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PANDENOMICS

This study series measures the impact of the COVID-19 global pandemic on consumer and merchant behavior and explores the accelerated shift to a digital-first world. Pandenomics is a proprietary research and analytic framework and series of insights that measures the shift away from a primarily physical world toward a digital-first counterpart. This framework makes it possible to accurately profile the characteristics of these digital shifters as consumers place an increasing priority on preserving their personal and familial health and safety as they make decisions about doing business in the world.

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PANDENOMICS
DECEMBER 2020

TO VACCINATE OR NOT TO VACCINATE

MEASURING THE IMPACT OF A COVID-19 VACCINE ON CONSUMERS’ DIGITAL LIFESTYLES

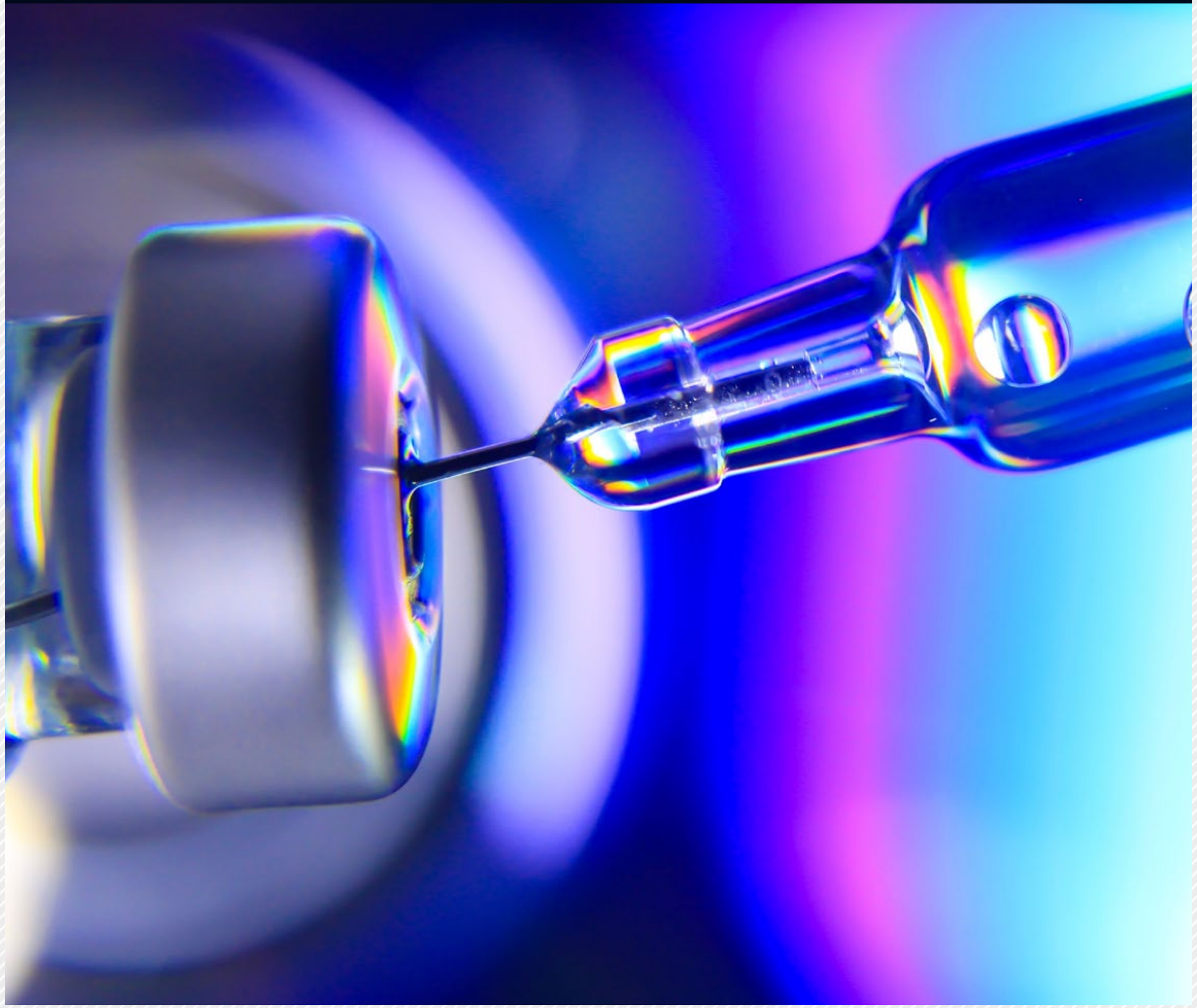

TABLE OF CONTENTS

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PANDENOMICS

INTRODUCTION

The United States is now in what is considered to be the second wave of the pandemic, as case numbers are peaking and the country is experiencing its highest COVID-19 death tolls, with more than 2,800 fatalities in one day.[1]

While the number of cases continues to climb, news of developing vaccines from AstraZeneca, Moderna and Pfizer have offered hope to consumers that a vaccine may hit the U.S. market as soon as this month. PYMNTS has been closely tracking the pandemic's impact on consumers' lives and their shopping habits since March 6. We set out to gauge consumers' perceptions toward a potential vaccine in our most recent research and explore how it may impact their lives.

We surveyed a census-balanced panel of 2,806 U.S. consumers about their current shopping and payment preferences as well as how their preferences are likely to change if a vaccine were to be made available within the year. Our research shows that consumers' perceptions around vaccines are largely split along generational lines and their embrace of a digital-first lifestyle. Our latest study details these findings.

This is what we learned.

