

# DIGITAL ECONOMY PAYMENTS

February 2022 U.S. Edition

U.S. CONSUMERS  
AND THE POST-HOLIDAY  
**DIGITAL SHOPPING RAMP-UP**



## PYMNTS.com

PYMNTS.com is where the best minds and the best content meet on the web to learn about "What's Next" in payments and commerce. Our interactive platform is re-inventing the way in which companies in payments share relevant information about the initiatives that shape the future of this dynamic sector and make news. Our data and analytics team includes economists, data scientists and industry analysts who work with companies to measure and quantify the innovation that is at the cutting edge of this new world.

# TABLE OF CONTENTS

Introduction .....	03
Key Findings .....	04
Methodology .....	14

## DIGITAL ECONOMY PAYMENTS

February 2022 U.S. Edition

U.S. CONSUMERS  
AND THE POST-HOLIDAY  
DIGITAL SHOPPING RAMP-UP

# INTRODUCTION

**F**or the past 136 years, celebrated groundhog Punxsutawney Phil has predicted the arrival of spring. His forecasts sometimes result in dismay, but at other times, they have given people a reason to cheer.

There is more to Groundhog Day than just weather predictions, however. The holiday coincides with a time of year that also offers an early — and often accurate — indication of how consumers' shopping and payment behaviors will evolve over the next several months.

PYMNTS' research shows that consumers are back to shopping online after returning to physical stores during the holiday season. More than one-quarter were using online and mobile channels for their shopping needs in January — a trend that will likely carry through the rest of the year. Our research also found that consumers are seemingly more optimistic about making travel plans, with consumers shelling out 33% more on travel in January than in December.

These are some of the key findings that emerged from PYMNTS' latest survey of 2,633 United States consumers, which was conducted between Jan. 11 and Jan. 20. We sought to explore how consumers' shopping and payment behaviors when buying groceries, food, retail products and travel services have evolved after the 2021 holiday season, and what these trends portend for the rest of the year.

**This is what we learned.**

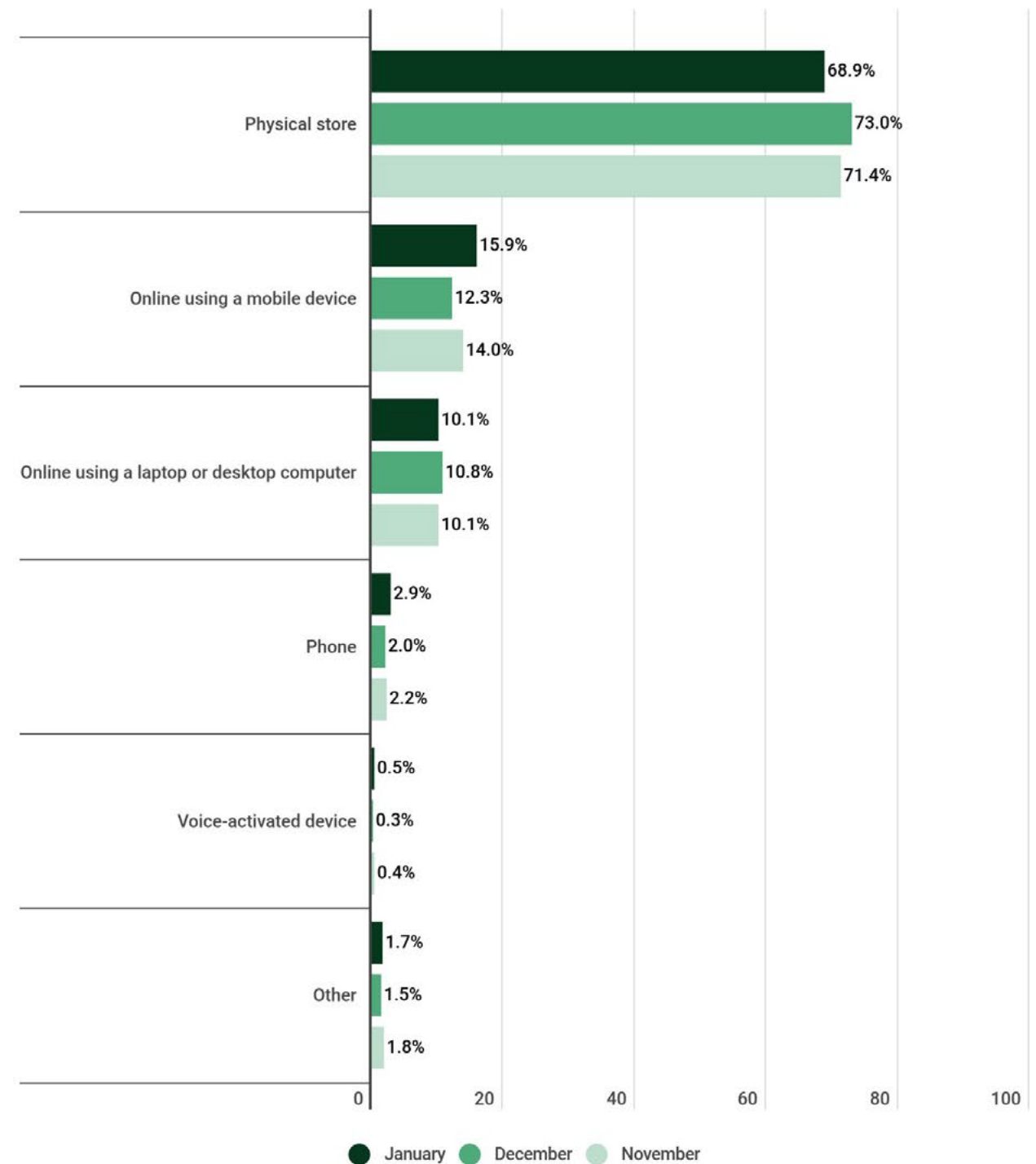
## One-third of U.S. consumers were shopping online for retail products in January.

