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PANDENOMICS

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MAPPING CONSUMERS' RETURN TO THE PHYSICAL WORLD

WHY DIGITAL-FIRST BEHAVIORS ARE HERE TO STAY



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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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INTRODUCTION

The Centers for Disease Control and Prevention reports that 6.7 million United States consumers have now received the first of the two doses needed to inoculate against COVID-19 with the Pfizer BioNTech vaccine and that 151,000 have been fully immunized — and the rollout is only just beginning. PYMNTS’ research shows that 51 percent of all adult U.S. consumers are “very” or “extremely” interested in getting vaccinated. This means that as many as 130 million could be immunized against COVID-19 within a matter of months and regain the freedom to reenter the physical world without the fear of contagion.

Although mass vaccination has long been seen as a precursor to consumers’ ability to return to their prepandemic lifestyles, PYMNTS’ research shows that roughly three out of four consumers who have shifted to shopping online since the pandemic began have no intention of such a return. Consumers, after all, have already grown accustomed to the convenience of shopping and ordering online. The question is how does this shift impact the businesses that have been waiting for their foot traffic to return?

For Mapping Digital-First Consumers’ Return To The Physical World, PYMNTS surveyed 2,268 U.S. consumers to assess how the availability of the new COVID-19 vaccines is moving the needle on consumers’ preferences for digital-first shopping experiences, evaluate whether they plan to go back to shopping in stores and explain why digital innovation will be key to winning consumers over, even in a post-immunization market.

This is what we learned.

KEY FINDINGS

Consumers believe that a vaccine is important for the physical world to reopen, yet only half of consumers feel comfortable getting one.

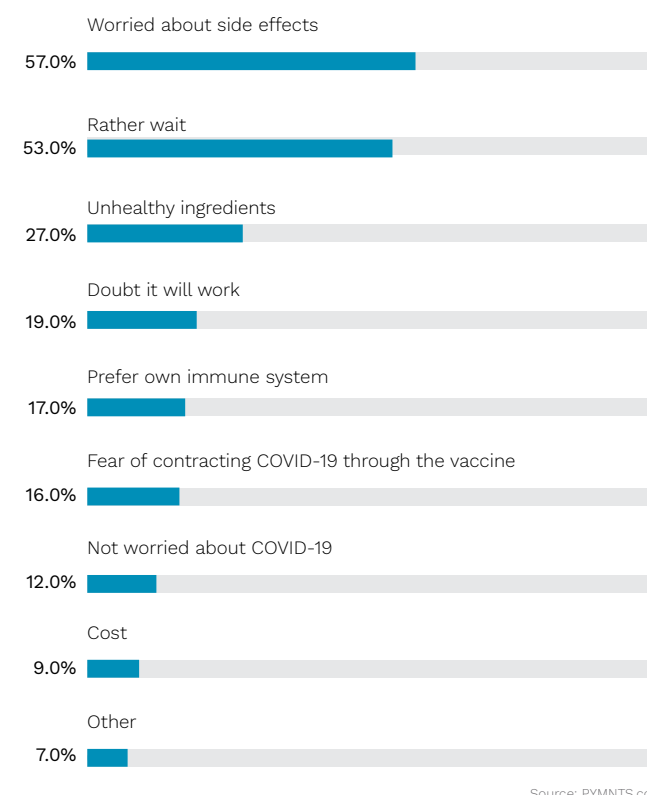
Consumers are more willing to get vaccinated now than in the past, but almost half are still either against or lukewarm about the idea. Our research shows that 51 percent of all consumers now say they are “very” or “extremely” likely to get vaccinated. This is more than the 45 percent who said they were on Nov. 19 and the 40 percent who said so on Nov. 12 but still leaves 49 percent of the population that is only “somewhat,” “slightly” or “not at all” interested in getting vaccinated.