[1] U.S. virus deaths surpass the spring peak as the country reports more than 14 million cases. The New York Times. Dec. 3, 2020. https://www.nytimes.com/live/2020/12/03/world/covid-19-coronavirus/us-virus-deaths-surpass-the-spring-peak-as-the-country-reports-more-than-14-million-cases. Accessed December 2020.

PART I: CONSUMERS' PERCEPTION TOWARD A VACCINE

Only 37.9 percent of consumers are definitely interested in getting vaccinated. The rest are either slightly interested, somewhat interested or not interested at all.

Pfizer and BioNTech recently announced they had successfully completed late-stage trials of a COVID-19 vaccine on 43,000 people and achieved an astounding 95 percent effectiveness rate. This is on a par with vaccines for infections such as smallpox (95 percent) and measles (97 percent), and is thus reportedly significantly more effective than vaccines for the flu (40 to 60 percent), shingles (51 percent) and pneumonia (60 to 70 percent).[2] Soon after Pfizer's vaccine announcement came a similar statement by Moderna about its offering and a vaccine announcement by AstraZeneca, whose vaccine has a lower efficacy rate (nearly 70 percent) but is cheaper and does not have to be stored at low temperatures.[3]

Our study of 2,806 U.S. consumers was conducted on Nov. 11, three days after the Pfizer/BioNTech vaccine announcement. We asked consumers if they had heard the news of the vaccine, it they thought it would be effective, and whether news of a vaccine had changed their attitudes toward shopping and reengaging in the physical world.

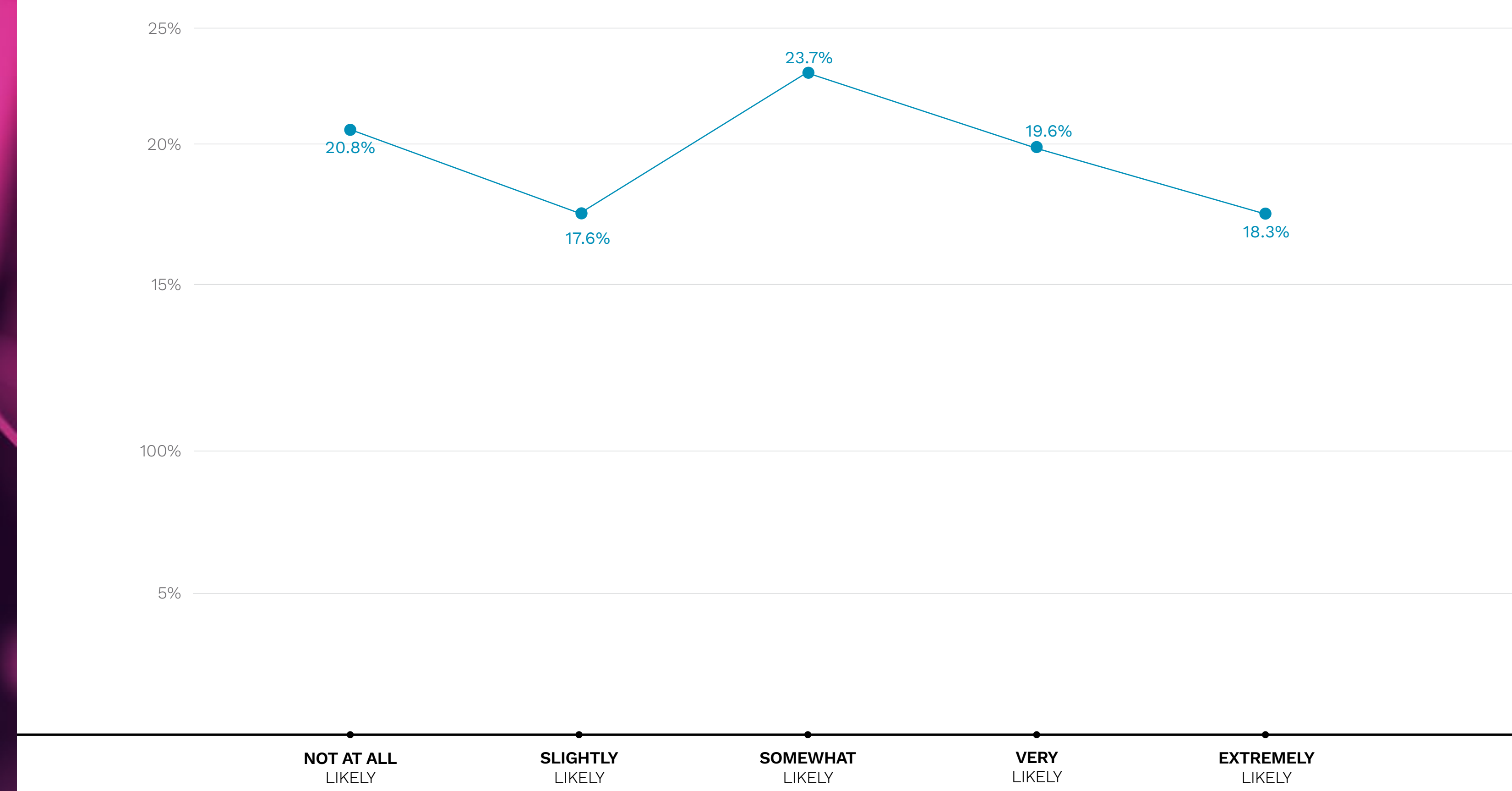
Our survey findings indicate that most consumers (81.7 percent) were well-informed about the vaccine news — a significant share, considering the announcement had just come out three days prior.