This increase in digital shopping coincided with a decline in consumers' use of physical stores.

Consumers began returning to physical stores in December as many rushed to make last-minute holiday purchases. Their interest in shopping in stores has since seemingly scaled back, with 69% of consumers making purchases in physical stores last month, down from 73% in December.

More consumers were instead choosing to shop online — a trend that is likely to continue in the coming months as the omicron variant continues to disrupt consumers' daily lives. PYMNTS' research shows that 26% of consumers were using online and mobile channels to make purchases, up from 23% in December. One-third of retail product purchases were made through online channels, while 21% purchased food items in the same manner.

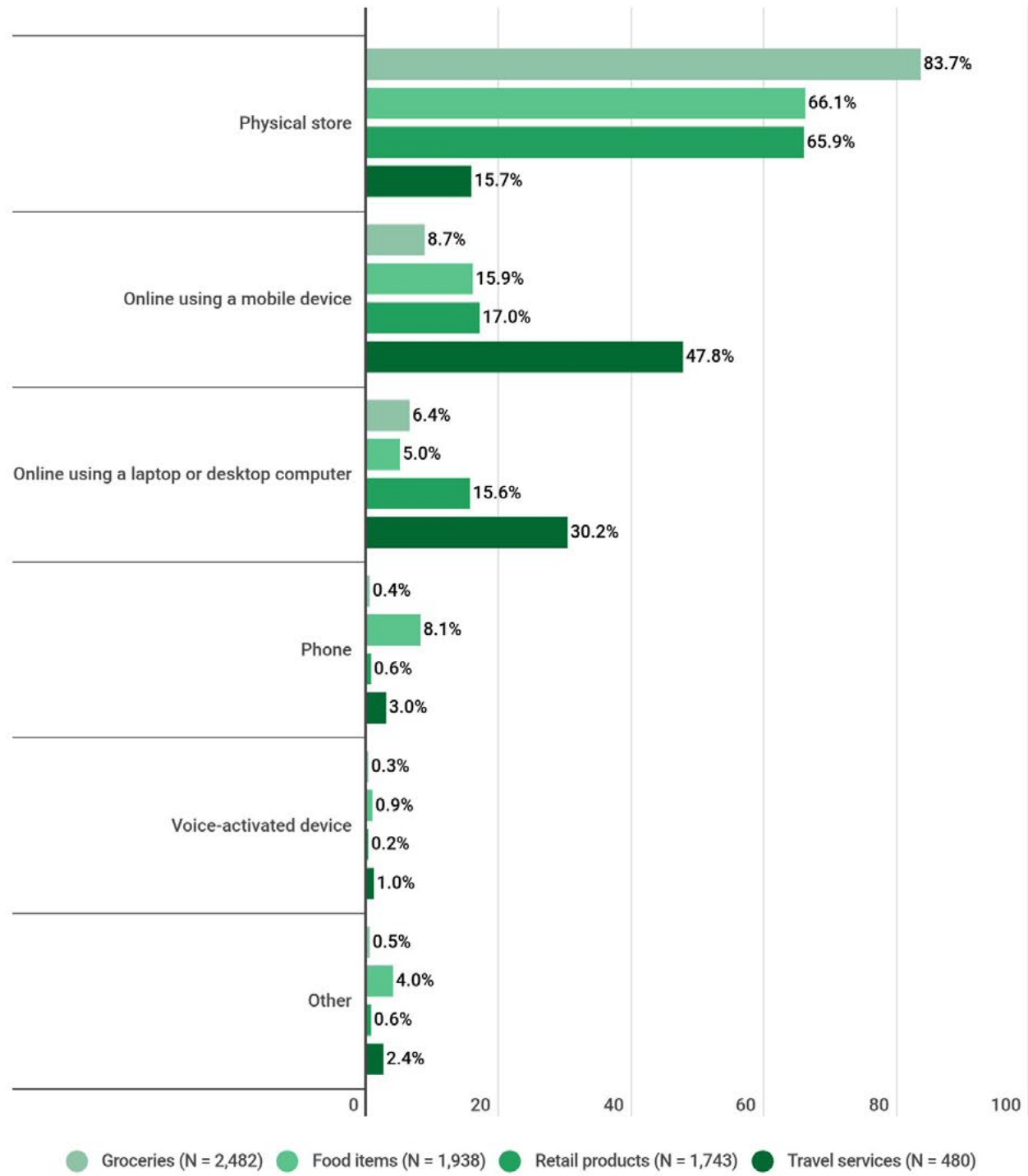
Figure 1: Channels consumers used for their most recent purchases, by month