The biggest reason that some consumers are not interested in getting vaccinated is the worry about potential side effects, as 57 percent of uninterested consumers cite this reason. Fifty-three percent would rather wait, and 27 percent say they are worried that the vaccine might contain unhealthy ingredients. These round out the three most common reasons that some consumers are hesitant to get vaccinated. Other consumers who simply doubt that the vaccine will work, say they prefer to rely on their own immune systems or worry that the vaccine will make them sick.

FIGURE 1:

WHY SOME CONSUMERS ARE NOT EAGER TO GET VACCINATED

Share of consumers who are “somewhat” to “not at all” interested in getting vaccinated who cite select reasons



THE MOST COMMON REASON CONSUMERS WHO DO NOT WANT TO GET VACCINATED GIVE FOR THEIR LACK OF INTEREST IS A FEAR OF SIDE EFFECTS.

KEY FINDINGS

Digital-first habits for retail and food purchases will endure even after consumers are vaccinated.

Even consumers who plan to get vaccinated are unlikely to go back to shopping in stores and eating in restaurants as they did before the pandemic began. Our research shows that 54 percent of all consumers who are “very” or “extremely” likely to get the vaccine have shifted to performing at least one of their routine activities online since the pandemic began, and roughly three-quarters of them are intent on continuing to keep up their online activities at least somewhat as often as they do now after the pandemic has subsided.