[2] Pfizer and BioNTech Conclude Phase 3 Study of COVID-19 Vaccine Achieved Success In First Interim Analysis From Phase 3 Study. Pfizer.com. November 9, 2020 https://www.pfizer.com/news/press-release/press-release-detail/pfizer-and-biontech-announce-vaccine-candidate-against. Accessed November 2020.

[3] Third Major COVID-19 Vaccine Shown To Be Effective and Cheaper. AP News.com. November 23, 2020. https://apnews.com/article/astrazeneca-vaccine-third-cheaper-oxford-c99d26eb2946f6fde45a1edc002ff028 Accessed November 2020.

FIGURE 1:

CONSUMERS LIKELY TO GET THE VACCINE
Share of consumers likely to get a COVID-19 vaccine once one becomes available



Nearly as many consumers that are familiar with news of a vaccine and say they definitely or likely would not get a vaccine (38.4 percent) say they definitely or very likely will (37.9 percent). The remainder say they are somewhat likely to get vaccinated. The fact that nearly 40 percent of consumers have no desire to get vaccinated may be surprising to some. Our research also indicates that consumer interest in getting vaccinated splits along generational lines.

PART I: CONSUMERS' PERCEPTION TOWARD A VACCINE

Younger generations are less interested in getting a vaccine. Nearly a quarter of Gen X consumers and nearly 23 percent of bridge millennials are not interested in getting a vaccine.

The majority of consumers are interested in getting vaccinated, however, and our research shows that interest is particularly high among older generations: 46.5 percent of baby boomers and seniors are very or extremely likely to get vaccinated. More than a third of millennials and bridge millennials (those born between 1979 and 1988) express the same level of interest in getting vaccinated.

Baby boomers' and seniors' relatively high levels of interest underpins their confidence in vaccines' success rates. Our survey data shows that 39.4 percent of baby boomers and seniors are very or extremely confident in the success of the vaccines, whereas only 28.7 percent of millennials and 24.7 percent of Gen Z consumers feel as confident.

It is worth noting, however, that news of a possible vaccine was revealed was only a few days prior to when we conducted our survey, and that proximity may have impacted consumers' confidence in the future vaccines' effectiveness.

TABLE 1:

CONSUMERS' LIKELIHOOD OF GETTING VACCINATED
Share of consumers likely to get a COVID-19 vaccine, by generation

	Generation Z	Millennials	Bridge millennials	Generation X	Baby boomers and seniors
• Extremely likely	10.1%	12.4%	15.2%	16.9%	26.4%
• Very likely	21.2%	20.8%	19.8%	17.0%	20.1%
• Somewhat likely	28.4%	26.8%	25.3%	22.5%	20.9%
• Slightly likely	18.4%	19.2%	16.8%	18.9%	15.1%
• Not at all likely	22.0%	20.9%	22.9%	24.6%	17.6%

Source: PYMNTS.com

TABLE 2:

CONSUMERS WHO FEEL THE VACCINE WILL BE SUCCESSFUL
Share of consumers likely to get a COVID-19 vaccine, by generation

	Generation Z	Millennials	Bridge millennials	Generation X	Baby boomers and seniors
• Extremely successful	13.6%	9.6%	12.4%	10.3%	12.0%
• Very successful	11.1%	19.1%	18.0%	22.5%	27.4%
• Somewhat likely	36.7%	34.0%	33.4%	28.2%	29.5%
• Slightly likely	17.7%	18.0%	15.7%	13.8%	9.1%
• Not at all likely	10.2%	5.3%	5.8%	4.7%	2.3%
• Do not know	10.7%	14.0%	14.7%	20.5%	19.6%

Source: PYMNTS.com

PART II: DIGITAL SHIFTERS WANT TO STAY DIGITAL AND WANT TO BE VACCINATED

Consumers who are likely to get vaccinated are also typically those who have shifted their shopping and paying digital out of convenience and in response to the fear of getting COVID-19 from shopping in stores.

Our research shows that consumers who are likely to get vaccinated are ones who are more commonly engaging in digital shopping experiences: 54.8 percent of those that are shopping for groceries online for curbside pickup say they will likely get a vaccine. We similarly found that 50.9 percent of consumers that have been more frequently ordering food online from restaurants say they are likely to get a vaccine.

Consumers who have shifted to digital methods for shopping and paying over the last nine months have done so because they are afraid of the risks associated with visiting brick-and-mortar stores. After surviving the challenges posed by the pandemic for that time, 45 percent of consumers have shifted their retail shopping habits to digital, as have 21 percent of consumers who are shopping for groceries online and 21 percent of consumers who are buying food from restaurants via digital channels. The magnitude of these shifts cannot be ignored, as they mean that nearly five times as many consumers have adopted digital-first habits at restaurants, four times as many have adopted digital-first habits when shopping for retail products and nearly six times as many consumers have shifted to digital when shopping for groceries than had in March.

FIGURE 2:

THE MAGNITUDE OF DIGITAL SHIFTS SINCE THE START OF THE PANDEMIC
Share of consumers who have digitally shifted select activities over time

