Driving Mobile Recharge Adoption on Paytm

A PRODUCT STRATEGY & UX CAPSTONE PROJECT

INTRODUCTION

- **Problem Context**

  Paytm aims to become the **go-to platform for prepaid mobile recharges**, especially among users in Tier 1 and Tier 2 cities. However, users often choose competitors due to **habit, trust gaps, and friction** at the moment of recharge

- **Product Challenge:** Design a product strategy that:

  1. Improves recharge convenience and trust
  2. Drives recharges through personalized nudges and features
  3. Builds a habit loop to increase repeat usage

- **Business Goal**

  Increase prepaid mobile recharge market share from ~20% to ~30% within 6 months.

What This Case Study Covers

- Identifying **behavioral drop-offs** in the recharge journey
- **Designing solutions** to improve recall, trust, and speed
- Measuring success through **clear metrics and growth loops**

User Research — Understanding Recharge Behavior

Objective

- Understand why users prefer PhonePe / GPay over Paytm for prepaid recharges
- Identify key friction points, trust gaps, and habit drivers impacting Paytm adoption

Research Questions

- Which app do users most frequently use for prepaid mobile recharges and why?
- What factors matter most during recharge: speed, trust, cashback, reminders, or UI simplicity?
- Why do some users avoid or stop using Paytm for mobile recharges?
- How do cashback visibility and reward timing influence repeat usage?
- What makes PhonePe or Google Pay feel more reliable than Paytm?
- What would motivate users to switch their default recharge app to Paytm?

Research Approach

1. **Method Used**
   1. 1:1 qualitative user interviews (calls & WhatsApp Chat)
   2. App walkthrough discussions
   3. Recall-based questioning (last recharge experience)
2. **Sample Size**
   1. Total users interviewed: **30 (**Mix of Tier 1 and Tier 2 cities**)**
      1. 10 Paytm users
      2. 10 PhonePe users
      3. 10 Google Pay users
3. **User Types Covered**
   1. Heavy recharge and Regular users
   2. Light / occasional and Churned Paytm users

What We Learned

Top Insights

1. Recharge decisions are **habit-driven**, not offer-driven
2. **Speed and trust** matter more than cashback
3. Paytm is not a **default recall app** for recharges
4. Cashback logic on Paytm feels **confusing or delayed**
5. PhonePe & GPay benefit from **simple, distraction-free flows**

Competitor Analysis

Platform	UX Speed	Cashback Clarity	Trust Level	Habit Strength
Paytm	Medium	Low	Medium	Weak
PhonePe	High	High	High	Strong
Google Pay	High	Medium	Very High	Strong
Airtel/Jio Apps	Medium	Medium	High	Medium

Pain Points

Recharge flow on Paytm feels long and cluttered

Cashback rules and rewards are unclear or delayed

Paytm is not the default recall app for recharges

Lack of timely recharge reminders

Lower perceived trust and reliability compared to PhonePe/GPay

Refining the Core Problem

- **Refined Problem Statement**

  Despite a large user base and strong brand presence, Paytm fails to be the default choice for mobile recharges. Users perceive the recharge experience as cluttered and unreliable, reducing trust and preventing habit formation. As a result, even existing Paytm users prefer PhonePe or Google Pay for faster, simpler, and more dependable recharge experiences.

Recharge funnel with drop-offs

Awareness

Recharge is due, user recalls an app to open

Intent

User decides which app to recharge on

Recharge

User enters number, selects plan & pays

Post-Recharge

User evaluates experience & future preference

Drop offs

Not top-of-mind

Trust hesitation

Cognitive overload

Weak habit loop

Behavioural Insights Behind Drop-Offs

Habit beats incentives

Users do not compare apps every month. They recharge using the app that feels automatic.

Cognitive overload reduces conversion

Too many offers and banners increase decision fatigue at the moment of recharge.

Loss aversion drives trust sensitivity

A failed or delayed recharge feels worse than missing a cashback.

Delayed rewards fail to reinforce behavior

Delayed or unclear cashbacks do not create positive memory.

