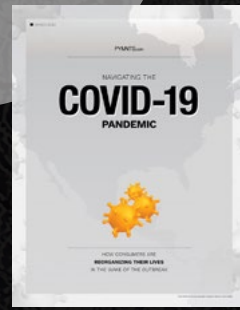
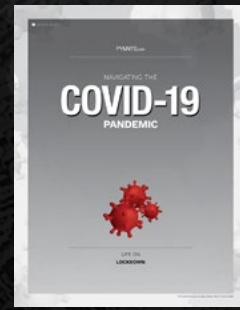


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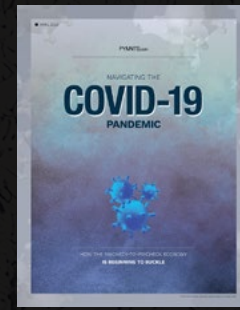
NAVIGATING THE COVID-19 PANDEMIC



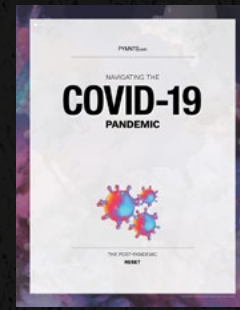
**MARCH 18**  
How Consumers Are Reorganizing Their Lives In The Wake Of The Outbreak



**MARCH 26**  
Life On Lockdown



**APRIL 9**  
How The Paycheck-To-Paycheck Economy Is Beginning To Buckle



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The Post-Pandemic Reset

MAIN STREET ON LOCKDOWN



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Business Recovery

THE GREAT REOPENING



**MAY 7**  
The Road To A Digital Normal



**MAY 18**  
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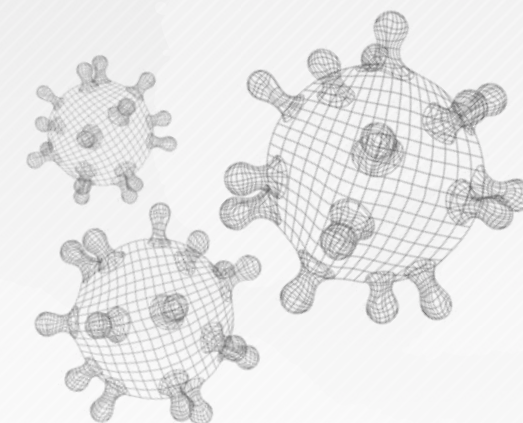
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■ JUNE 2020

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THE GREAT  
REOPENING



DOUBLING DOWN  
ON DIGITAL

\*The COVID-19 survey was taken between May 23 and May 25, 2020.

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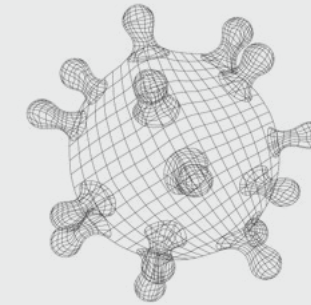
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METHODOLOGY

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# INTRODUCTION



Forty-nine American states have initiated plans to reboot their economies after a three-month lockdown, and many consumers are enjoying long-awaited chances to shop in the physical world.<sup>1</sup> Reopening brick-and-mortar stores is an important first step on the path to normalcy, but it might be a step in the wrong direction.

PYMNTS has surveyed more than 13,000 consumers over the past three months to track their shifting priorities as well as their buying and spending behaviors as the pandemic progresses. Our latest survey, which was conducted May 23, analyzes 2,065 United States consumers' responses to gauge the extent to which they are embracing digital channels for their day-to-day shopping needs, especially as local economies reopen. We also seek to determine the types of merchants with which they are choosing to shop and which eCommerce features are enhancing their shopping experiences.

The Great Reopening: Doubling Down On Digital Edition details our latest findings to explain why the future of retail in a post-pandemic world will be less about shopping channels and more about transactional touch points as consumers double down on their commitment to living life online.

THIS IS WHAT WE LEARNED.

<sup>1</sup> Mervosh, S.; Lee, J.; Gamio, N.; Popovich, N. See how all 50 states are reopening. The New York Times. 2020. <https://www.nytimes.com/interactive/2020/us/states-reopen-map-coronavirus.html>. Accessed June 2020.

ACCEPTANCE

## THE SHARE OF CONSUMERS GOING ONLINE TO SHOP AND PAY GROWS THE LONGER THE PANDEMIC LASTS.

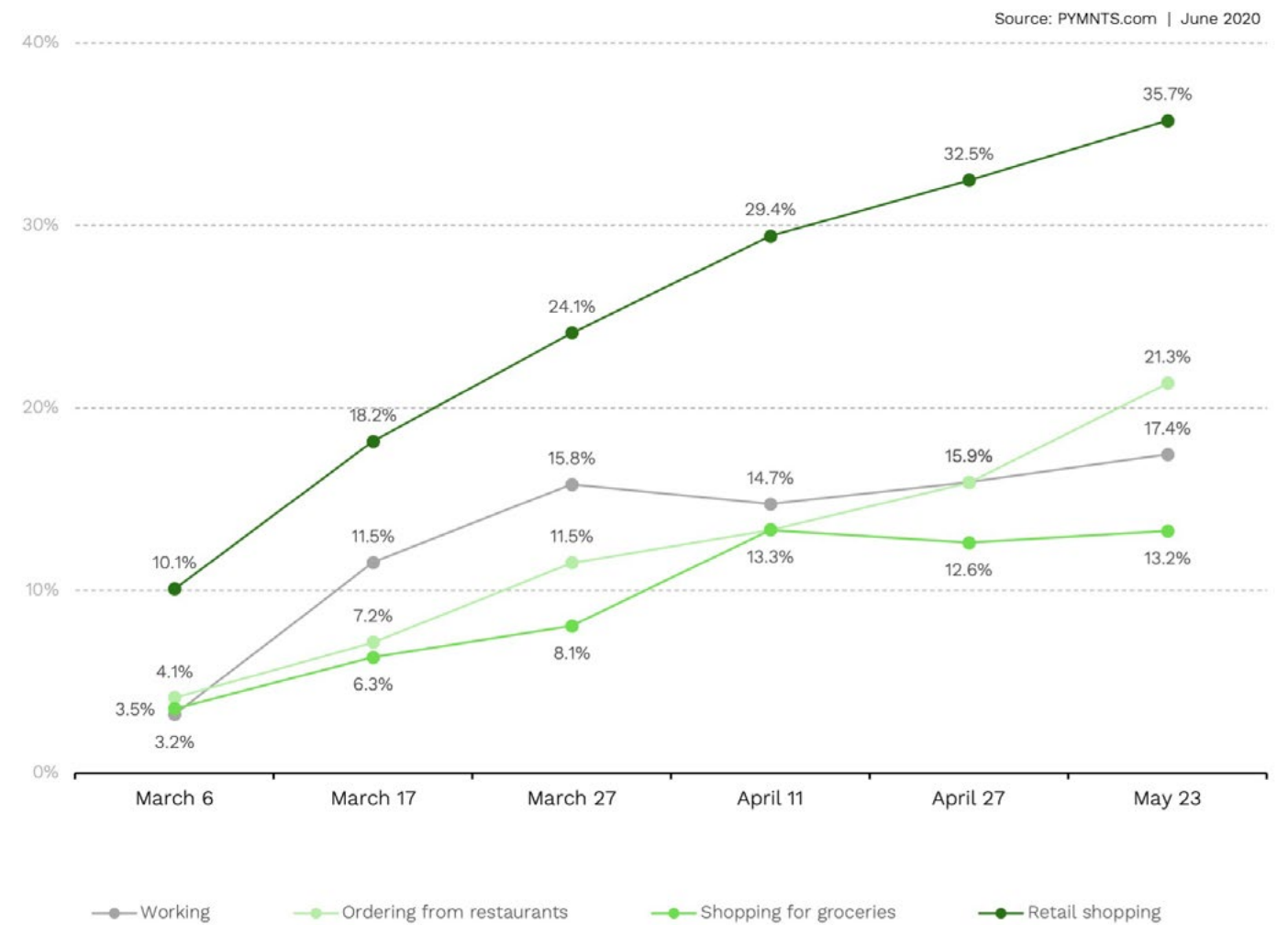
eCommerce is playing a crucial role in consumers' daily lives, with an increasing share engaging in routine activities online as the pandemic persists. Our research shows that 35.7 percent of consumers were shopping for retail goods online as of May 23, up from the 32.5 percent who were doing so as of April 27. This is also an increase from the 29.4 percent of consumers who shopped online for retail goods on April 11 and 24.1 percent who did so on March 27. This means 73.1 million consumers are now shopping online, compared to the 66.4 million who were doing so in late March.