Source: PYMNTS.com

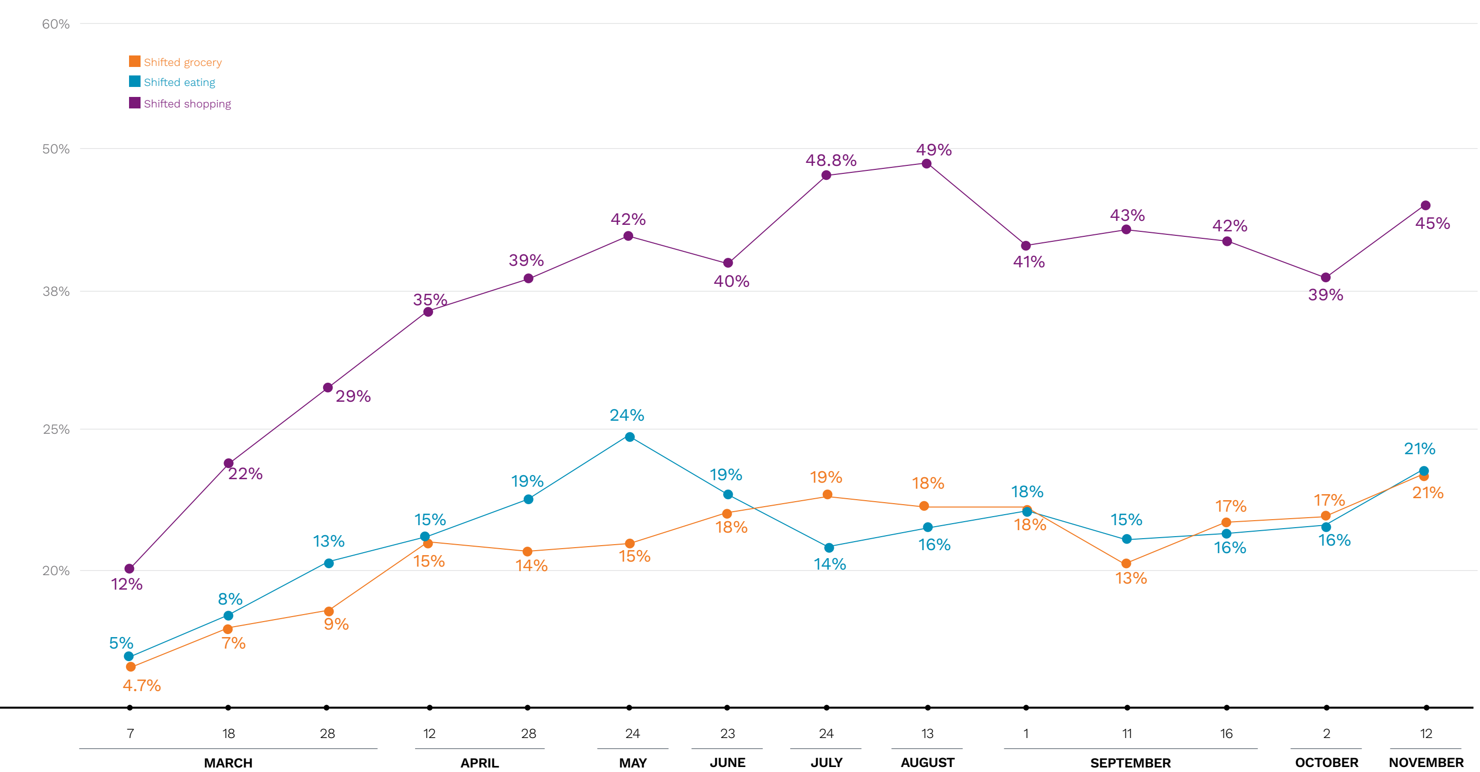
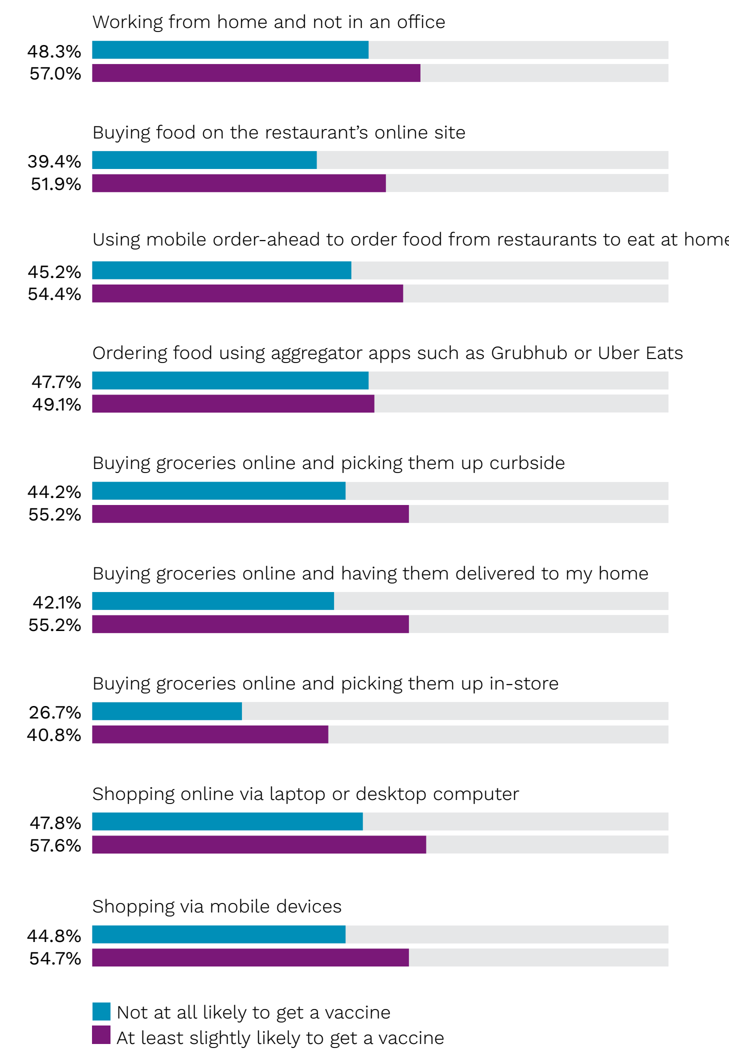


FIGURE 3:

RESPONDENTS WHO ARE LIKELY TO GET VACCINATED ARE TYPICALLY THOSE WHO HAVE INCREASED ONLINE ACTIVITIES THE MOST

Shares of consumers who have increased online activity since the start of the pandemic who are willing to get a vaccine



55% OF THOSE WHO HAVE SHOPPED FOR GROCERIES ONLINE WITH CURBSIDE PICKUP MORE SINCE THE START OF THE PANDEMIC WILL LIKELY GET A VACCINE.