Solution Ideation Approach

Insight → Opportunity

Low recall at recharge moment
Trust & reliability concerns
High cognitive load in recharge flow
Weak post-recharge reinforcement

Ideation Themes

Habit & recall creation
Friction reduction
Trust signalling
Reward clarity

Solution Ideas Considered

Sr. No	Idea	Targeted Funnel Stage
1	Smart recharge reminders	Awareness
2	One-tap repeat recharge	Recharge
3	Guaranteed cashback badge	Intent
4	Recharge success assurance	Intent
5	Personalized plan suggestions	Recharge
6	Monthly recharge streaks	Post-Recharge
7	Wallet-linked recharge bonus	Post-Recharge

Prioritization Using RICE Framework

Priority	Idea	Reach (1–10)	Impact	Confidence	Effort	RICE Score
1	Smart recharge reminders	8	2	0.8	2	**6.4**
2	One-tap repeat recharge	6	3	1.0	3	**6.0**
3	Guaranteed cashback badge	5	1	1.0	2	**2.5**
4	Monthly recharge streaks	3	1	0.8	3	**0.8**
5	Telco packs	2	1	0.5	5	**0.2**

RICE = (Reach × Impact × Confidence) ÷ Effort

Final Solutions Selected

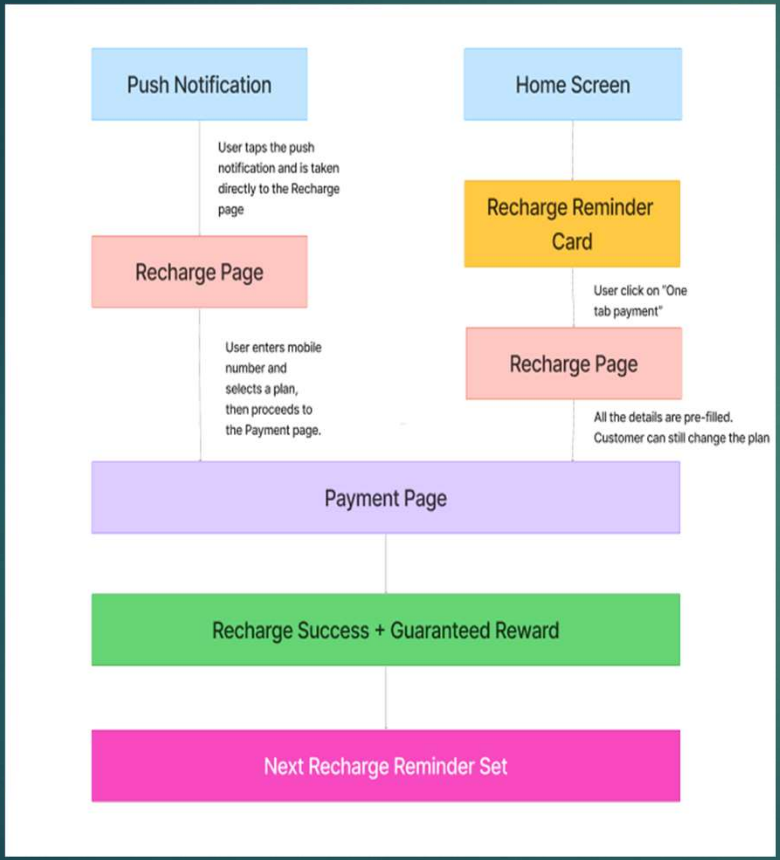
Solution 1: Smart Recharge Reminders

- **Why this works**
  - Solves recall drop-off
  - Creates a habit cue
  - Low effort, high impact
- **Funnel impact:** Awareness → Intent

Solution 2: One-Tap Repeat Recharge + Guaranteed Reward

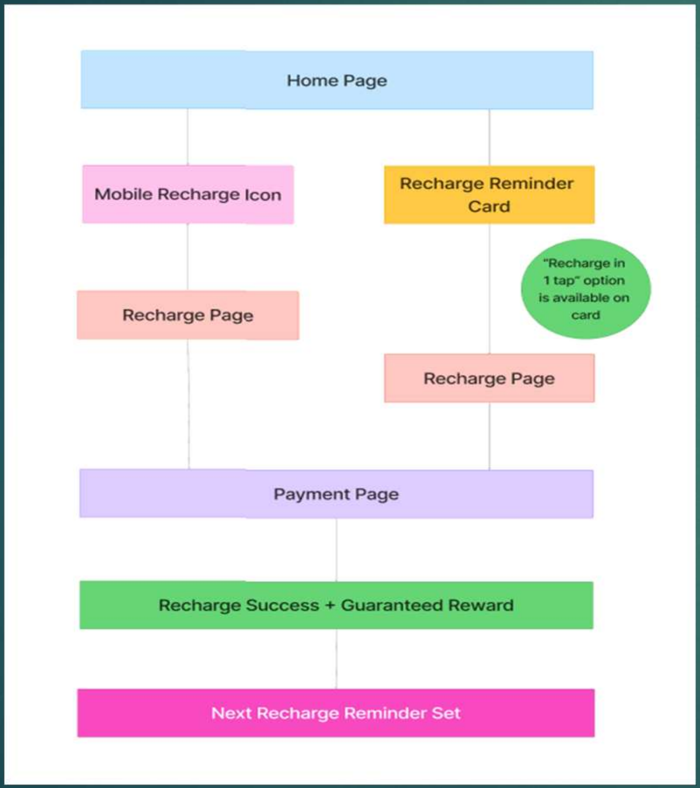
- **Why this works**
  - Reduces friction
  - Builds trust at decision moment
  - Reinforces repeat behaviour
- **Funnel impact:** Intent → Recharge → Post-Recharge