We have also witnessed a spike in consumers' propensity to order food from restaurants online, with the share increasing from 15.9 percent on April 27 to 21.3 percent on May 23. This represents an increase of 5.4 percentage points, significantly higher than the 2.6 percentage point increase we saw between April 11 and April 27. In other words, 54.9 million consumers are now ordering food from restaurants online, up from the 41.8 million doing so on April 27.

Consumers' inclination to shop for retail goods and order food online continues to grow, but their drive to shop for groceries and to work online has remained relatively unchanged since March 27. Our survey reveals that 13.2 percent of consumers are now shopping for groceries online. This compares to 12.6 percent who did so on April 27 and 13.3 percent who did so on April 11, meaning the share of consumers doing so has decreased only 0.1 percentage point during the past month – a drop from 29.1 million consumers to 27.7 million.

FIGURE 1: SHIFT IN CONSUMERS' ONLINE ACTIVITIES

Share performing select activities who have gone online to do them



ACCEPTANCE

## CONSUMERS EXPECT THE PANDEMIC TO LAST UNTIL AT LEAST FEBRUARY 2021.

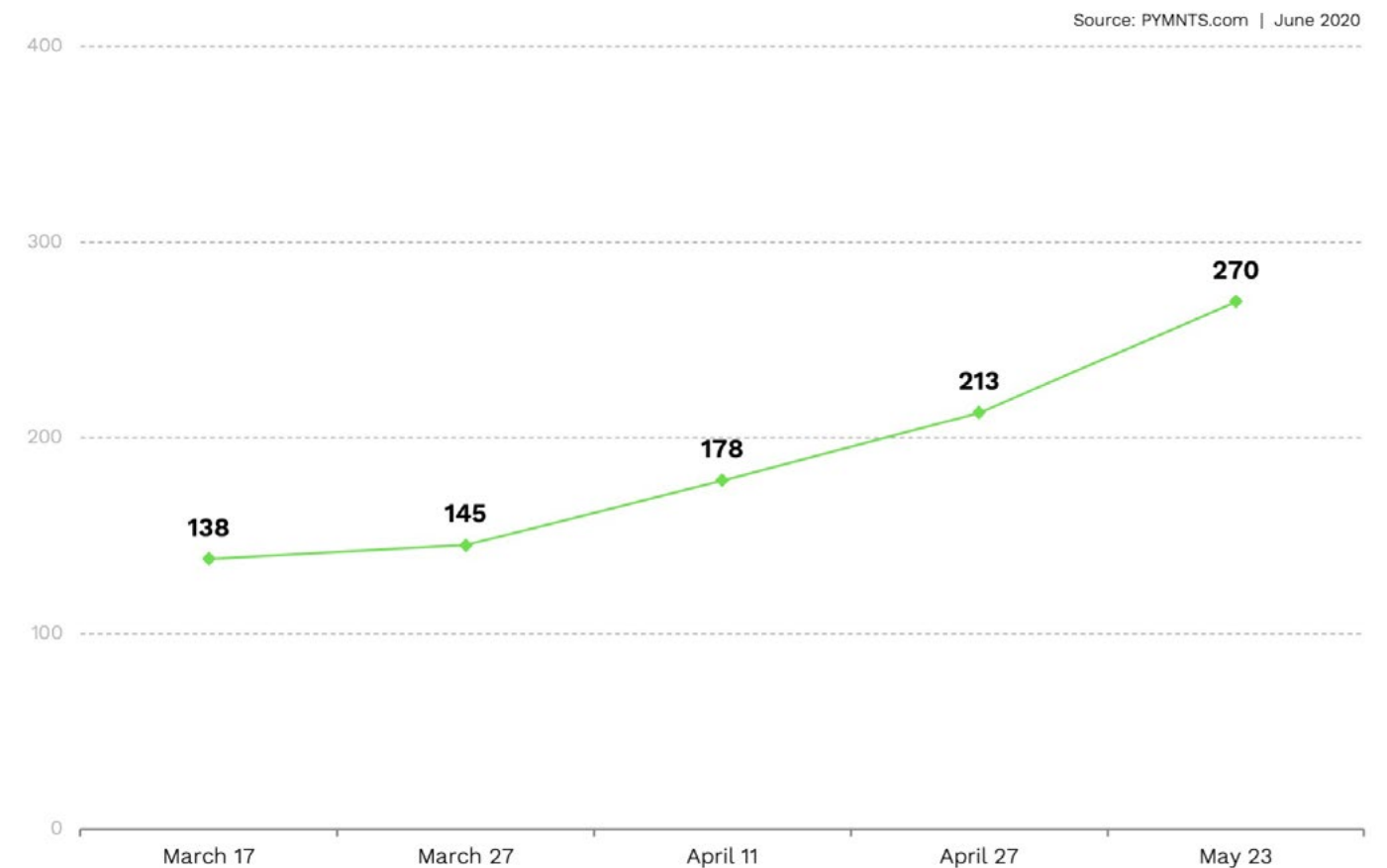
Expectations regarding how long the pandemic will last continue to rise, with consumers now believing it will persist for another 270 days – roughly nine months – on average. This compares to an average of 213 days on April 27 and 138 days on March 17.

We have witnessed a similar rise in how long consumers expect it to take before they can return to their pre-pandemic routines, with more consumers than ever believing that their lifestyles will never be the same. Ten percent of consumers say they do not expect to live as they did before the COVID-19 outbreak, up from 6.7 percent and 6.3 percent who said so on April 27 and April 11, respectively.

Consumers who do believe their lives will return to the way they were before the outbreak say it will take longer to get there. Our survey finds that 43.3 percent do not expect to return to their pre-pandemic ways of life for at least another year. This compares to 30.5 percent who said the same on April 27 and 23.6 percent who said so on April 11.