PART II: DIGITAL SHIFTERS WANT TO STAY DIGITAL AND WANT TO BE VACCINATED

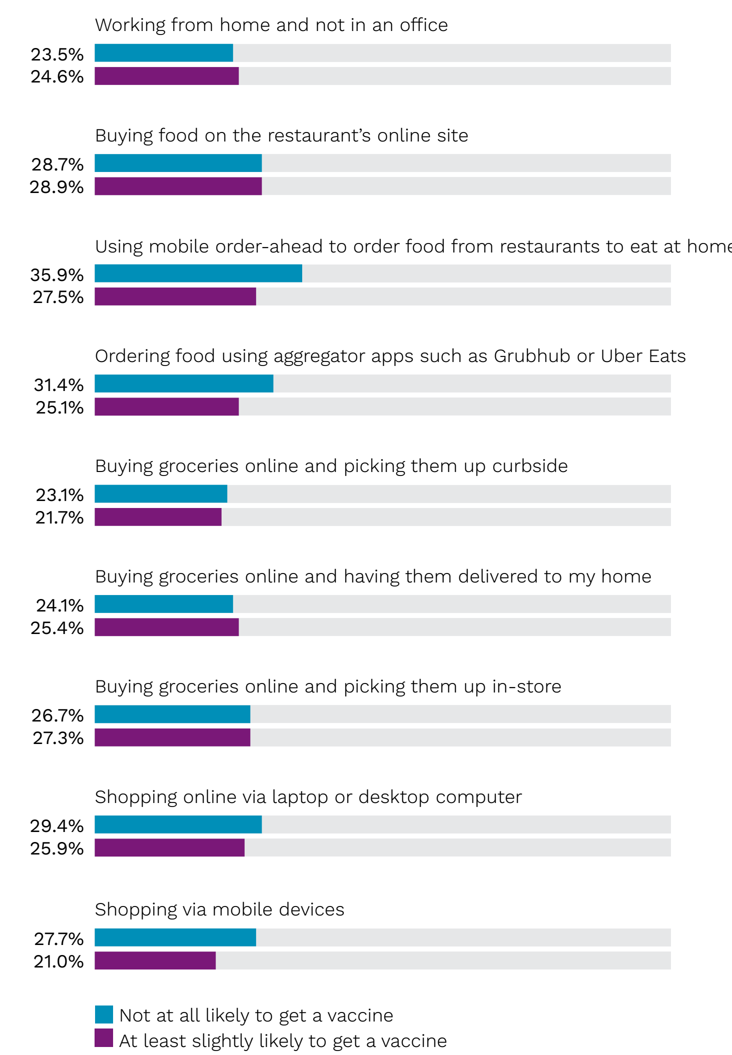
Digital shifters are more likely to get vaccinated, and 79 percent are unlikely to return to their old ways of purchasing because they have acclimated to their new digital lifestyles.

Consumers have embraced digital-first lifestyles nine months into the pandemic, and our research shows that those who plan to get vaccinated are less likely to return back to their old ways of making day-to-day transactions.

Of the 54.7 percent of respondents who are at least slightly likely to get vaccinated and who increased their shopping through mobile devices, only 21 percent plan to revert to how they shopped before.

FIGURE 4:

ONLINE ACTIVITY INCREASES SINCE THE PANDEMIC STARTED
Shares of consumers who have increased select online activities since the start of the pandemic, by willingness to get vaccine



OF THE **55%** OF RESPONDENTS WHO ARE AT LEAST SLIGHTLY LIKELY TO GET VACCINATED AND WHO INCREASED THEIR SHOPPING THROUGH MOBILE DEVICES, ONLY **21%** PLAN TO REVERT TO HOW THEY SHOPPED BEFORE THE PANDEMIC STARTED.

PART II: DIGITAL SHIFTERS WANT TO STAY DIGITAL AND WANT TO BE VACCINATED

Digital shifters for retail, grocery and restaurant purchases are most interested in a vaccine.

Consumers' lack of interest in reverting to their old shopping habits is particularly strong among digital shifters who plan to get vaccinated. Our research shows that 42.3 percent of consumers who have shifted to digital for retail product shopping, 46.2 percent who have shifted for buying food at the grocery store and 40.4 percent of those who have shifted to ordering food for delivery or takeout at restaurants are likely to get vaccinated once a vaccine is available. The digital shifters are more likely to be tech-savvy, so they may have more access to vaccine updates and information online and may thus be more aware of the details and benefits of the vaccines, which could in turn have increased their desire to get one.