User Flow - Smart Recharge Reminders



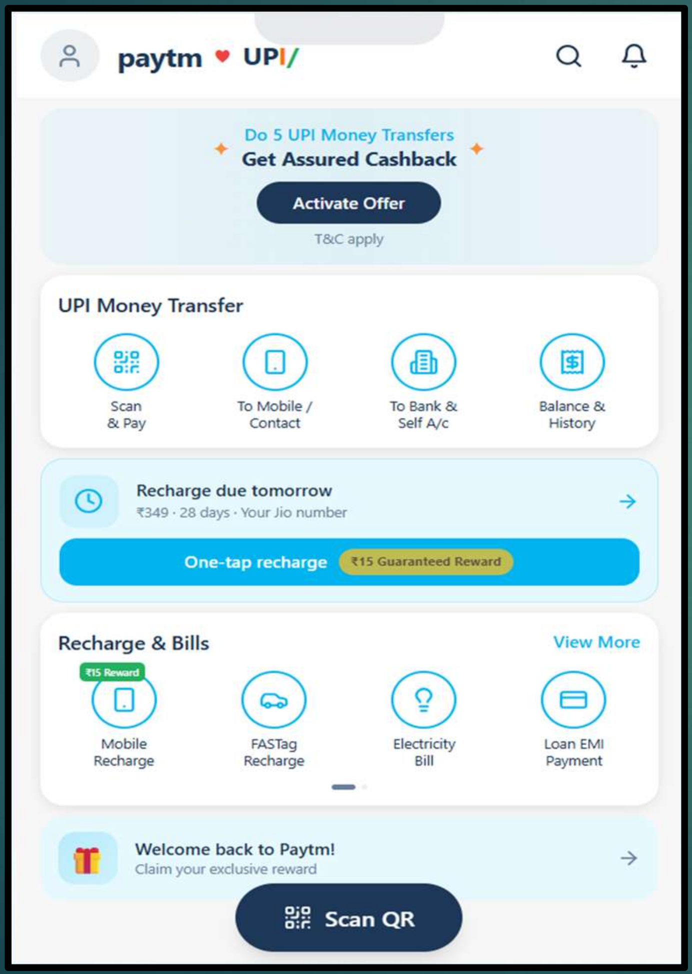
1. Users can enter via:
   1. **Push notification** (active trigger)
   2. **Home screen reminder card** (passive trigger)
2. If recharge date is unknown, send a light reminder every 15 days to maintain recall.
3. Once recharge pattern is learned, send a priority reminder 2–3 days before expiry.
4. Post Recharge page experience remains the same.