**FIGURE 2: HOW LONG CONSUMERS BELIEVE THE PANDEMIC WILL LAST**

Average number of days consumers surveyed on various dates believed the pandemic would last

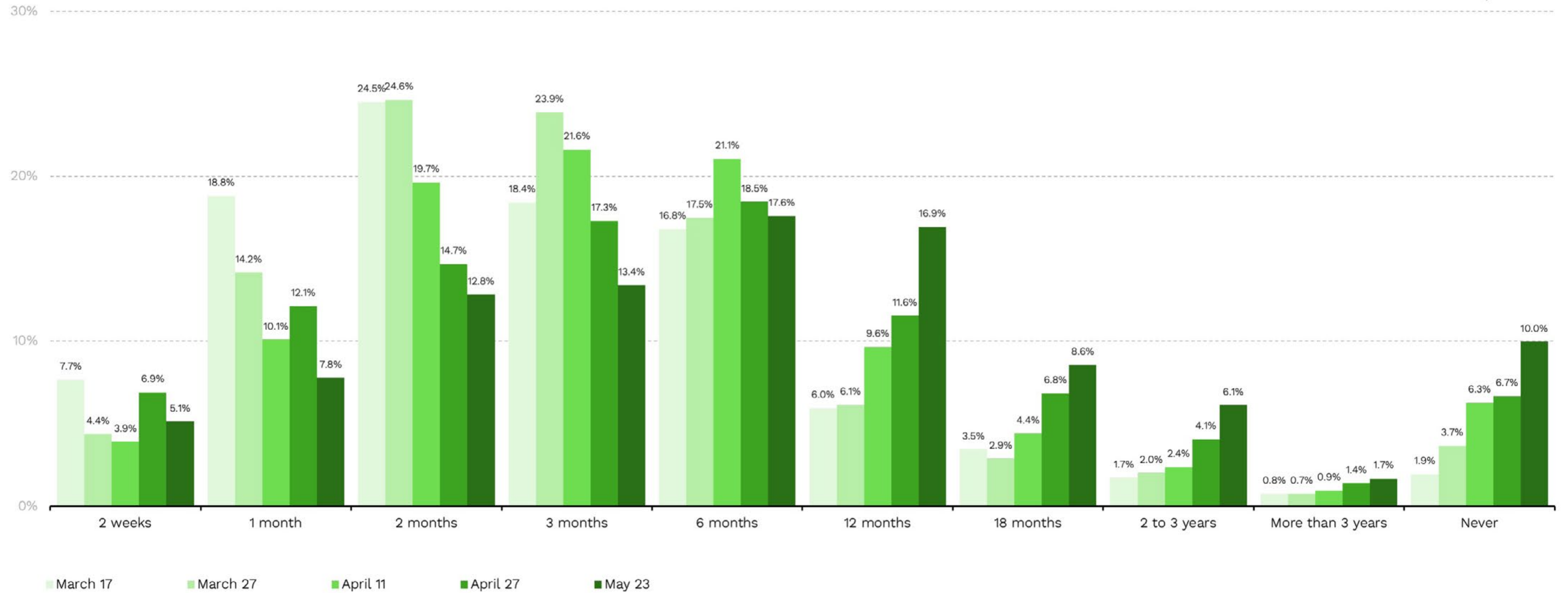


## ACCEPTANCE

**FIGURE 3: HOW LONG CONSUMERS BELIEVE THE PANDEMIC WILL LAST**

Share of consumers surveyed on various dates who believed the pandemic would last select time frames

Source: PYMNTS.com | June 2020



ACCEPTANCE

**MANY CONSUMERS ARE LESS CONCERNED ABOUT THE PANDEMIC THAN THEY WERE, THOUGH THEY EXPECT IT TO LAST LONGER.**

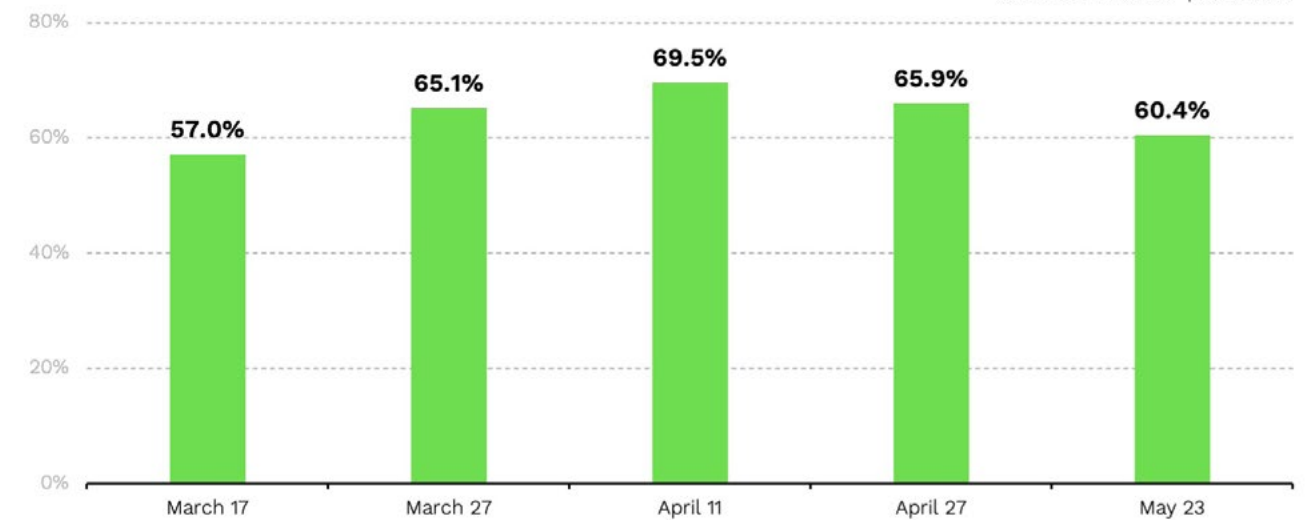
Consumers expect the pandemic to last longer on average, but they also seem to be adjusting to the outbreak’s realities. The share of those who are “very” or “extremely” concerned about COVID-19 has been decreasing since April 11, when it peaked at 69.5 percent. Our April 27 survey found that 65.9 percent of consumers were highly concerned about the pandemic, and that share has since dropped to 60.4 percent.

Certain generations tend to be more worried about the pandemic than others, however. Generation Z and bridge millennials are the age groups most likely to be “very” or “extremely” concerned about the virus, with 65.4 percent and 65.2 percent saying so, respectively. Baby boomers and seniors meanwhile are the least worried, with only 57.6 percent saying they are “very” or “extremely” concerned about the pandemic’s effects.

**FIGURE 4: CONSUMERS’ CONCERNS REGARDING COVID-19**

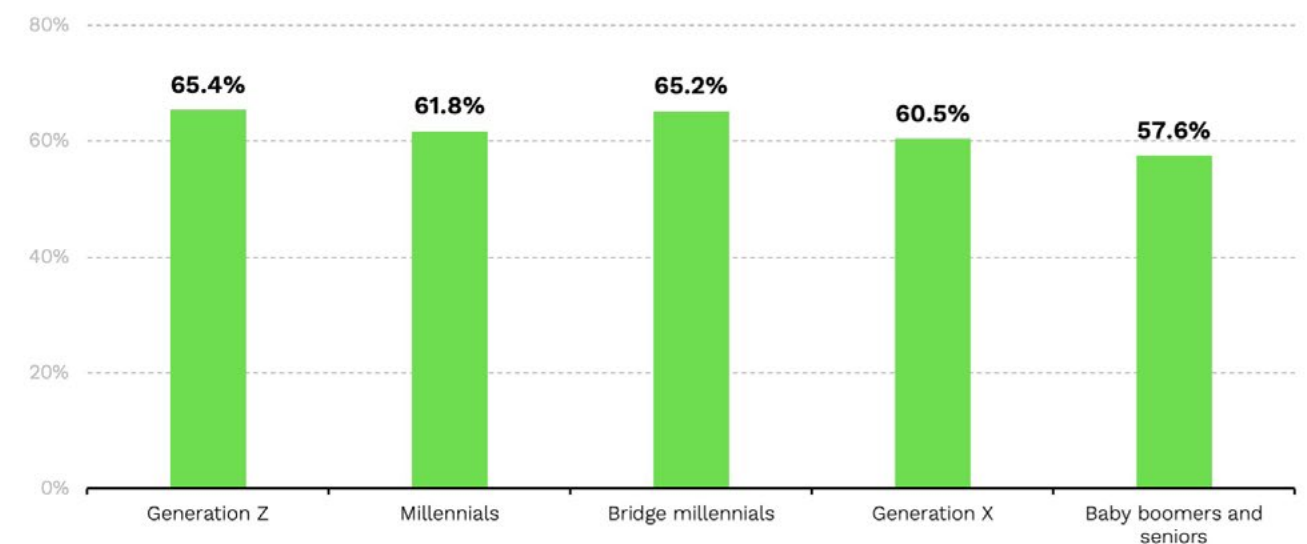
Share “very” or “extremely” concerned about COVID-19, by survey date