TABLE 3:

DIGITAL SHIFTERS FOR RETAIL, GROCERY AND TAKEOUT ARE MOST INTERESTED IN THE VACCINE
Share of consumers who are select degrees of likely to get vaccinated, by digital shift

	Grocery shift	Restaurant shift	Shopping shift	Any shift	No shift
• Extremely likely	21.8%	18.8%	22.3%	20.5%	16.4%
• Very likely	24.5%	21.6%	20.1%	20.6%	18.6%
• Somewhat likely	21.4%	22.1%	22.4%	22.5%	24.8%
• Slightly likely	17.7%	19.2%	17.3%	18.1%	17.1%
• Not at all likely	14.6%	18.4%	18%	18.3%	23.1%

Source: PYMNTS.com

42% OF CONSUMERS WHO HAVE SHIFTED TO DIGITAL FOR RETAIL, **46%** WHO HAVE SHIFTED TO DIGITAL FOR BUYING FOOD AT THE GROCERY STORE, AND **40%** OF THOSE WHO HAVE SHIFTED TO ORDERING FOOD FOR DELIVERY OR TAKEOUT AT RESTAURANTS ARE LIKELY TO GET VACCINATED.

PART III: THE RETURN TO NORMAL

Activities that consumers want to resume the most in the physical world are visiting their family and friends and engaging in leisure activities.

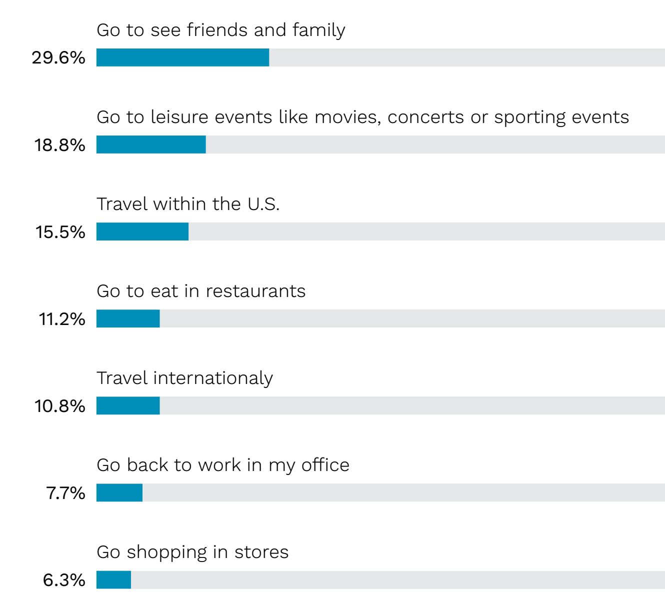
Consumers want their lives to get back to normal once a vaccine is made available to them, and they are maintaining a long list of physical-world activities they would like to resume. We found that 29.6 percent of consumers say they want to be able to freely see their family and friends without social distancing or having to wear masks.

We also found that 18.8 percent of consumers also want to be able to engage in leisure activities like going to the movies or attending sporting events and concerts. Third most cited was the desire to travel freely within the country (identified by 15.5 percent), followed by being able to go out and eat in restaurants (reported by 11.2 percent). Being able to travel internationally, being able to go back into the office and being able to shop in physical stores again are a priority for a relative minority of consumers. Consumers' lack of interest in going back into an office and shopping in physical stores indicates that most have become used to performing these tasks online and prefer the ease or convenience of these tasks in a digital setting.

30% OF CONSUMERS THAT HAVE AN INTEREST IN GETTING A VACCINE SAY THEY WANT TO BE ABLE TO FREELY SEE FAMILY AND FRIENDS WITHOUT SOCIAL DISTANCING OR HAVING TO WEAR MASKS.

FIGURE 5:

MOST POPULAR ACTIVITIES DESIRED BY CONSUMERS ONCE THEY ARE VACCINATED
Share of consumers identifying select desired activities they wish to perform after they get a COVID-19 vaccine



Source: PYMNTS.com

PART III: THE RETURN TO NORMAL

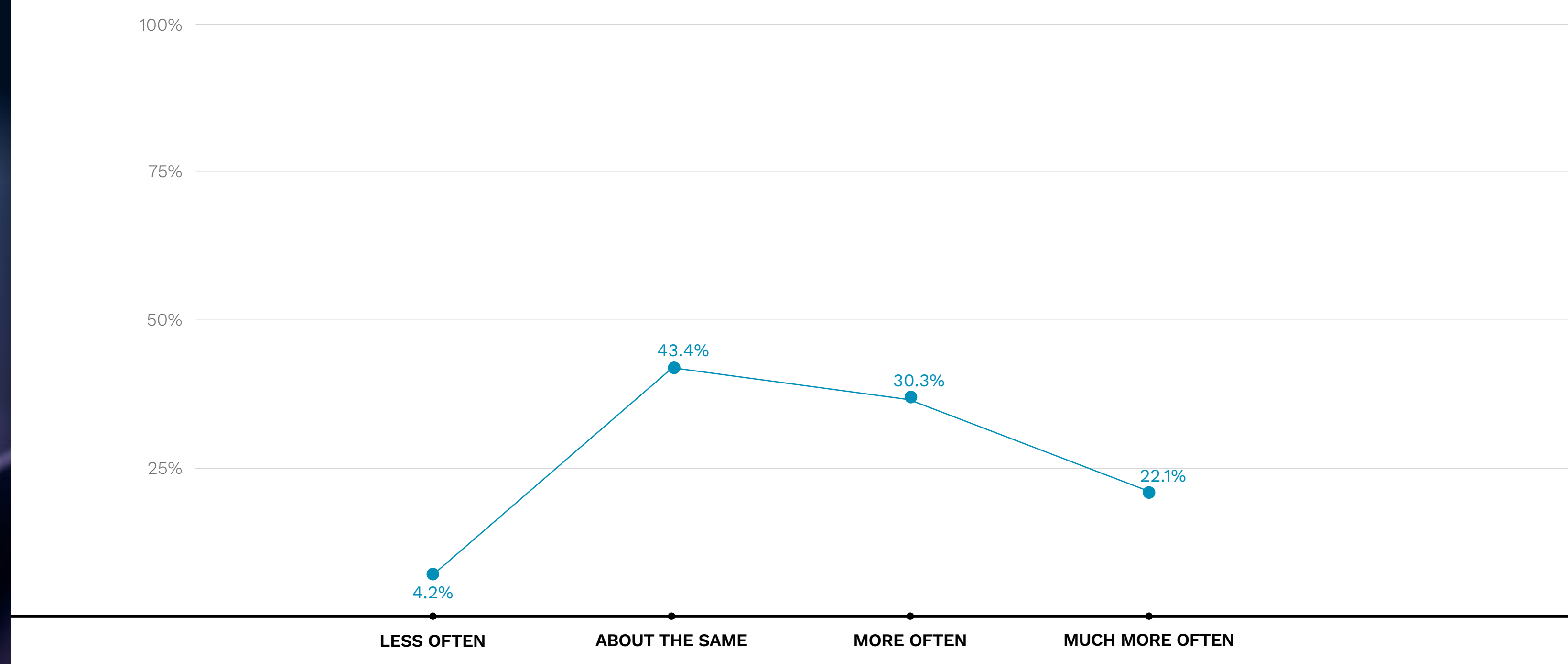
Four out of 10 consumers think that they will leave their house no more often than they do now, even after a vaccine is introduced.

