

HOW WE WILL PAY

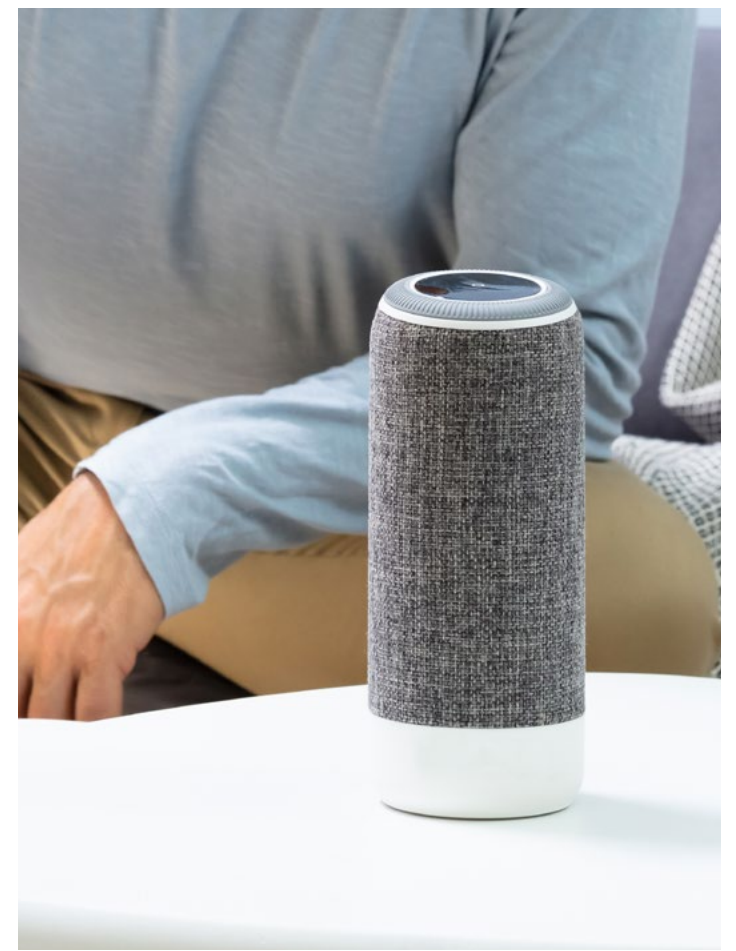
How We Will Pay, a PYMNTS and Visa collaboration, is an in-depth exploration into the ways in which U.S. consumers have changed their lives to adapt to the realities of the COVID-19 pandemic. We surveyed a census-balanced sample of 9,587 consumers about how they are browsing and shopping for groceries and retail goods, whether they are making purchases remotely or in stores, the types of connected devices they use to make those purchases and their interest levels in trying new types of connected experiences to obtain a comprehensive understanding of how the last seven months have altered the ways in which they are using their laptops, smartphones, voice assistants and other devices throughout their homes to transact online.

HOW WE WILL PAY



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BRIEF III



Consumer ownership of connected devices has plateaued.

The mix of the connected devices they use has changed significantly, however.

HOW
WE
WILL
PAY 2020

Consumers generally own about as many connected devices in 2020 as they did in 2019: 4.9, on average. The mix of those devices has changed, however. Consumers, once collectors of a variety of specialist connected devices like eReaders and fitness trackers, are swapping out those devices for those that offer more utility and connect to richer ecosystems.

One example: The ownership of the connected consumers' "core" devices — like smartphones, laptop and desktop computers and voice assistants — is up across the board for the third consecutive year. Ninety percent of our surveyed consumers now own smartphones, up from 84 percent who owned smartphones in 2018.



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Laptop and desktop ownership are also growing, with 89 percent of consumers owning one or both types of devices in 2020, an increase from 82 percent in 2018. Approximately a third of surveyed consumers own voice assistants, up from 27 percent in 2018.

Ownership of single-purpose devices like eReaders and activity trackers has been steadily declining over the past three years, however. Ownership of eReaders has fallen to 20 percent in 2020, down from 23 percent in 2019 and 26 percent in 2018. Activity tracker ownership is following a similar course, with only 19 percent of consumers owning activity trackers in 2020, down from 21 percent in 2019 and 25 percent in 2018.