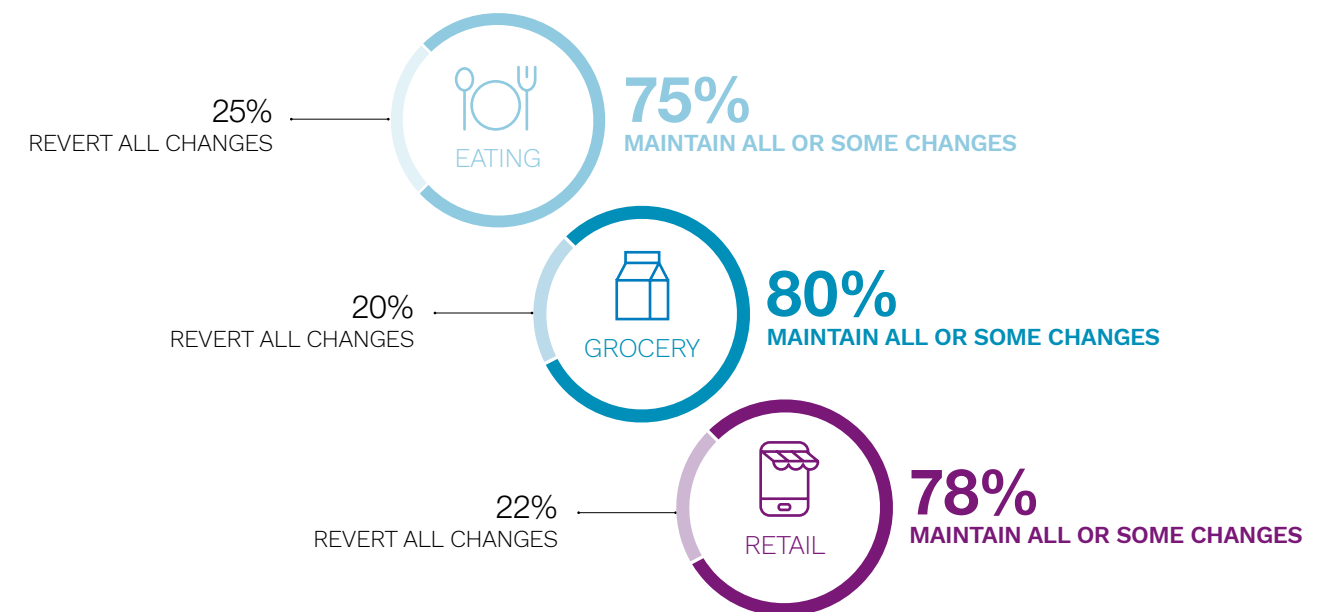
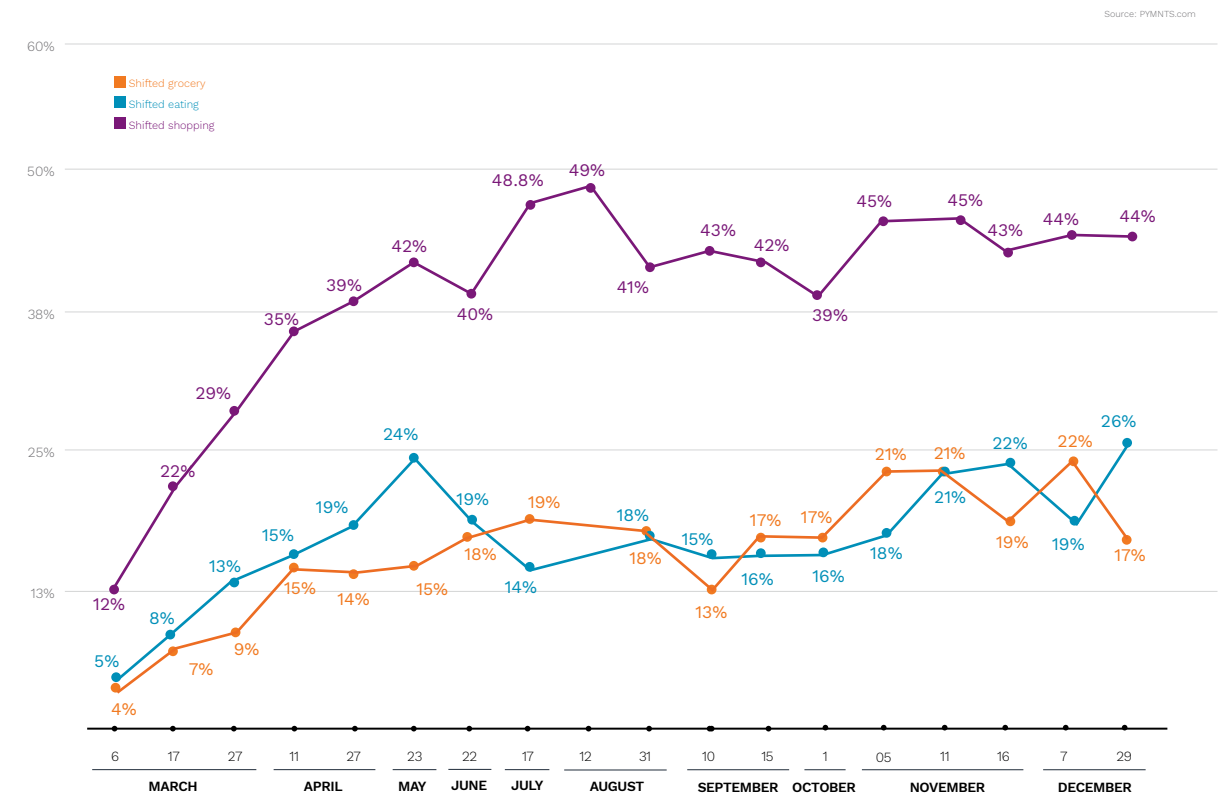
Consumers’ likelihood of sticking with their digital-first habits also varies by activity type. Consumers planning to get vaccinated who have shifted to buying groceries online are the most likely to keep shopping online after the pandemic is over.

Our research shows that 51 percent of consumers who are likely to get vaccinated have shifted to shopping for retail items online and that 75 percent of them plan to keep shopping for retail items online even after they are vaccinated and the pandemic is no longer impacting their lives. We further found that 75 percent of the 27 percent of consumers who have shifted to ordering food online and are “very” or “extremely” likely to get vaccinated plan to keep ordering food online in the future. Consumers who have shifted to buying their groceries online are the most likely to retain their digital-first shopping habits, however. Twenty-one percent of consumers who are likely to get vaccinated have shifted to buying their groceries online, and 77 percent plan to keep doing so even after the physical world reopens.