Source: PYMNTS.com | June 2020



**FIGURE 5: CONSUMERS’ CONCERNS REGARDING COVID-19**

Share “very” or “extremely” concerned about COVID-19, by generation



ACCESS

## EIGHTY-TWO PERCENT OF ALL CONSUMERS ARE SHOPPING WITH MERCHANTS THAT HAVE ADDED OR IMPROVED DIGITAL CAPABILITIES SINCE THE PANDEMIC BEGAN.

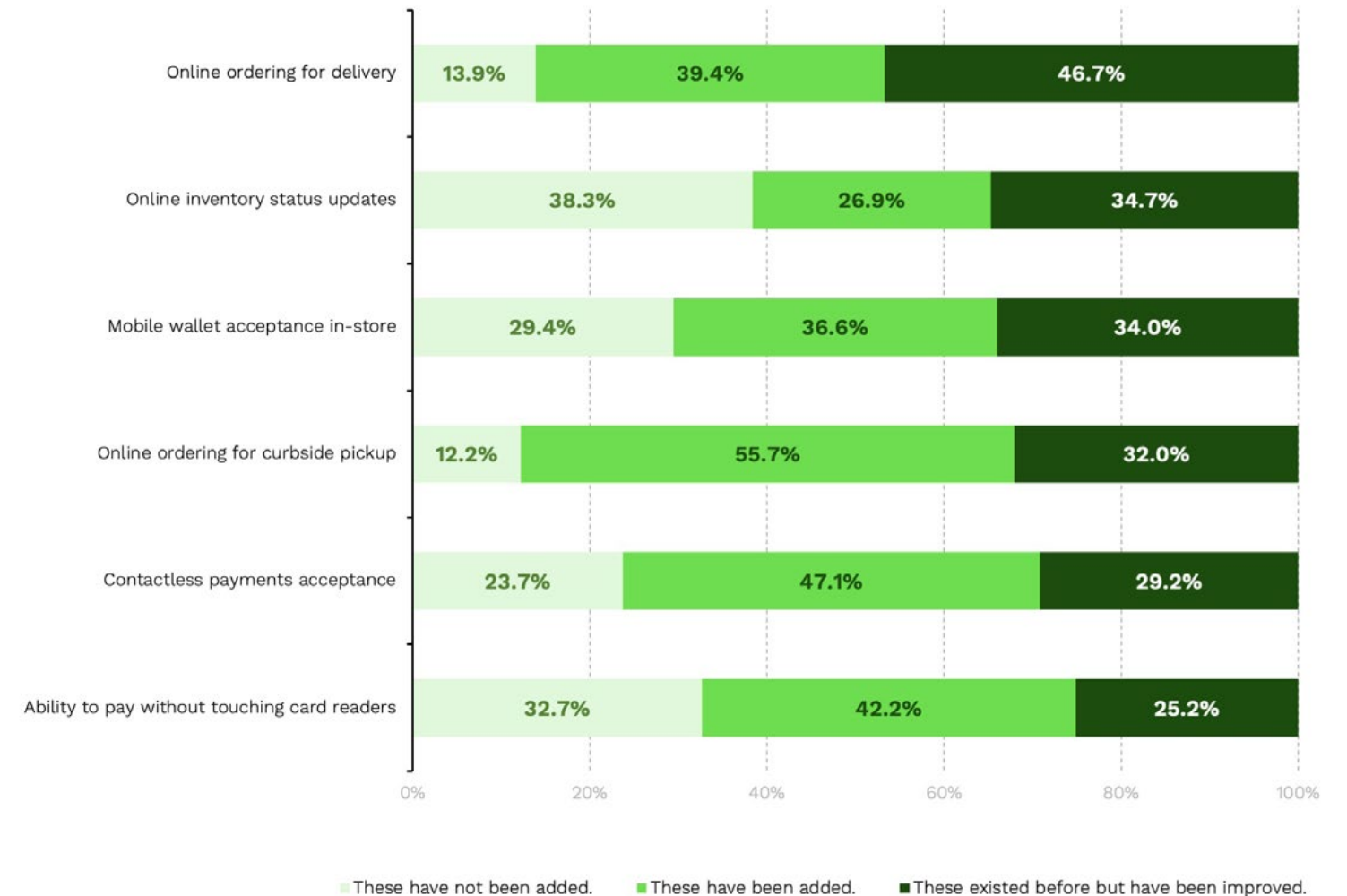
The majority of eCommerce shoppers say the merchants with which they shop have been offering new digital features or improving upon their existing digital capabilities in the three months since the pandemic began. One of the most common offerings consumers say merchants are implementing is online ordering for curbside pickup, with 55.7 percent of consumers saying the merchants with which they shop have added this capability. We also found that 47.1 percent of consumers say their merchants are accepting contactless payments, and 42.2 percent report that their preferred merchants are allowing them to pay without touching card readers.

Many also say merchants have improved upon existing digital capabilities in the past three months, offering online ordering for delivery and allowing consumers to track inventory. Our research shows 46.7 percent of consumers report that merchants have improved their order-ahead for delivery services since the pandemic began, for example. PYMNTS also found that 34.7 percent of consumers say merchants have updated their online inventory status features during the past three months, making it easier for consumers to check whether items are in stock before they journey to stores.

**FIGURE 6: FEATURES CONSUMERS BELIEVE MERCHANTS HAVE ADDED OR IMPROVED SINCE THE PANDEMIC BEGAN**

Share who say the merchants with which they shop have added or improved select features