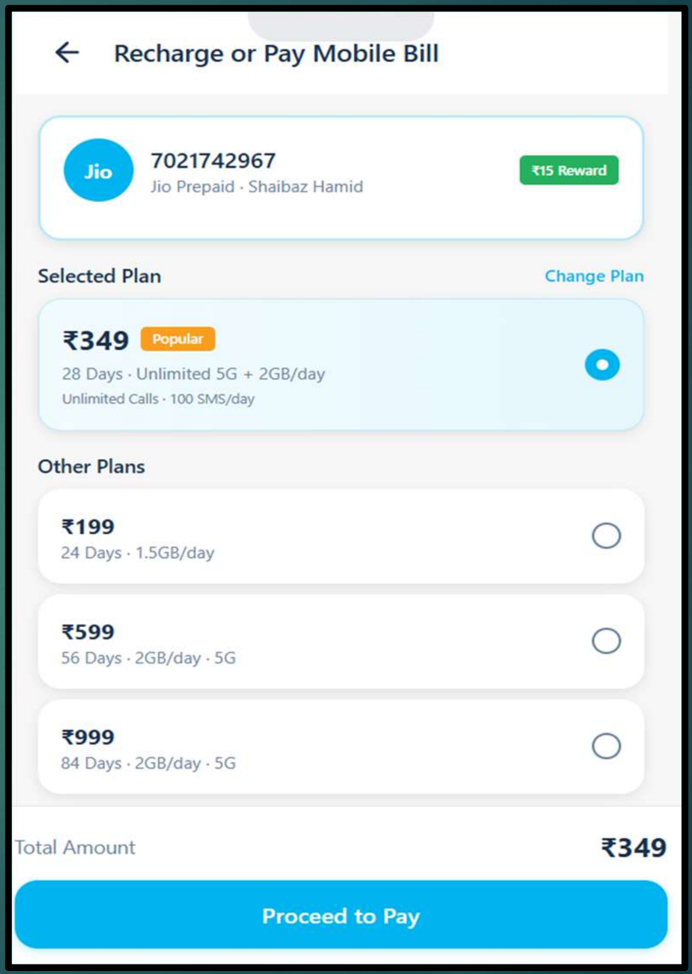
User Flow - ONE-TAP REPEAT RECHARGE + GUARANTEED REWARD