Consumers who made select purchases at least one time in the past 30 days.  
 Groceries: N = 2,482; Restaurant: N = 1,938; Retail: N = 1,743; Travel: N = 480

Source: PYMNTS.com

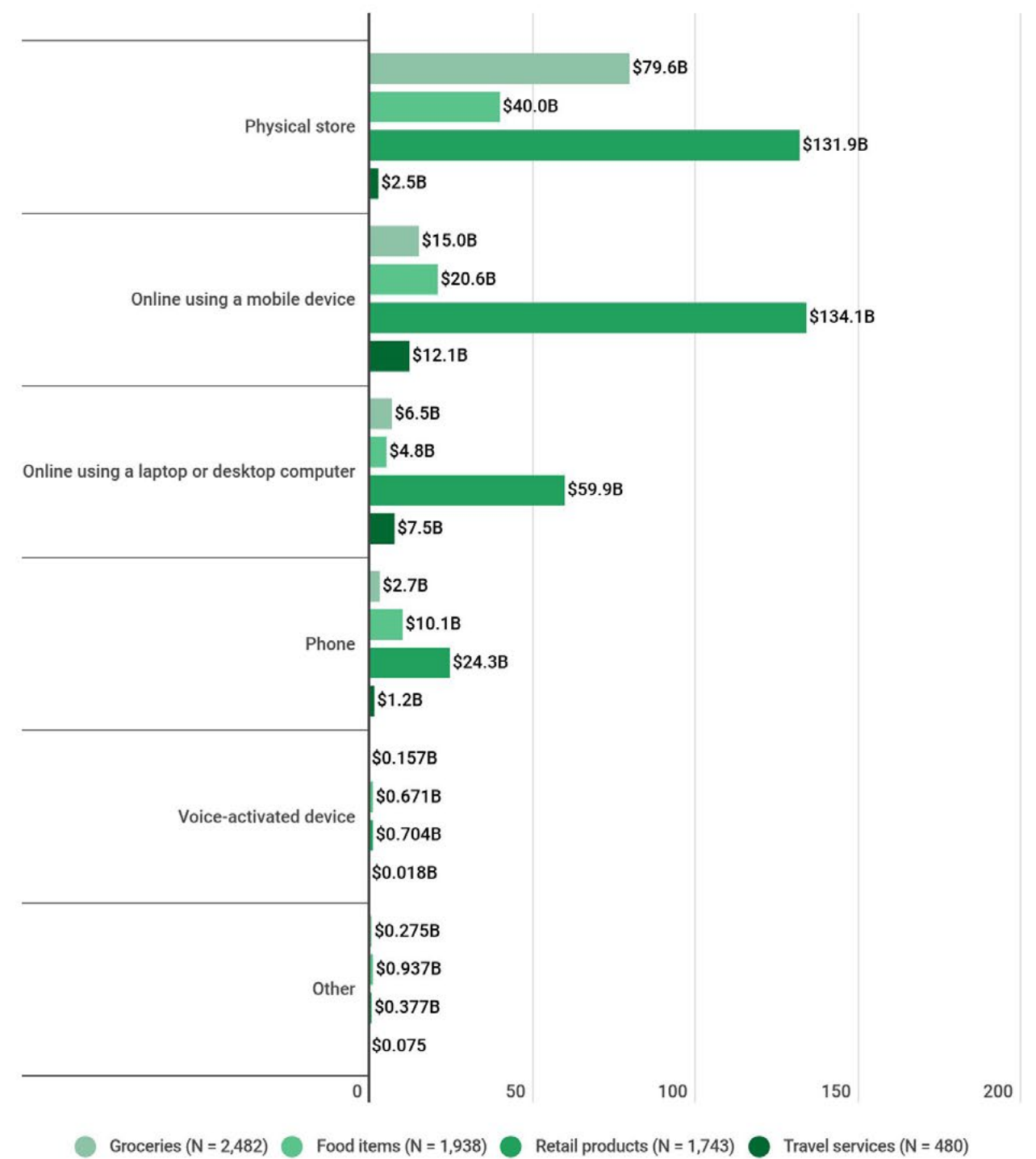
Figure 2: Channels used to make purchases, by type of product purchased



