

E-commerce, OTT and gaming witness over 100% growth in 2020: PayU Insights Report

- *For gaming and entertainment, the number of transactions made at night increased by 34%*
- *Edtech witnesses 78% increase in the number of transactions; 44% increase in expenditure in 2020*
- *North-eastern states witnessed huge increase in digital adoption*

New Delhi, April 20, 2021: PayU, India's leading online payments solution provider, has mapped the impact of COVID-19 & lockdown as seen through the year-on-year change in digital payments. The pandemic gave a huge boost to online payments, seen in the 24% increase in the number of transactions and 23% increase in expenditure across the PayU platform, year on year. Interestingly, during the **festive season** (October-December 2020) there was a **45% spike in the number of online transactions** vis-a-vis the same period in the previous year. In line with this trend, PayU **processed close to 100 million transactions**, in a single month during the festive period (15 October – 15 November, 2020).

The **number of UPI transactions grew by 288%** and expenditure through UPI grew a **phenomenal 331%** between 2019 and 2020.

INDOOR ENTERTAINMENT RECEIVES BOOST

As theatres and offline entertainment avenues remained shut consumers turned to indoor entertainment. The **OTT segment witnessed an incredible 144% increase in the number of transactions** and a **139% increase in expenditure** between 2019 and 2020. The **gaming segment saw a phenomenal 100% increase in expenditure** and a **154% increase** in average ticket size between the two years. The ticket size increase, despite the decrease in the number of transactions, could be because consumers shifted from multiple small transactions to single large transactions as gaming became a permanent lifestyle feature. For gaming and entertainment, the **number of transactions made at night increased by 34% while the number of transactions made during the day decreased by 11%** in 2020 vs. 2019, an indication of the increased dependence on indoor entertainment while working from home.

TRAVEL & FOOD WITNESS DECELERATION

Travel and hospitality were some of the most impacted sectors with an **86% drop in the number of transactions and expenditure** between pre and post-COVID quarters (Jan-March vs April-June 2020). Compared to '19, there was a 46% drop in the number of transactions and a 52% in drop in expenditure in '20.

The impact of the pandemic on online food aggregators was mixed. While the **number of transactions declined by 28%, expenditure increased by 22%** and the **average ticket size increased by a phenomenal 71%**. This is possibly because although fewer orders were placed, consumer preferred to shop from more expensive, branded food outlets which could guarantee hygiene.

INDIA UPSKILLS, EDUCATION GOES ONLINE

Edtech emerged as a winner, **with a 78% increase** in the number of transactions and a **44% increase in expenditure**, within this period. The most likely explanations are professionals upskilling as they worked from home and students shifting to online education. In fact, the number of transactions for edtech **increased by an incredible 69% immediately after the lockdown** (April-May 2020 vs. January-March 2020). Though the edtech segment witnessed growth, the **average ticket size reduced by 19%**, possibly as course prices dropped in response to a surge in demand.

NORTHEASTERN STATES SEE ACCELERATED DIGITISATION

India saw the increased digital activity as small merchants & consumers went online but the highest **increase in the number of transactions** was seen in India's North-Eastern states - Nagaland (93%), Meghalaya (82%), Manipur (74%), Arunachal Pradesh (66%) and Tripura (63%).

PANDEMIC BOOSTS E-COMMERCE & RETAIL

In **retail and e-commerce segments** there was a massive **106% increase in the number of transactions and a 124% increase in expenditure between** the first and last six months of 2020. The most likely explanations are increased adoption by Indians, including older users and consumers from smaller towns, to enforce social distancing norms. It could also account for the **115% increase** in the number of transactions and a **126% increase in expenditure** between the October-December period in 2019 and 2020, as Indians mostly conducted their festive shopping online.

PROTECTING AGAINST RISK

The number of transactions for financial services (lending, insurance, and investment, etc.) **increased by 26%, and expenditure increased by 31%** year-on-year. In particular, **investment & insurance** witnessed a 59% increase in the number of transactions and expenditure saw a 53% increase as consumers sought risk protection during uncertain times.

Commenting on the insights report, Hemang Dattani, Head- Data Intelligence, PayU said "As a leader in the Indian digital payments industry, and the preferred partner for India's largest online businesses, PayU has a unique vantage point in capturing evolving year on year trends. It is a pioneer in driving value addition for merchants and banks through data insights, offering targeted solutions which allow them to deepen customer engagement & create actionable business strategies. PayU is committed to partnering with merchants to facilitate adoption of digital infrastructure."

About PayU India

PayU, India's leading online payment solutions provider, is regulated under the Reserve Bank of India and has advanced solutions to meet the digital payment needs of the Indian market.

PayU provides payment gateway solutions to online businesses through its cutting-edge and award-winning technology. In India, PayU serves more than 450,000 merchants with 100+ local payment methods and is the preferred payments partner for nearly 60% of the e-commerce merchants, including all leading e-commerce companies and a majority of airline businesses.

PayU also developed LazyPay in 2017, an alternate lending platform to offer credit solutions such as Small Ticket Credit (Buy Now Pay Later), App-based loans (Instant personal loans) and Point of Sale Credit (Merchant EMI). LazyPay Buy Now Pay Later is currently live on 100+ merchants such as Byju's, Swiggy, Flipkart, Makemytrip, Dunzo, Vodafone, Zomato, Bookmyshow, Oyo, Tata Sky and many more.