FIGURE 2:

MEASURING THE STAYING POWER OF THE DIGITAL SHIFT

2A: Share of consumers who have shifted to performing select activities online since the pandemic began
 2B: Share of consumers who intend to keep performing select activities online at least somewhat often as they do now, even after the pandemic has subsided



KEY FINDINGS

The consumer's new routine is now digital-first, as 75 percent of consumers who have gone online to shop and pay plan to keep doing so after the pandemic has subsided.

It is clear that retailers cannot count on foot traffic returning to their stores at the same level as before the pandemic. They will therefore need to adapt to the new digital-first economy by providing the purchasing channels that their customers have switched to using.

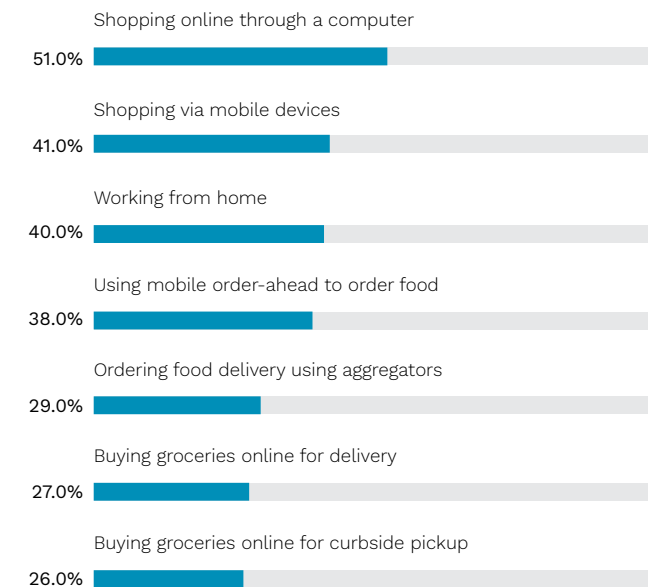
This means providing mobile-optimized websites, mobile order-ahead features and curbside pickup options, to cite a few examples. Our research shows that 41 percent of consumers are shopping online via mobile more than they did before the pandemic began, 39 percent are using mobile order-ahead options more often to order food, and 29 percent are ordering more through aggregators than they did before the pandemic began.

Source: PYMNTS.com

FIGURE 3:

WHICH DIGITAL ACTIVITIES CONSUMERS ARE DOING

Share of consumers who report performing select activities more often now than before the pandemic began



15% OF
CONCERNED
CONSUMERS
WORRY
ABOUT THE
PANDEMIC'S
ECONOMIC
IMPACT.