Consumers who made select purchases at least one time in the past 30 days.  
Groceries: N = 2,482; Restaurant: N = 1,938; Retail: N = 1,743; Travel: N = 480

Source: PYMNTS.com

Figure 3: Total monthly expenditures across various channels, by type of product purchased



Consumers who made select purchases at least one time in the past 30 days.  
Groceries: N = 2,482; Restaurant: N = 1,938; Retail: N = 1,743; Travel: N = 480

Source: PYMNTS.com

**Omicron or not, consumers are ready to jet set.** The average amount consumers were spending on travel purchases increased from \$381 in December to \$507 in January.

---

While the omicron variant's spread continues to pose new health challenges across the U.S., consumers are not waiting to make travel plans. The average amount consumers were spending on travel in January rose 33% from the previous month. Overall, consumers spent a total \$23.4 billion on travel purchases.

Seventy-nine percent of consumers who were making travel purchases in January did so online — significantly higher than the shares using digital channels to purchase retail, food or grocery products. When it came to paying for travel purchases, most consumers were using credit cards, but perhaps more interesting is the fact that digital wallets were the second most popular payment method for such purchases.

Among the various digital wallet options that consumers have access to today, PayPal is the most popular. Consumers had paid for \$3.88 billion worth of travel purchases using PayPal, which is greater than all the other major digital and mobile wallets (Apple Pay, Google Pay, Samsung Pay and Venmo) combined.

**Paying with PayPal balance is a hot favorite method for digital wallet users.** Five percent of consumers made their most recent purchases using their PayPal balances.

---

A relatively small share of consumers use digital wallets to make purchases, with just 9% using them for their most recent purchases in January. A sizable share of these digital wallet users prefer paying for their purchases using their PayPal balances, or money stored in their PayPal accounts.

## Payment declines more than doubled in value over the previous month.

Eleven percent of consumers reported having experienced a declined payment in January.

The total value of declined transactions rose significantly as more consumers returned to shopping online, increasing from \$5 billion in December to \$11 billion in January.

Payment declines were more commonly experienced among consumers who made travel purchases, with 12% saying so. This could be because consumers were spending higher amounts on travel purchases in January, and these high-ticket purchases are more commonly flagged as risky.

The average value of declined transactions stood at \$174 in January, up from \$121 in December and \$149 in November.