A significant share of consumers say they will continue to practice caution when it comes to engaging with the outside world, even with the announcements of vaccines. Our survey data shows that 43.4 percent will leave their homes as much as they do now, whereas 52.4 percent would leave their their house either more often or much more often once a vaccine is made available to them. The main driver behind this caution may be that consumers are not sure when vaccinations will be made widely available.

FIGURE 6:

CONSUMERS' WILLINGNESS TO LEAVE HOME ONCE A VACCINE IS AVAILABLE

Share of consumers reporting select frequencies for leaving home after a vaccine is available



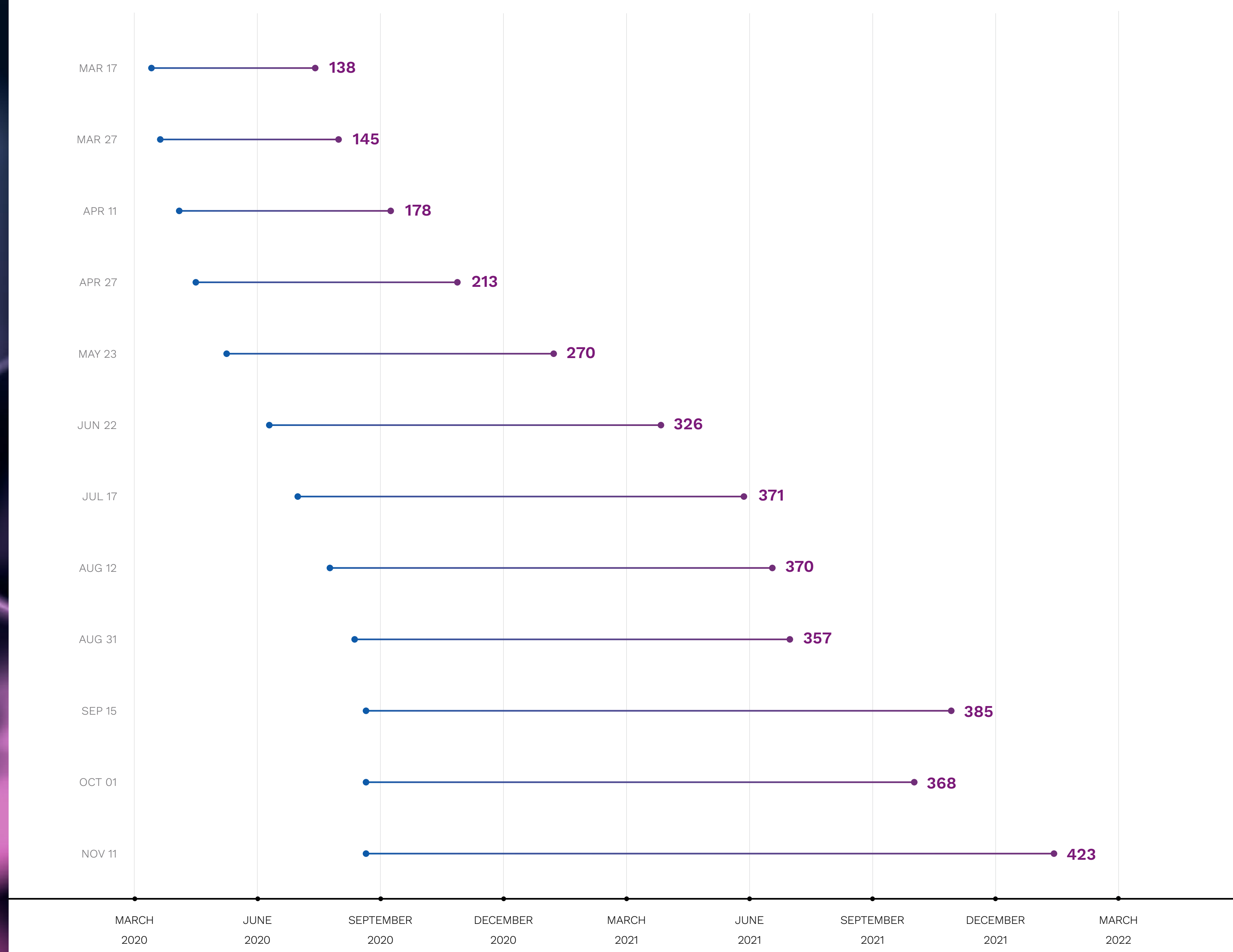
PART III: THE RETURN TO NORMAL

Consumers want their lives to get back to normal but still feel it will take at least another year before they will have a sense of normalcy.