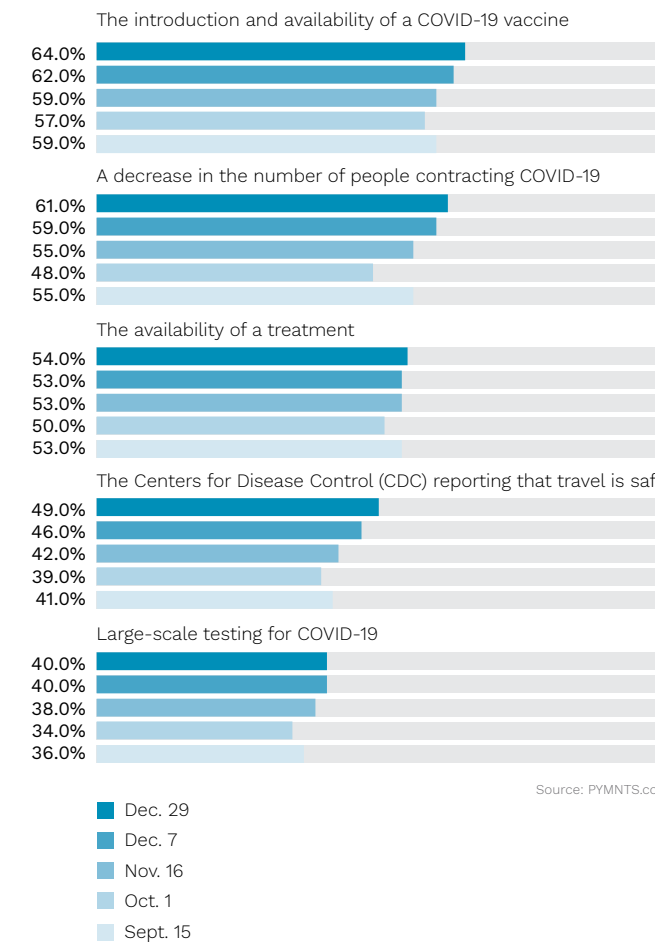
KEY FINDINGS

Consumers still think the pandemic will have lasted nearly two years — projecting it to end in January 2022, in fact — before physical locations will reopen the way they once were. Dying is still consumers' biggest pandemic-related concern, but their worries about the economy are increasing.

Consumers appear more confident that vaccines' widespread availability will eventually lead to the physical world reopening now that there are two vaccines in circulation in the United States. Sixty-four percent of consumers now believe that physical locations will reopen after the vaccine