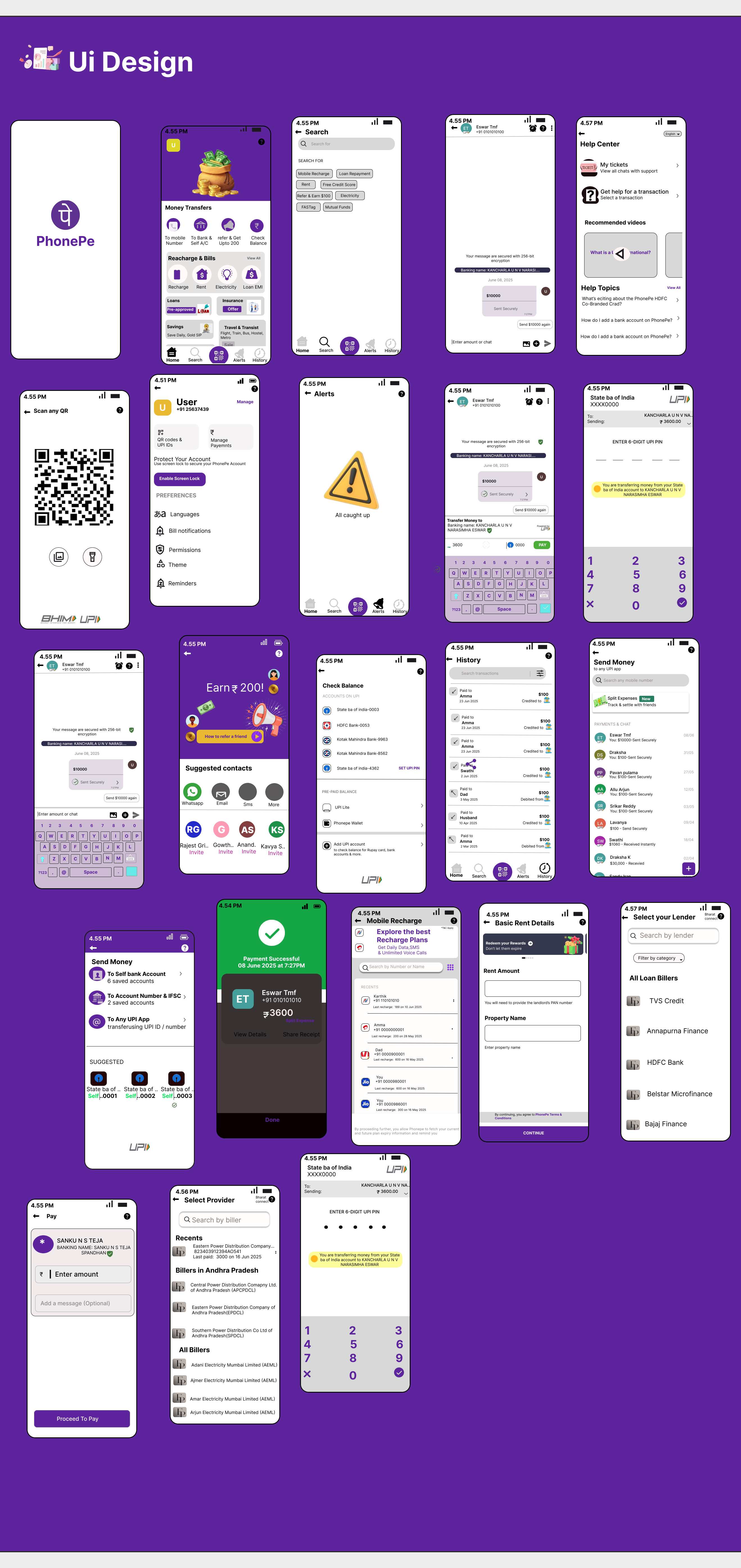
Primary Colors

FFFFFF 5F259F

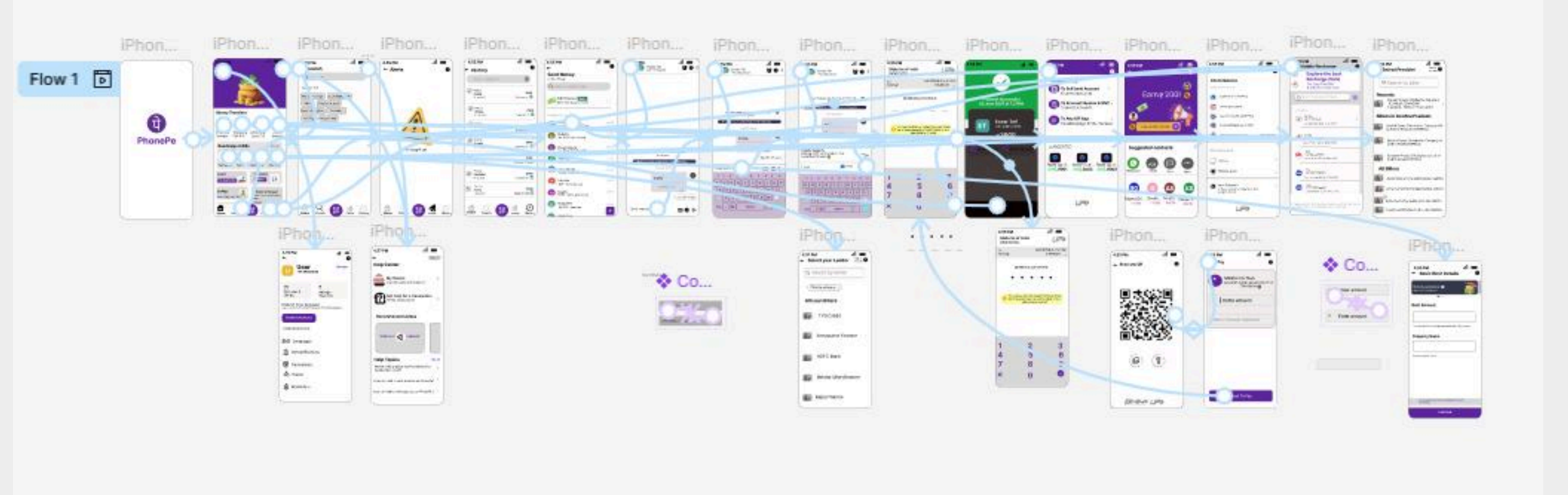
Remaining Colors

EBBA33 16A847 040404

Ui Design


PhonePe
Money Transfers
Recharge & Bills
Search
Alerts
All caught up
User
Scan any QR
BHIM UPI
Earn ₹ 200!
Suggested contacts
Check Balance
Send Money
Payment Successful
Eswar Tmf
₹3600
Done
Help Center
Pay
Enter amount
Proceed To Pay
Select Provider
History
Mobile Recharge
Basic Rent Details
Select your Lender
TVS Credit
Annapurna Finance
HDFC Bank
Belstar Microfinance
Bajaj Finance
State ba of India
ENTER 6-DIGIT UPI PIN

Prototyping



Prototyping Link

https://www.figma.com/proto/dqsEOALpYaDBJviWRc95ba/Untitled?node-id=195-2054&p=f&t=to6RzWFCr5SlzMrW-1&scaling=scale-down&content-scaling=fixed&page-id=3%3A42&starting-point-node-id=195%3A2054

Thank you

Designed by
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