

The PYMNTS ConnectedEconomy™ Monthly Report benchmarks the digital transformation of consumers across the 10 activities that represent their day-to-day lives. Each month, PYMNTS surveys a population-based sample of roughly 2,500 U.S. consumers to measure the use and adoption of digital tools for how they live, work, shop, eat (how and where they buy food), travel, bank, communicate, stay well, have fun and pay/are paid. This work builds on the 15 studies and more than 21,000 consumers PYMNTS has surveyed since March 6, 2020, and represents the largest and most consistent data set tracking the digital shift accelerated by the pandemic.

PYMNTS.com
WHAT'S NEXT
IN PAYMENTS: **THE**
CONNECTED
ECONOMY™

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 reinventing 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.

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MARCH 2022 ■

The ConnectedEconomy™

Monthly Report



MAPPING
DIGITAL
BEHAVIOR
ACROSS
U.S. REGIONS

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INTRODUCTION

The United States' West Coast states are a powerhouse of the U.S. ConnectedEconomy™. The region is home to global technology centers in Seattle and Silicon Valley, headquarters of some of the world's most influential technology firms like Microsoft, Google, Apple and Facebook, and the consumers who live and work there are some of the most digitally-forward in the country. Local consumers use platforms, apps, aggregators and an assortment of connected devices to do everything from streaming videos and music to ordering groceries to gambling.

This month's ConnectedEconomy™ Monthly Report examines how consumers in different regions live their lives online, how those different behaviors shape their demand for digital consolidation and what that reveals about the evolution of the ConnectedEconomy in the U.S. We surveyed a census-balanced panel of 2,665 U.S. consumers as part of our continuing research into how the digital transformation of the U.S. economy is changing consumers' lives and how consumers in different regions are integrating digital into their everyday lives.

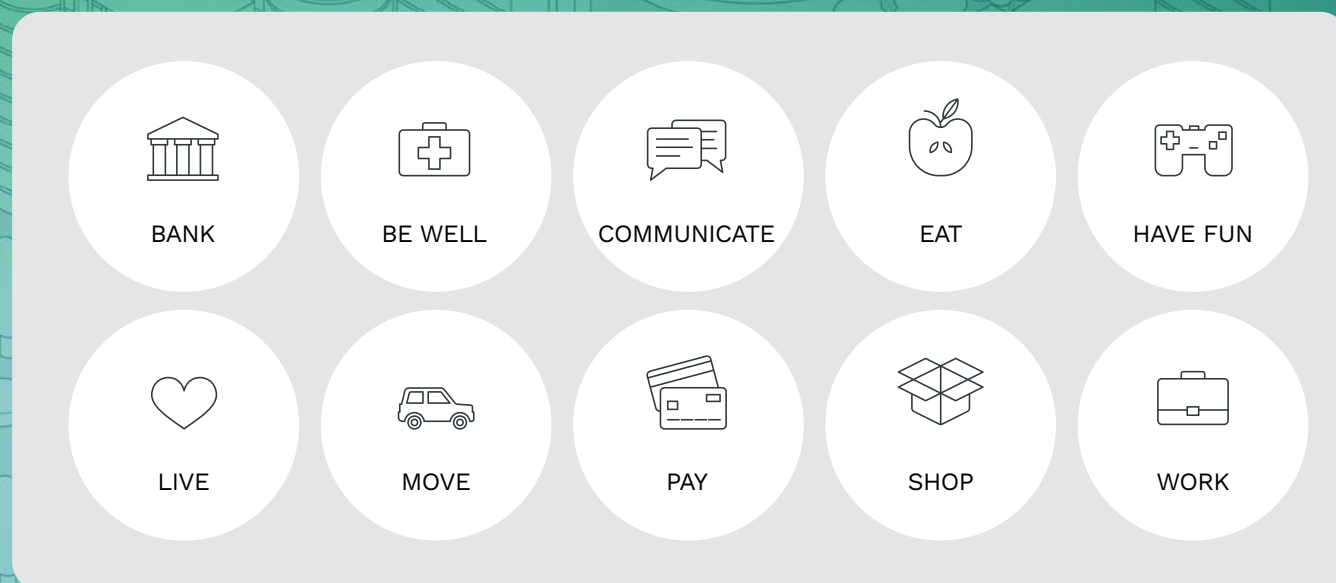
This is what we learned.