becomes widely available, up from the 62 percent who said the same on Dec. 7 and the 59 percent who said the same on Nov. 6.

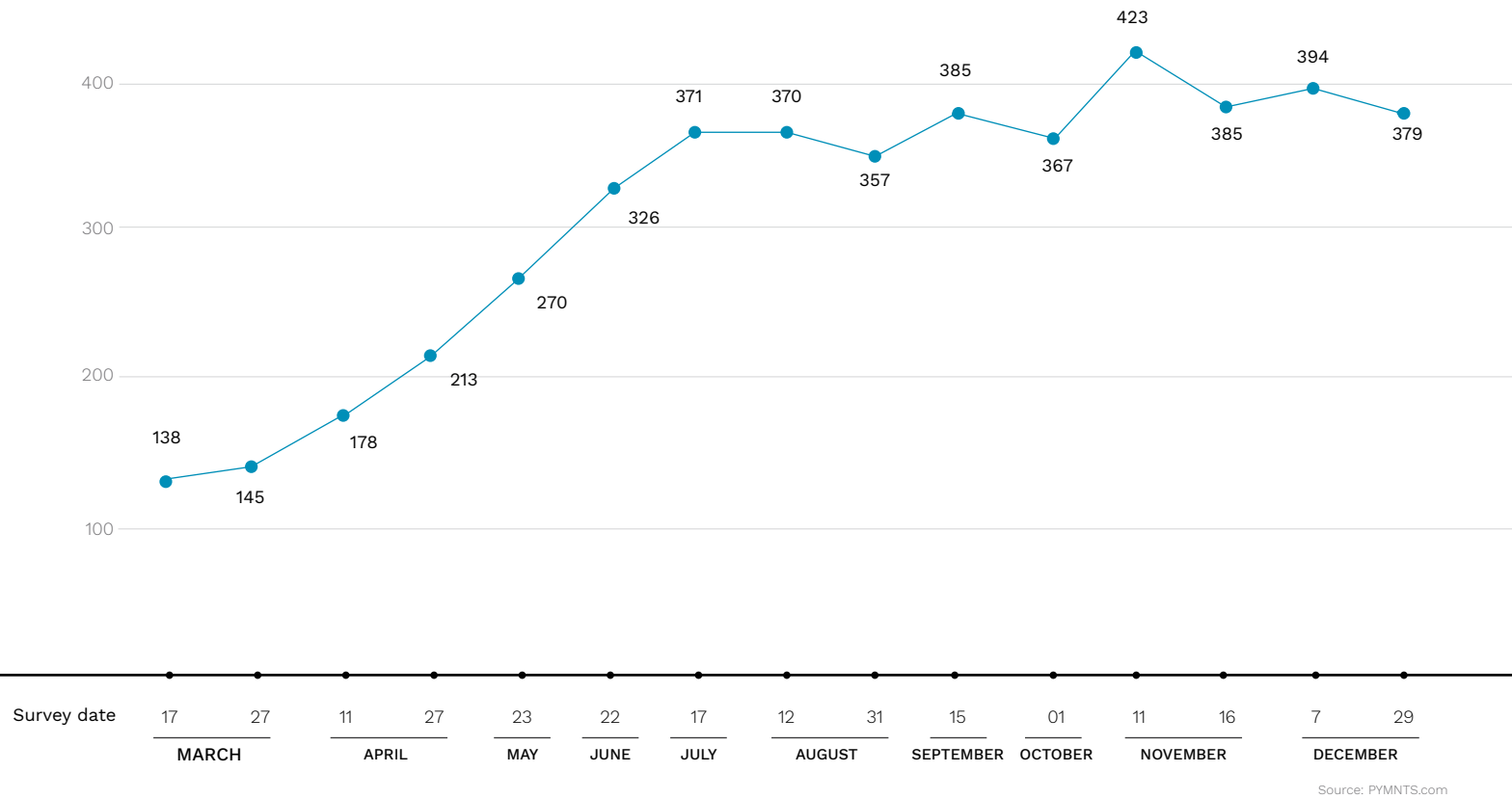
That said, consumers still do not expect the physical world to fully reopen for more than another year. The average consumer believes that locations in general will reopen around Jan. 12, 2022 — roughly one year from now. This serves as yet another reminder that while vaccination may go a long way in helping consumers attain peace of mind, a long time will pass before consumers feel comfortable enough to participate in the physical world the way they once did.