FIGURE 1:
Which connected devices consumers own
 Share of consumers who own select types of connected devices (top 5), by year



Source: PYMNTS.com

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THE REST	2018	2019	2020
Voice assistant	26.6%	30.9%	32.6%
Connected car	26.9%	29.5%	29.8%
Smartwatch	18.0%	18.6%	22.7%
eReader	25.6%	22.7%	19.9%
Activity tracker	24.6%	20.6%	19.3%
Travel pass	14.9%	16.2%	15.8%
Connected thermostat	11.3%	10.4%	11.2%
VR headset	11.0%	8.3%	7.1%
Smart fridge	5.7%	5.2%	5.9%
Wearable camera	6.2%	5.2%	4.8%
Smart clothing	3.9%	2.6%	2.7%
Do not own device	0.0%	0.1%	0.9%



Superconnected consumers and bridge millennials own more of just about every type of connected device there is.

The types of devices consumers own tend to vary, but superconnected consumers and bridge millennials own more of just about every type of connected device there is.

Superconnected consumers are the most likely group to own smartphones, tablets, connected TVs, game consoles and voice assistants, for example, and they are followed by bridge millennials in each instance. Consumers in this group are particularly more likely to own a smart TV, with 85 percent of superconnected consumers owning one, compared to 62 percent of bridge millennials and 55 percent of all consumers. This goes to show that both of these hyperconnected groups have a greater appetite for connected experiences across the board.

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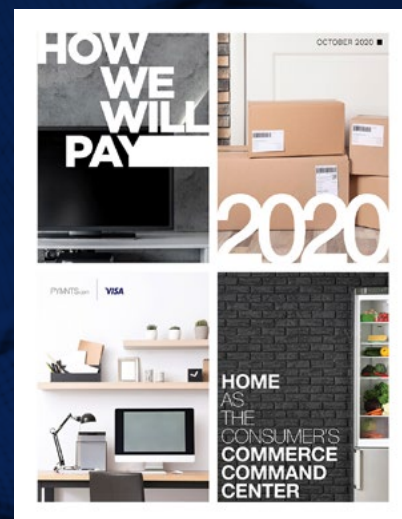
METHODOLOGY

PYMNTS surveyed 9,587 U.S. consumers in August 2020 about the types of connected devices they own and how they use those devices to browse, shop and pay online and in-store. We asked each respondent to track the course of their shopping activities over a 24-hour period to understand how many of their routine activities they were performing at home compared to years past, what activities they are making purchases during, which devices they are using to make those purchases and which types of connected activities might interest them in the future.

This is the fourth consecutive year in which PYMNTS has conducted our How We Will Pay study. In 2020, our focus was to understand

the extent to which the COVID-19 pandemic might have impacted consumers' shopping and payment preferences. We accomplished this by ensuring that our sample was composed of a census-balanced panel of consumers whose demographic profiles are comparable to the U.S. population at large.

As in years past, we identified five distinct persona groups defined by their device ownership and usage. Our analysis focused particularly on superconnected consumers as well as the bridge millennial age group, as both tend to own and use more connected devices than the average consumer. Their behavior previews trends that could develop in the connected commerce ecosystem.



HOW WE WILL PAY 2020: Home As The Consumer's Commerce Command Center





- An in-depth look at how consumers' shopping habits have time-shifted over the past seven months.

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How We Will Pay was done in collaboration with Visa, and PYMNTS is grateful for the company's support and insight. PYMNTS.com retains full editorial control over the following findings, methodology and data analysis.

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	 Total respondents	 Total respondents	 Bridge millennials	 Superconnected consumers
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• Female	51.6%	51.6%	52.6%	47.8%
• College	32.2%	32.2%	40.2%	41.8%
• Average age	49.3	49.3	45.1	35.9
• Less than \$50K	33.4%	33.4%	18.9%	24.4%
• Between \$50K and \$100K	30.8%	30.8%	31.8%	33.1%
• More than \$100K	35.8%	35.8%	49.3%	42.5%

Source: PYMNTS.com

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