Source: PYMNTS.com | June 2020



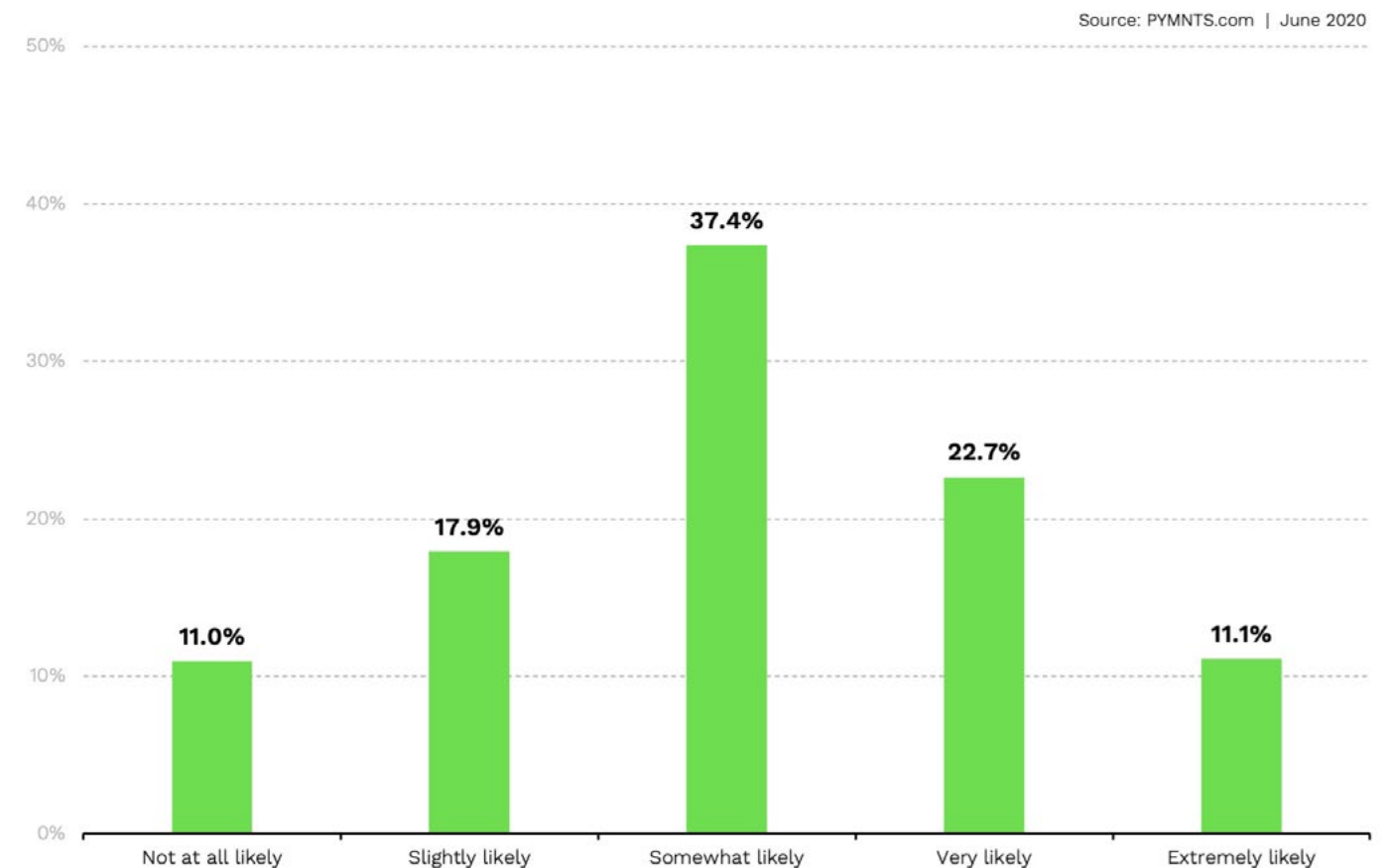
## ONE-THIRD OF CONSUMERS ASSESS MERCHANTS' DIGITAL OFFERINGS WHEN DECIDING WHERE TO SHOP.

Offering digital features is necessary to reaching consumers while most states remain partially locked down, but providing such capabilities also goes a long way toward helping consumers decide where to shop. Most say they would choose to purchase from merchants based on whether they offer digital features, with 33.8 percent of consumers saying they are "very" or "extremely" likely to consider such offerings when deciding where to shop. Another 55.3 percent are "somewhat" or "slightly" likely to take merchants' digital capabilities into consideration, while just 11 percent say digital offerings do not factor into their decisions.

The importance consumers place on digital offerings changes depending on their age brackets, however. Bridge millennials are especially concerned with merchants' digital capabilities, with 45.8 percent saying they would be "very" or "extremely" likely to consider such features when deciding where to shop. This compares to 40 percent of millennials and 39.9 percent of Generation Z who are equally likely to consider these features when choosing the merchants with which they shop. Baby boomers and seniors are the least inclined to say they are "very" or "extremely" likely to take merchants' digital offerings into consideration, with only 27.9 percent doing so.

There also appears to be a relationship between consumers' annual incomes and the importance they place on digital offerings. Nearly equal shares of those earning more than \$100,000 per year (high-income consumers) and between \$50,000 and \$100,000 per year (middle-income consumers) say they would be "very" or "extremely" likely to choose merchants based on their digital features, at 36.1 percent and 36.6 percent, respectively. Those earning less than \$50,000 annually (low-income consumers) are the outliers in this regard. Twenty-eight percent of these consumers say merchants' digital offerings are "very" or "extremely" likely to influence whether they would want to shop with them.

**FIGURE 7: CONSUMERS' LIKELIHOOD OF CHOOSING MERCHANTS BASED ON THEIR DIGITAL OFFERINGS**  
Share who express varying degrees of likelihood that they would choose merchants based on their digital capabilities