FIGURE 4:
WHAT CONSUMERS BELIEVE IT WILL TAKE FOR THE PHYSICAL WORLD TO REOPEN
Share of consumers who believe select factors could lead to the physical world reopening



64% OF CONSUMERS BELIEVE THAT HAVING WIDELY AVAILABLE VACCINES WILL PLAY A FACTOR IN HELPING THE PHYSICAL WORLD REOPEN.

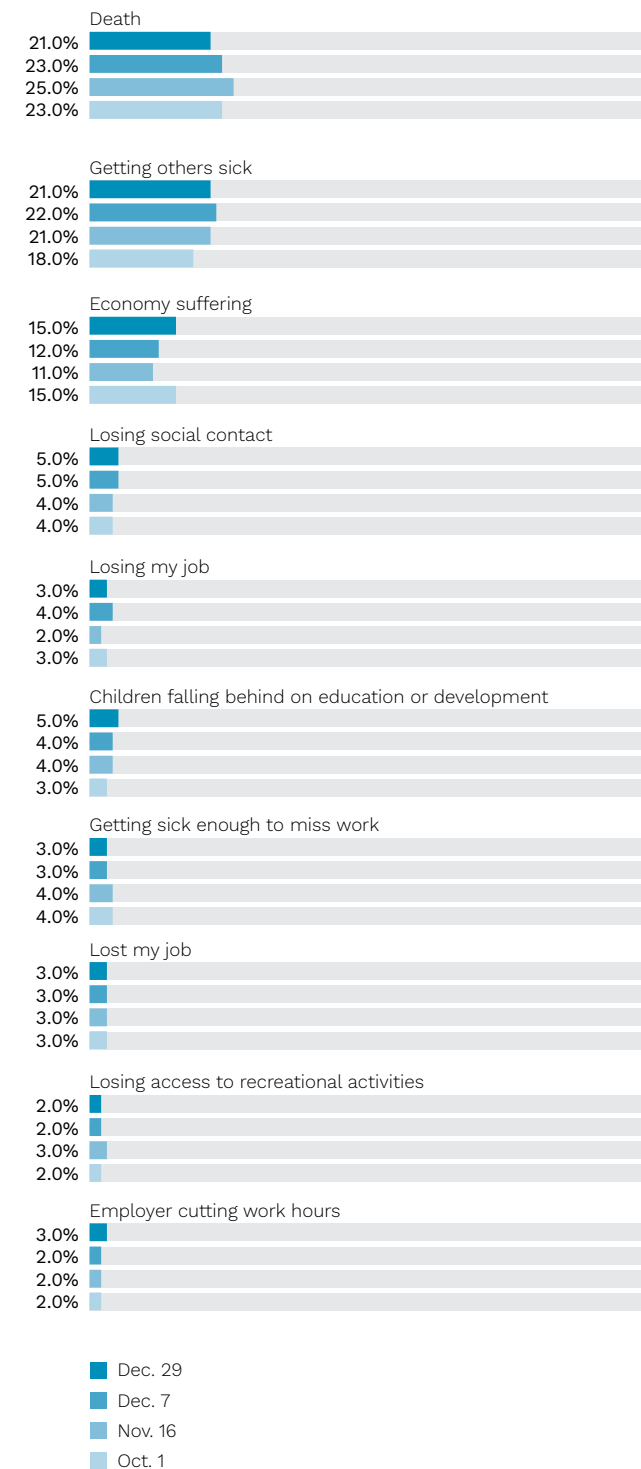
FIGURE 5:
HOW MANY DAYS CONSUMERS BELIEVE IT WILL TAKE FOR PHYSICAL LOCATIONS TO REOPEN
 Number of days the average consumer believes will pass before the physical world reopens



Having two vaccines in circulation also appears to be changing consumers' core concerns about the pandemic. Health concerns still top the list of consumers' worries about the pandemic, but consumers are less concerned about dying from COVID-19 and infecting others than they were before. Twenty-one percent of concerned consumers now cite fear of dying from the virus and infecting others as the causes of their worries. This is down from the 23 percent of concerned consumers who were worried about dying and the 22 percent who were worried about getting others sick on Dec. 7.

Consumers are growing increasingly worried about the pandemic's impact on the economy, by contrast. Fifteen percent of concerned consumers now say they worry about the pandemic's impact on the economy, in fact — up from the 12 percent who said so on Dec. 7 and the 11 percent who said so on Nov. 16.

FIGURE 6:
CONSUMERS' CHIEF CONCERNS ABOUT THE COVID-19 PANDEMIC
 Share of consumers who are concerned about the pandemic citing select reasons for concern



CONCLUSION

The rollout of the two new COVID-19 vaccines has changed consumers' outlook about the pandemic but has not dimmed their penchant for digital shopping experiences. The demand for digital purchasing options such as mobile order-ahead services, mobile websites and curbside pickup options is as high as it has been since the pandemic began — and there is no sign that these options will fall out of fashion even after consumers are more widely immunized. It is clear that retailers will not be able to rely on brick-and-mortar sales the way they did before March 2020. They must invest in digital innovation instead if they hope to win — and keep — consumers' business.

METHODOLOGY

PYMNTS issued a survey to a census-balanced panel of 2,268 U.S. residents between Dec. 29, 2020, and Dec. 31, 2020, as a follow-up to our continuing series of studies examining consumers' behavioral changes following the COVID-19 outbreak. Respondents were 50 years old on average, and 52 percent were female. Among respondents, 32 percent held college degrees. We also collected data from consumers in different income brackets: 34 percent of respondents declared an annual income of over \$100,000, 31 percent earned between \$50,000 and \$100,000 and 36 percent earned \$50,000 or less.



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