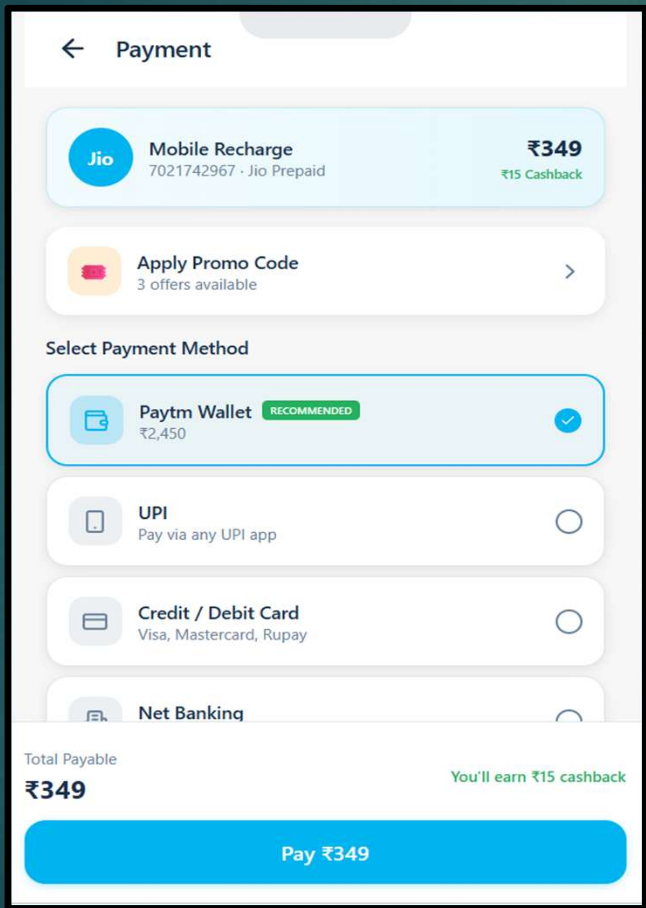


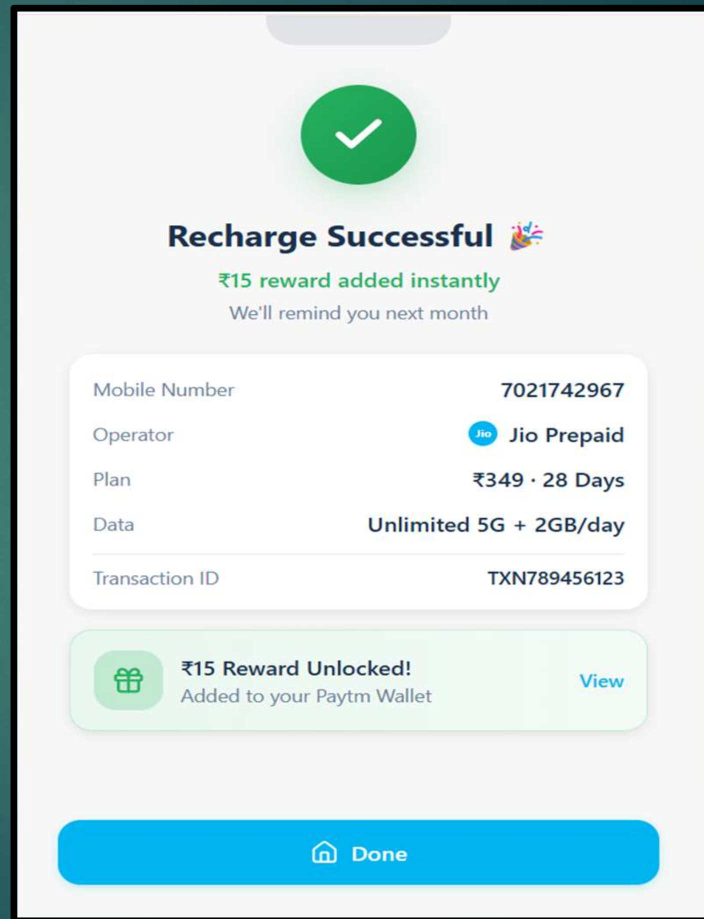
1. User opens **Paytm Home Screen**.
2. Navigates to **Recharge & Bills → Mobile Recharge** or clicks Recharge Reminder Card with "One Tap Recharge"
3. Selects **My Number / Recent Recharge** (already saved) if user comes from **Mobile Recharge**
4. If user comes from "One Tap Recharge" details are prefilled
5. Post Recharge page experience remains the same.
6. Recharge success is shown with **instant guaranteed reward confirmation**

Prototype (Link)






Payment
Jio
Mobile Recharge
7021742967 · Jio Prepaid
₹349
₹15 Cashback
Apply Promo Code
3 offers available
Select Payment Method
Paytm Wallet
RECOMMENDED
₹2,450
UPI
Pay via any UPI app
Credit / Debit Card
Visa, Mastercard, Rupay
Net Banking
Total Payable
₹349
You'll earn ₹15 cashback
Pay ₹349


Recharge Successful 🎉
₹15 reward added instantly
We'll remind you next month
Mobile Number
7021742967
Operator
Jio
Jio Prepaid
Plan
₹349 · 28 Days
Data
Unlimited 5G + 2GB/day
Transaction ID
TXN789456123
₹15 Reward Unlocked!
Added to your Paytm Wallet
View
Done

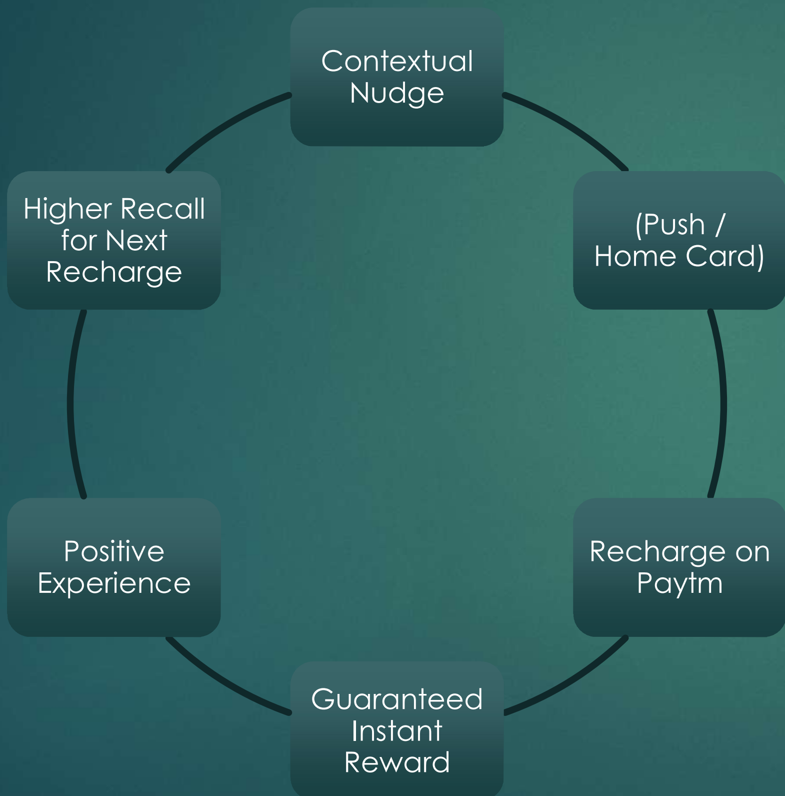
Go-To-Market Plan: Driving Mobile Recharge Adoption on Paytm