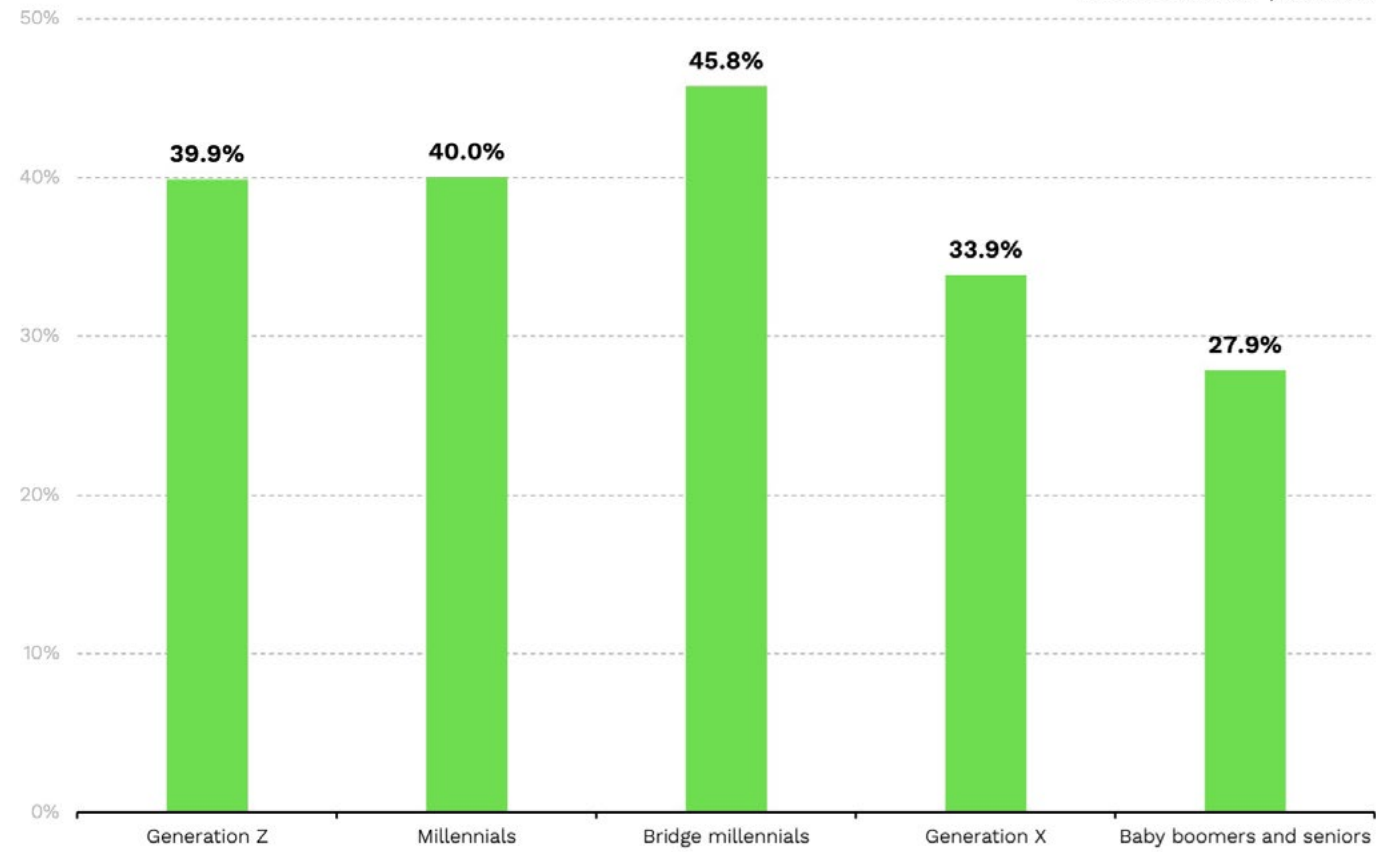




ACCESS

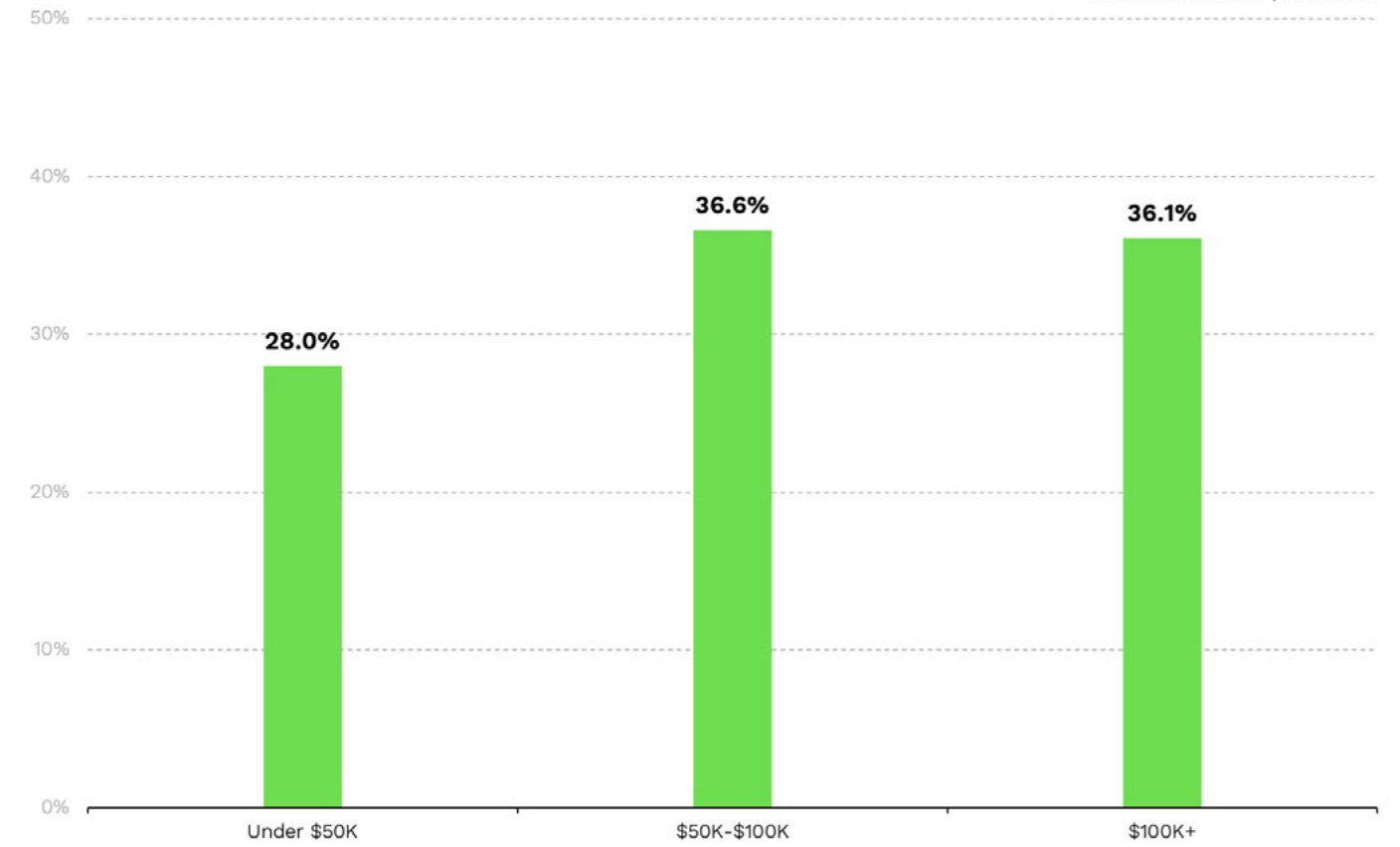
**FIGURE 8: CONSUMERS' LIKELIHOOD OF CHOOSING MERCHANTS BASED ON THEIR DIGITAL OFFERINGS**  
Share from select generations who are "very" or "extremely" likely to choose merchants based on their digital capabilities

Source: PYMNTS.com | June 2020



**FIGURE 9: CONSUMERS' LIKELIHOOD OF CHOOSING MERCHANTS BASED ON THEIR DIGITAL OFFERINGS**  
Share from select income levels who are "very" or "extremely" likely to choose merchants based on their digital capabilities