THE 10 PILLARS

of the ConnectedEconomy™

Benchmarking consumers' digital behaviors and new routines has been a consistent part of PYMNTS' research since 2016, well before COVID-19 accelerated the shift to digital, but the transition from an app-based world to an ecosystem-driven one was abundantly clear.

PYMNTS accelerated its research efforts in early March 2020, and it now has more than observations documenting the shift to digital since the start of the pandemic. PYMNTS' landmark study of 15,000 U.S. consumers, published in June 2021, was intended to further document their digital habits and routines as well as their interest in participating in connected ecosystems to streamline the management of their digital lives.



The ConnectedEconomy™ persona groups

- **CONVENIENCE SEEKERS**

These consumers are extremely interested in being able to use a single super app to aggregate/integrate all aspects of their lives online into a single super app.

- **COMMERCE SEEKERS**

These are consumers who are likely to want to aggregate/integrate data pertaining to their shopping, travel or entertainment preferences and activities into a single app, but who are also less likely than others to want to use that app to actually transact.

- **FINANCIAL WELLNESS SEEKERS**

These consumers are likely to want to aggregate/integrate data related to banking, money management and/or payments into a single super app to have access to that information and then, crucially, to use that data to make/receive digital payments.

- **WAIT-AND-SEE**

These consumers are likely to integrate just a few tasks from a limited area of their lives with a super app.

- **NOT INTERESTED**

These consumers do not want to integrate any life area into a super app.

Connected consumers and the devices that connect them

- **“BASIC-TECH”**

These consumers use computers/smartphones primarily and exhibit low overall ownership of devices, possessing 3 devices on average.

- **“MAINSTREAM-TECH”**

These consumers are computer/smartphone/tablet/smart TV/gaming console dominant and own 6 to 7 devices on average.

- **“INTEGRATED-TECH”**

These consumers have all the devices that mainstream users have, but they also incorporate smart home and activity tracking devices into their ecosystem. They own 11 to 12 devices on average.

PART I:
Mapping behaviors from coast to coast

Pacific consumers are the most digitally engaged and the most interested in a super app.
Midwesterners are the least engaged and least interested in a super app.

The more digital activities consumers do online, the more they want to consolidate their digital lives into a single, integrated user interface — or “super app.” The Pacific region is home to the most digitally engaged consumers in the U.S. The average Pacific consumer engages in 46% of all their routine activities online. They are also the second most likely to want to consolidate their digital activities into a super app, with 64% of them wanting to use such an app.

Consumers in the South Atlantic are a close second to Pacific consumers in terms of digital engagement, performing an average of 41% of their routine activities online. The South Atlantic is also the only region where interest in a super app is in higher demand than in the Pacific states — but just barely. Sixty-five percent of South Atlantic consumers want to be able to consolidate their digital activities into a super app.

The Midwest and Mountain states are on the opposite end of the spectrum, both in terms of overall digital engagement and interest in using a super app. Midwestern consumers perform 33% of their routine activities online, and Mountain state residents perform 36% of their routine activities online. Fifty-nine percent of consumers in the Midwest and Mountain states would like to use a super app.

FIGURE 1:
HOW DIGITAL ENGAGEMENT VARIES ACROSS REGIONS
Share of routine activities that consumers use online ConnectedEconomy™