The majority of consumers do not expect things to go back to business as usual until January 2022, even though they want their lives to return to normalcy. Consumers actually now expect recovery to take longer than they expected before. We found in October that consumers expected their lives to return back to normal in 368 days, but in November they expected the recovery to last another 423 days. This is most likely due to case numbers and deaths spiking in the United States again and setting new records. Another reason may be the ongoing dialogue around making the vaccine available to healthcare workers and high-risk patients before everyone else.

FIGURE 7:

CONSUMER PREDICTIONS FOR END OF PANDEMIC
When consumers feel the pandemic will end, by when predictions were made

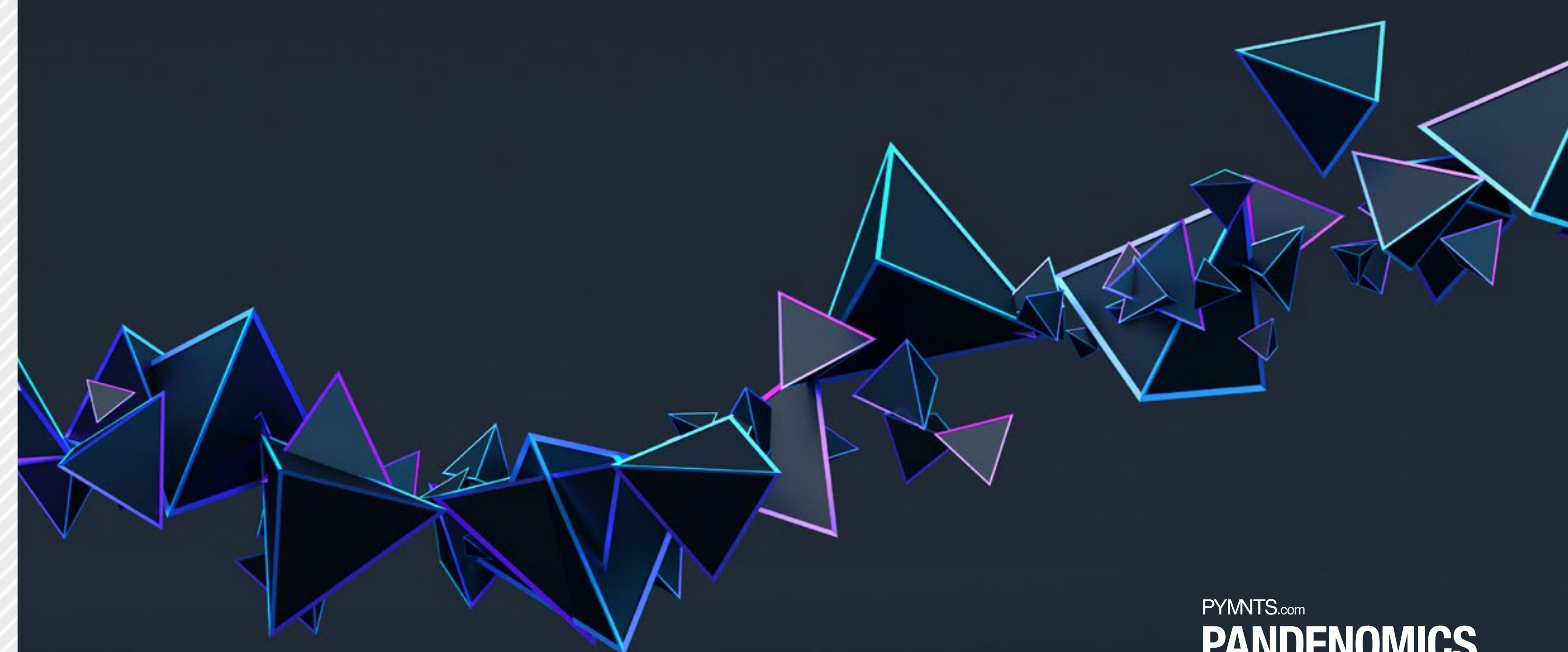


CONCLUSION

Consumers' continued widespread concerns over their own health and safety have driven them to embrace digital channels and payment methods to safely transact in their daily lives. The news that vaccines may be available as soon as December of this year has burrowed into consumers' minds, however. The majority of consumers were aware of the news only days after the first announcement by Pfizer, and further announcements soon followed from Moderna and AstraZeneca. PYMNTS' research shows that digital shifters and older consumers are keen to get vaccinated and more likely to plan to get a COVID-19 vaccine. It is important to realize also that consumers who have adapted to digital ways to shop and pay the most still plan to be cautious about engaging with the outside world. Consumers are developing a more pessimistic outlook regarding how long they expect the pandemic to last, given the spikes in cases and the ambiguity as to when vaccines will have wide availability. As information on vaccine availability and effectiveness changes, so too will the perceptions of these consumers.

METHODOLOGY

PYMNTS surveyed a census-balanced panel of 2,806 U.S. residents on Nov. 11 as a follow-up to our continuing series of studies examining consumers' behavioral changes following the COVID-19 pandemic's onset. The average respondent in our sample was 46.9 years old. On average, 52.2 percent were female and 32.6 percent held college degrees. We also collected data from inhabitants of every type of residential environment: 20.5 percent of respondents hailed from large urban areas, 14.8 percent lived in large cities, 19.2 percent were from small towns and 20.5 percent lived in rural areas.



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