Source: PYMNTS.com | June 2020



AVOIDANCE

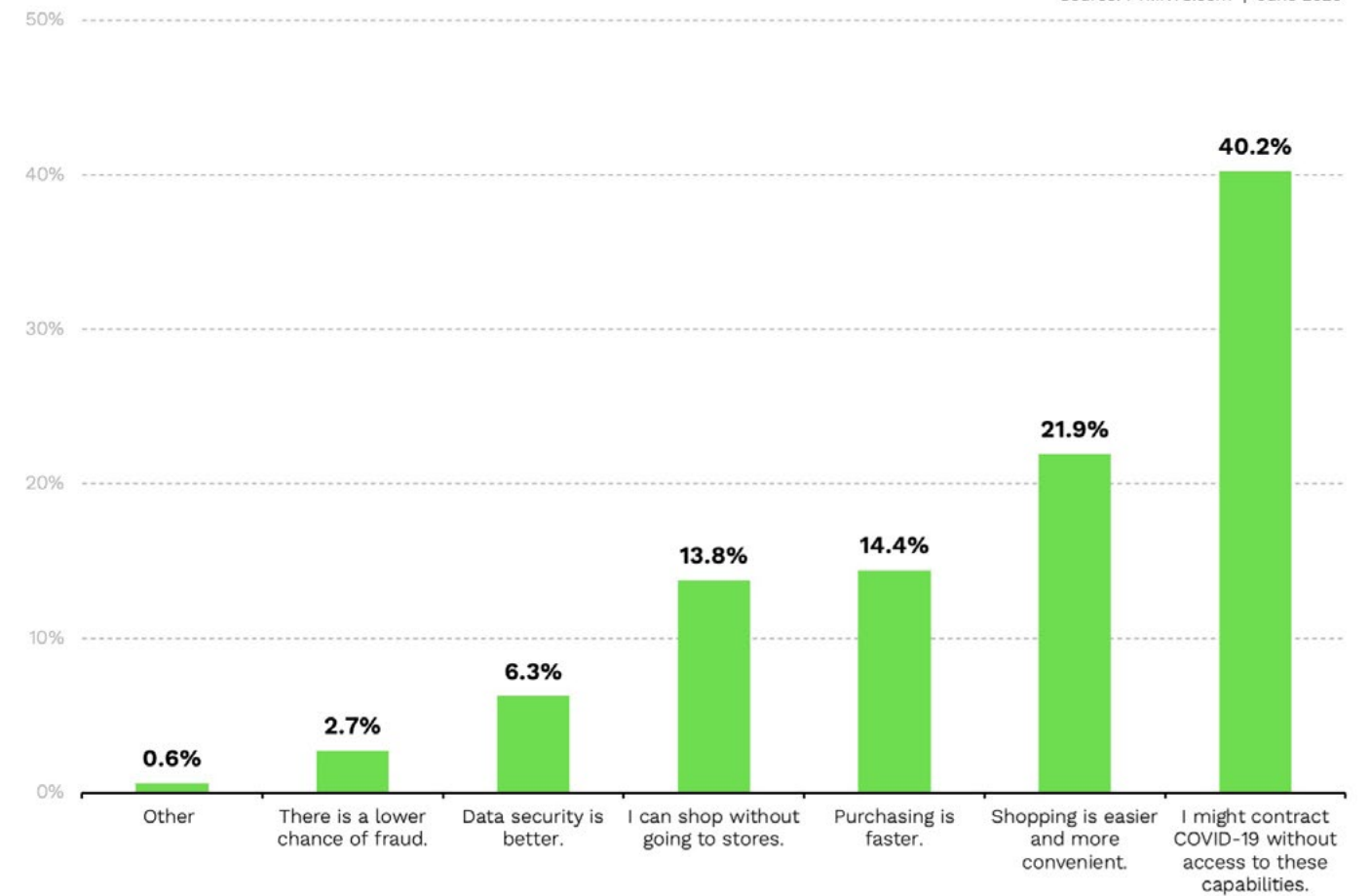
## CONSUMERS WANT MERCHANTS TO PROVIDE DIGITAL OPTIONS SO THEY CAN AVOID EXPOSURE TO COVID-19.

Avoiding COVID-19 is most common reason consumers give for wanting to shop with merchants that have digital capabilities, and this is cited by 40.2 percent of all consumers who factor digital features into their shopping decisions. We also found that 21.9 percent say shopping digitally is more convenient, while 14.4 percent say purchasing is faster.

**FIGURE 10: REASONS CONSUMERS CONSIDER MERCHANTS' DIGITAL CAPABILITIES WHEN CHOOSING WHERE TO SHOP**

Share who cite select reasons for wanting to shop at merchants with digital capabilities

Source: PYMNTS.com | June 2020



AVOIDANCE

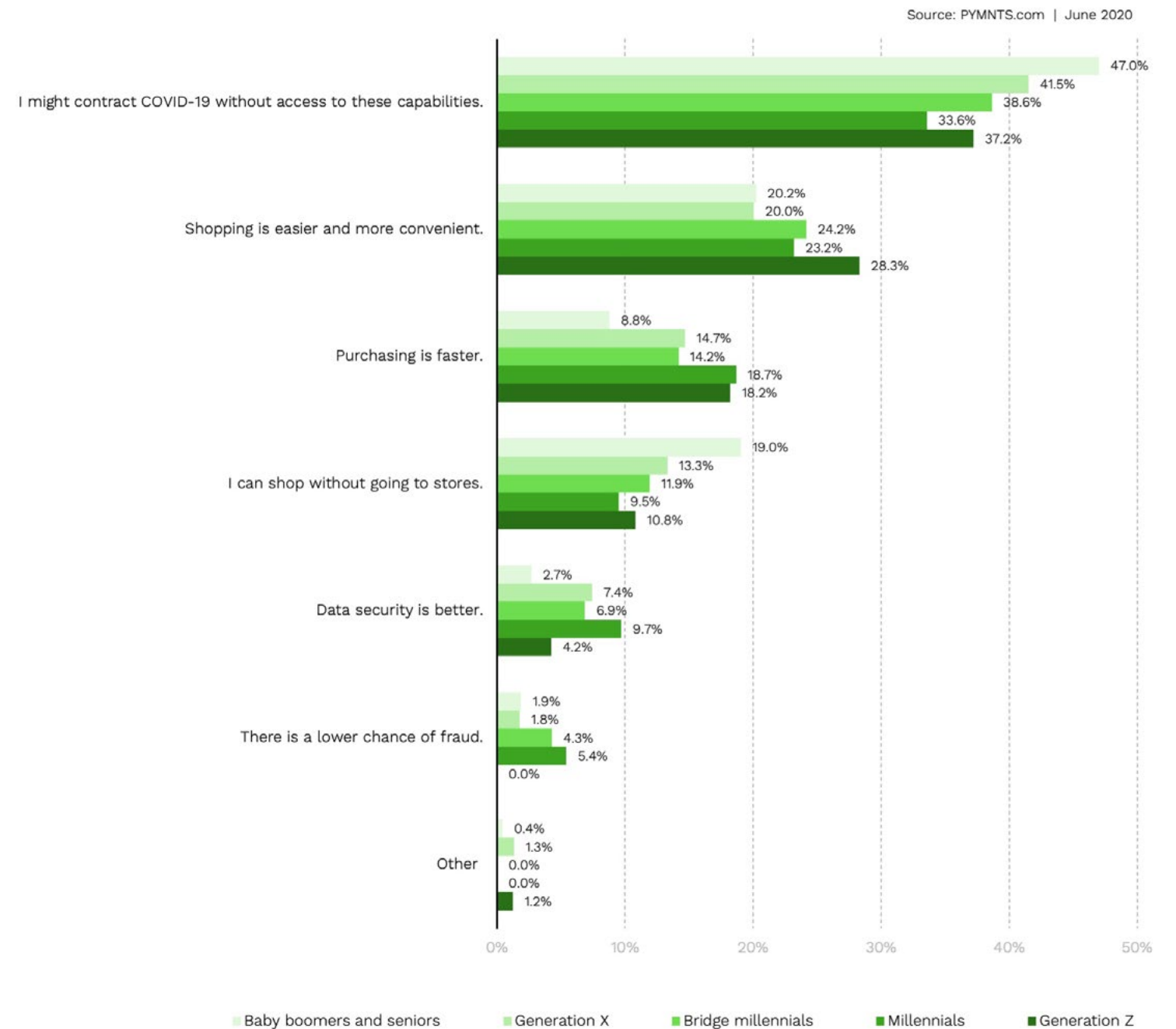
**BABY BOOMERS AND SENIORS SEEK DIGITAL CAPABILITIES TO AVOID COVID-19, WHILE MILLENNIALS ARE MORE INTERESTED IN SUCH FEATURES' SPEED AND DATA SECURITY THAN OTHER GENERATIONS.**

The fear of contracting the COVID-19 virus transcends generation, as consumers from all age groups are more likely to cite the desire to avoid contagion than any other reason for choosing merchants based on their digital capabilities. Baby boomers and seniors are the most likely to cite this as a concern, however, with 47 percent of consumers in this age group saying so. This compares to 41.5 percent of Generation X and 38.6 percent of bridge millennials who choose merchants based on their digital offerings for the same reason.