- **Objective**
  1. Increase **mobile recharge adoption on Paytm**
  2. Convert both **first-time recharge users** and **repeat recharge users** through timely nudges and a guaranteed reward
- **Target User Segments**

First-Time Recharge Users	Existing / Repeat Recharge Users
Paytm app users who have never recharged on Paytm	Users who have recharged before
Goal: Drive trial	**Goal: Build habit & default behavior**

- **Messaging Strategy**
  - **For First-Time Users:** “Do your mobile recharge on Paytm & get ₹15 instant cashback”
  - **For Existing Users:** “Recharge in 1 tap • ₹15 guaranteed reward • We’ll remind you before expiry”
- **Launch Phases**
  - **Phase 1 (Weeks 1–2): Existing Users**
    - Enable reminder card + one-tap recharge
    - Validate reward & flow performance
  - **Phase 2 (Weeks 3–6): First-Time Users**
    - Push notifications to broader Paytm base
    - Incentive-led onboarding
  - **Phase 3 (Weeks 7–12): Scale & Optimize**
    - Dynamic messaging by user segment
    - Reward caps & reminder optimization

Product-Led Growth Loop



Why This Loop Works?

- ❑ **Contextual nudges** trigger action at the right moment
- ❑ **One-tap flow** removes friction
- ❑ **Guaranteed reward** builds trust
- ❑ **Success confirmation + reminder** reinforces habit

North Star Metric: Measuring Recharge Adoption

- **Monthly Active Recharge Users (MARU)**

  Number of unique users who complete at least one mobile recharge on Paytm in a month

  - **Why MARU:**
    - Captures **both first-time and repeat recharge users**
    - Directly reflects **adoption + habit formation**
    - Aligns with Paytm's goal to **grow recharge market share**
  - **Why Monthly (Not 3-Month Active Users)**
    - Recharge cycles vary (**28–90 days**), so many users won't recharge every month
    - A 3-month metric **delays feedback** and hides early impact of changes
    - Monthly tracking enables **faster iteration**, while long-validity users are captured when they return

Objectives & Key Results (OKRs)

- **Objective 1:** Increase Mobile Recharge Adoption on Paytm
  1. **KR1:** Increase **Monthly Active Recharge Users (MARU)** by **X% in 6 months**
  2. **KR2:** Improve **first-time recharge conversion** from push notifications by **X%**
  3. **KR3:** Reduce **recharge drop-offs** during payment by **X%**

- **Objective 2:** Improve Repeat Recharge Behavior & Trust
  1. **KR1:** Increase **repeat recharge rate within 60 days** by **X%**
  2. **KR2:** Increase adoption of **one-tap repeat recharge** by **X%**
  3. **KR3:** Maintain **recharge success rate ≥ 99%**

Supporting Metrics & Monitoring

- **Awareness & Entry Metrics**
  1. Push notification open rate
  2. Home reminder card click-through rate (CTR)
  3. Recharge entry source (Push / Home Card / Manual)
- **Conversion & Experience Metrics**
  1. Recharge start → success conversion rate
  2. One-tap recharge usage rate
  3. Average time to complete recharge
- **Retention & Trust Metrics**
  1. 30-day & 60-day recharge retention
  2. Guaranteed reward credit success rate
  3. Recharge failure / complaint rate

Key Takeaways & Impact

- **What Was Solved**
  1. Low recall at the moment of recharge
  2. High friction and uncertainty during recharge
  3. Weak post-recharge reinforcement leading to low repeat usage
- **What Was Built**
  1. **Smart Recharge Reminders** to surface Paytm at the right moment
  2. **One-Tap Manual Repeat Recharge** to reduce friction without removing control
  3. **Guaranteed Reward** to build trust and reinforce behavior
- **Expected Impact**
  1. Higher **Monthly Active Recharge Users (MARU)**
  2. Improved first-time recharge conversion
  3. Stronger repeat recharge behavior driven by habit
- **Closing Line**

  By combining timely nudges, frictionless execution, and clear rewards, Paytm can move from being an option to becoming the **default app for mobile recharges**.

Thank You