Figure 4: Impact of payment declines and payment fraud



Whole sample - November: N = 3,593; December: N = 3,291; January: N = 2,846

Source: PYMNTS.com

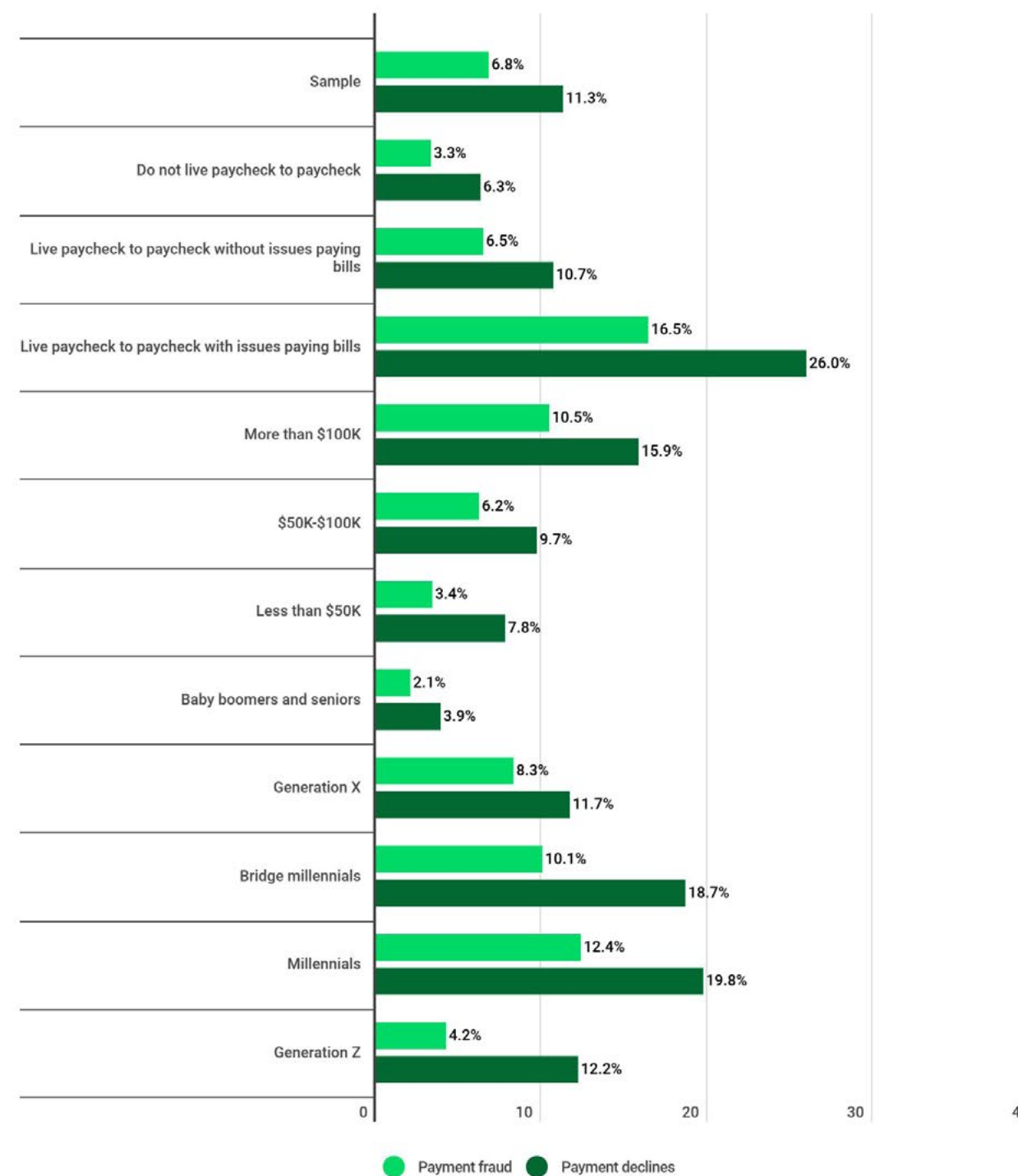
## Consumers living paycheck to paycheck who have issues paying bills were the most likely to experience payment declines.

They were also more likely to be victims of payments fraud.

PYMNTS' research shows that 26% of consumers living paycheck to paycheck who have issues paying bills experienced payment declines in January, a higher share than for any other demographic group. Consumers earning more than \$100,000 annually also saw a high number of payment declines, though they likely experienced declines for a very different reason. Higher-income consumers more commonly make high-ticket purchases, which are likelier to get flagged as risky and face declines from issuers.

