

Agpaytech's Research
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India's UPI Hotspots

What and Where They Spend

Agpaytech



India's UPI Hotspots: What and Where They Spend

The Unified Payments Interface (UPI), introduced by the National Payments Corporation of India (NPCI), has transformed digital payments in India. It facilitates instant money transfers between bank accounts via mobile devices, contributing significantly to the country's push towards a cashless economy.

Top 10 High transaction

The data indicates that UPI transactions are prevalent in both everyday essentials and lifestyle categories. Drug stores and pharmacies sector shows the highest UPI usage, with 5912 transactions. It reflects the importance of health-related expenditures and the convenience of using UPI for quick purchases. Digital Goods like games came close behind drug stores and pharmacies. This sector has 5816 transactions. The high number suggests a strong adoption of digital payments for online entertainment. Also, the frequent purchases from fast food restaurants recorded 5814 transactions, this sector highlights the quick and easy payment method provided by UPI, especially for small, recurrent purchases.



Top 10 High transaction

- Drug stores and pharmacies **5912**
- Digital Goods: Games **5816**
- Fast food restaurants **5814**
- Eating places and restaurants **5812**
- Service stations (with or without ancillary services) **5541**
- Bakeries **5462**
- Groceries and super-markets **5411**
- Department stores **5311**
- Utilities electric, gas, water and sanitary **5311**
- Telecommunication services **4814**

Top 10 Medium Transaction

- Electronics repair shops **7622**
- Debt collection agencies **7322**
- Securities brokers and dealers **6211**
- Cigar shops and stands **5993**
- Package shops beer, wine and liquor **5921**
- Drinking places (alcoholic beverages) bars, taverns, night-clubs, cocktail lounges **5813**
- Dairies **5451**
- Candy, nut and confectionery shops **5441**
- Freezer and locker meat provisioners **5422**
- Online Marketplaces **5262**

Source: NPCI Data, July, 2024



PhonePe
51%



Pay
35.35%

UPI Market Share in India

India's UPI market is dominated by Fintech-based mobile apps. Consumers initiate transactions via Fintech mobile apps more than Banking apps. NPCI April month data in values revealed PhonePe and Google Pay lead by 51% and 35.35% respectively.

Banking Apps	Transactional value (%)	Fintech-Mobile Apps	Transactional value (%)
ICICI Bank Apps	1.36	PhonePe	51.00
Yes Bank Apps	0.61	Google Pay	35.35
HDFC Bank Apps	0.39	Paytm	6.24
Axis Bank Apps	0.33	Cred	2.20
Kotak Mahindra Bank Apps	0.31	BHIM	0.44
State Bank of India Apps	0.12	Amazon Pay	0.35
IDFC Bank Apps	0.08	Groww	0.28
Airtel Payments Bank Apps	0.06	WhatsApp	0.14
Federal Bank Apps	0.04	Mobikwik	0.11
Punjab National Bank Apps	0.02	Flipkart UPI	0.01

Conclusion

The analysis of UPI transaction data reveals significant insights into the spending habits of Indians across various sectors. The highest usage of UPI is seen in sectors associated with essential and everyday needs, such as drug stores and pharmacies, where convenience and quick transactions are paramount. This is closely followed by the digital goods sector, particularly in online gaming, reflecting the growing adoption of digital payments in entertainment. Fast food restaurants also show a substantial number of UPI transactions, indicating the preference for quick, hassle-free payments in fast-paced environments. These findings underscore the widespread acceptance of UPI in both routine and leisure activities, showcasing its integral role in India's journey towards a cashless economy.

As UPI continues to gain traction, understanding its usage patterns can help businesses tailor their strategies to better meet consumer needs and further encourage the adoption of digital payments across all sectors. The trend towards digitalization in payments is not just a convenience but a significant step towards an inclusive and efficient financial ecosystem in India.



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