Millennials are more likely than other generations to want to shop with digitally capable merchants because it takes less time to buy goods online. Our survey finds that 18.7 percent of millennials for whom merchants' digital capabilities are important considerations cite this as one of their reasons, while 14.7 percent of Gen X and 18.2 percent of Gen Z say the same.



**FIGURE 11: REASONS CONSUMERS CONSIDER MERCHANTS' DIGITAL CAPABILITIES WHEN CHOOSING WHERE TO SHOP**  
Share who cite select reasons for wanting to shop at merchants with digital capabilities, by generation



AVOIDANCE

**HIGH-INCOME CONSUMERS SEEK CONVENIENCE,  
MIDDLE-INCOME CONSUMERS WANT SPEED  
AND THEIR LOW-INCOME COUNTERPARTS  
PRIORITIZE REMOTE SHOPPING CAPABILITIES.**

Avoiding COVID-19 is consumers' primary reason for wanting to shop with merchants that have digital capabilities, but their priorities vary when it comes to other considerations. High-income consumers are the most likely to say they consider merchants' digital capabilities when choosing where to shop because purchasing goods online is more convenient, with 24.7 percent saying so. This compares to 22.7 percent and 16.5 percent of middle-income and low-income consumers, respectively, who prioritize merchants with digital capabilities for the same reason.

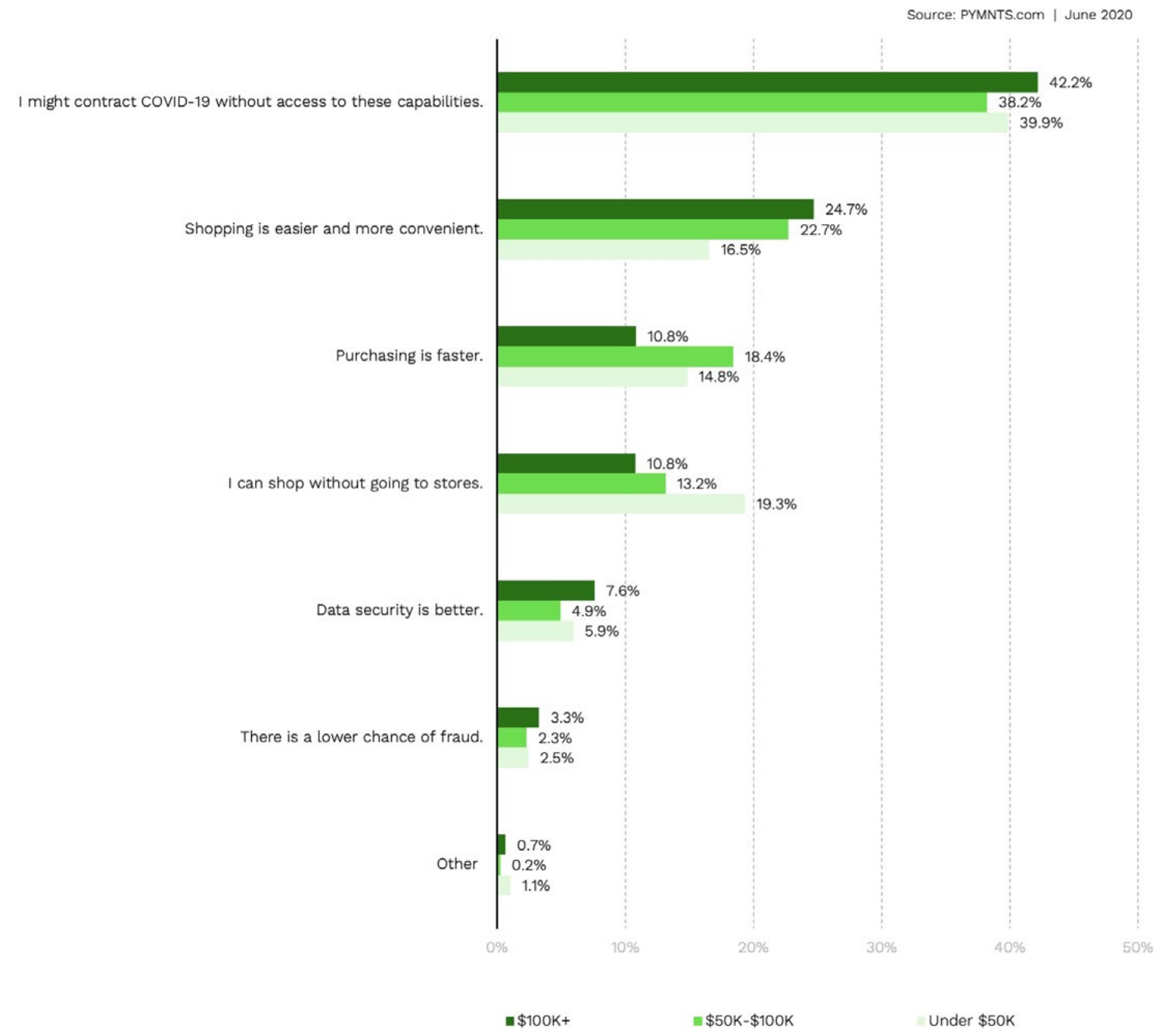
Middle-income consumers are meanwhile the most likely to prioritize speed, with 18.4 percent of those who consider merchants' digital offerings when choosing where to shop saying they do so because purchasing online is faster. Our survey shows that 14.8 percent of low-income consumers and 10.8 percent of high-income consumers say the same.

Low-income consumers are the most concerned about avoiding trips to brick-and-mortar stores, with 19.3 percent of those who prioritize shopping with merchants with digital capabilities citing this as their reason. Only 13.2 percent of middle-income and 10.8 percent of high-income consumers who prefer shopping with digitally savvy merchants say the same.

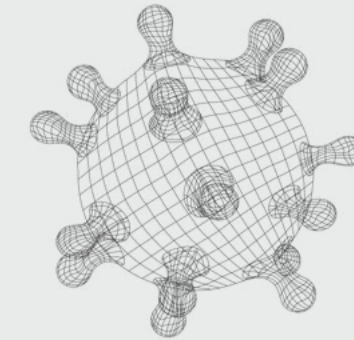


**FIGURE 12: REASONS CONSUMERS CONSIDER MERCHANTS' DIGITAL CAPABILITIES WHEN CHOOSING WHERE TO SHOP**

Share who cite select reasons for wanting to shop at merchants with digital capabilities, by income level



# METHODOLOGY



## CONCLUSION

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States across the U.S. are following through with plans to reopen storefronts, but consumers have seemingly moved on from wanting to exclusively shop in-store and are instead more interested in shopping digitally. The longer the pandemic persists, the more consumers will rely on digital channels to work, shop, browse and pay, and the more accustomed they will grow to living their lives online to limit physical contact and protect themselves from COVID-19. Consumers' choices no longer concern which channels they use to shop, but rather where and how they choose to make contact points between digital ordering and physical delivery.

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PYMNTS issued a survey to a census-balanced panel of 2,065 U.S. residents on May 23 as a follow-up to its March 6, March 17, March 27, April 11 and April 27 surveys, which examined consumers' behavioral changes following the COVID-19 outbreak. Respondents were 47.5 years old on average. We found that 53.8 percent were female, and 32.3 percent held college degrees. We also collected data from inhabitants of every type of residential environment: 18.4 percent of respondents hailed from large, urban areas, 13.6 percent lived in large cities, 22.7 percent were from small towns and 17.2 percent resided in rural areas.

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