Consumers living paycheck to paycheck who struggle to pay their bills were also more likely to experience payment fraud, with 17% experiencing it in January. Overall, 11% of consumers experienced payment declines, while 7% experienced payment fraud.

Figure 5: Impact of payment declines and fraud on various demographic groups



Whole sample - November: N = 3,593; December: N = 3,291; January: N = 2,846

Source: PYMNTS.com

# METHODOLOGY

**D**igital Economy Payments: U.S. Consumers And The Post-Holiday Digital Shopping Ramp-Up is based on a survey of 2,633 U.S. consumers who purchased groceries, retail products, food at restaurants or travel services over a one-month period. PYMNTS conducted the census-balanced survey between Jan. 11 and Jan. 20.

**DIGITAL ECONOMY  
PAYMENTS** February 2022 U.S. Edition

U.S. CONSUMERS  
AND THE POST-HOLIDAY  
DIGITAL SHOPPING RAMP-UP

## DISCLAIMER

---

Digital Economy Payments: U.S. Consumers And The Post-Holiday Digital Shopping Ramp-Up may be updated periodically. While reasonable efforts are made to keep the content accurate and up to date, PYMNTS.COM: MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, REGARDING THE CORRECTNESS, ACCURACY, COMPLETENESS, ADEQUACY, OR RELIABILITY OF OR THE USE OF OR RESULTS THAT MAY BE GENERATED FROM THE USE OF THE INFORMATION OR THAT THE CONTENT WILL SATISFY YOUR REQUIREMENTS OR EXPECTATIONS. THE CONTENT IS PROVIDED "AS IS" AND ON AN "AS AVAILABLE" BASIS. YOU EXPRESSLY AGREE THAT YOUR USE OF THE CONTENT IS AT YOUR SOLE RISK. PYMNTS.COM SHALL HAVE NO LIABILITY FOR ANY INTERRUPTIONS IN THE CONTENT THAT IS PROVIDED AND DISCLAIMS ALL WARRANTIES WITH REGARD TO THE CONTENT, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, AND NON-INFRINGEMENT AND TITLE. SOME JURISDICTIONS DO NOT ALLOW THE EXCLUSION OF CERTAIN WARRANTIES, AND, IN SUCH CASES, THE STATED EXCLUSIONS DO NOT APPLY. PYMNTS.COM RESERVES THE RIGHT AND SHOULD NOT BE LIABLE SHOULD IT EXERCISE ITS RIGHT TO MODIFY, INTERRUPT, OR DISCONTINUE THE AVAILABILITY OF THE CONTENT OR ANY COMPONENT OF IT WITH OR WITHOUT NOTICE.

PYMNTS.COM SHALL NOT BE LIABLE FOR ANY DAMAGES WHATSOEVER, AND, IN PARTICULAR, SHALL NOT BE LIABLE FOR ANY SPECIAL, INDIRECT, CONSEQUENTIAL, OR INCIDENTAL DAMAGES, OR DAMAGES FOR LOST PROFITS, LOSS OF REVENUE, OR LOSS OF USE, ARISING OUT OF OR RELATED TO THE CONTENT, WHETHER SUCH DAMAGES ARISE IN CONTRACT, NEGLIGENCE, TORT, UNDER STATUTE, IN EQUITY, AT LAW, OR OTHERWISE, EVEN IF PYMNTS.COM HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

SOME JURISDICTIONS DO NOT ALLOW FOR THE LIMITATION OR EXCLUSION OF LIABILITY FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES, AND IN SUCH CASES SOME OF THE ABOVE LIMITATIONS DO NOT APPLY. THE ABOVE DISCLAIMERS AND LIMITATIONS ARE PROVIDED BY PYMNTS.COM AND ITS PARENTS, AFFILIATED AND RELATED COMPANIES, CONTRACTORS, AND SPONSORS, AND EACH OF ITS RESPECTIVE DIRECTORS, OFFICERS, MEMBERS, EMPLOYEES, AGENTS, CONTENT COMPONENT PROVIDERS, LICENSORS, AND ADVISERS.

Components of the content original to and the compilation produced by PYMNTS.COM is the property of PYMNTS.COM and cannot be reproduced without its prior written permission.