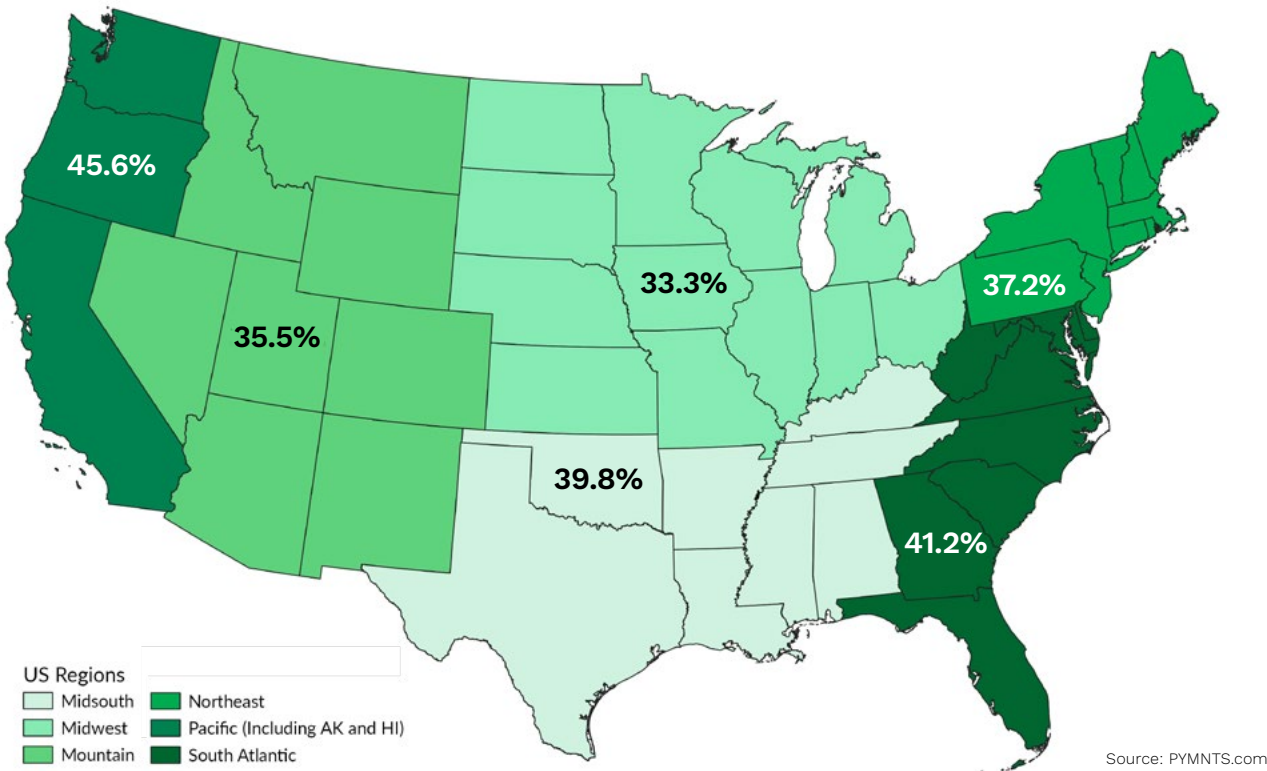
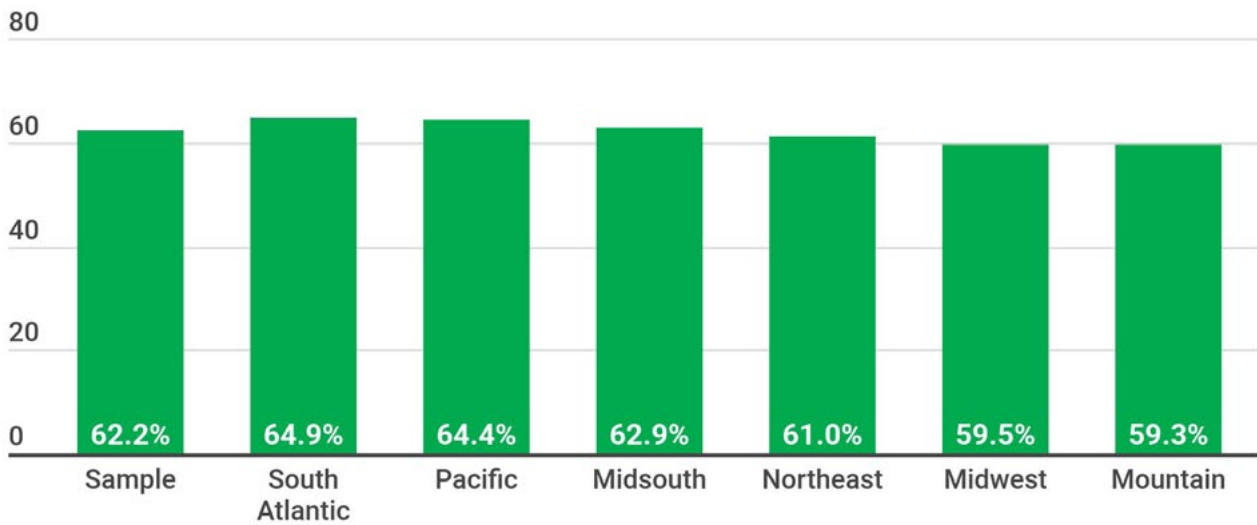


FIGURE 2:
HOW CONSUMERS' INTEREST IN A SUPER APP VARIES ACROSS REGIONS
Share of consumers who report having any level of interest in a super app



PART I:
Mapping behaviors from coast to coast

The Pacific region's most tech-savvy consumers are concentrated in its urban centers, including technology hubs like the San Francisco Bay Area and Seattle.

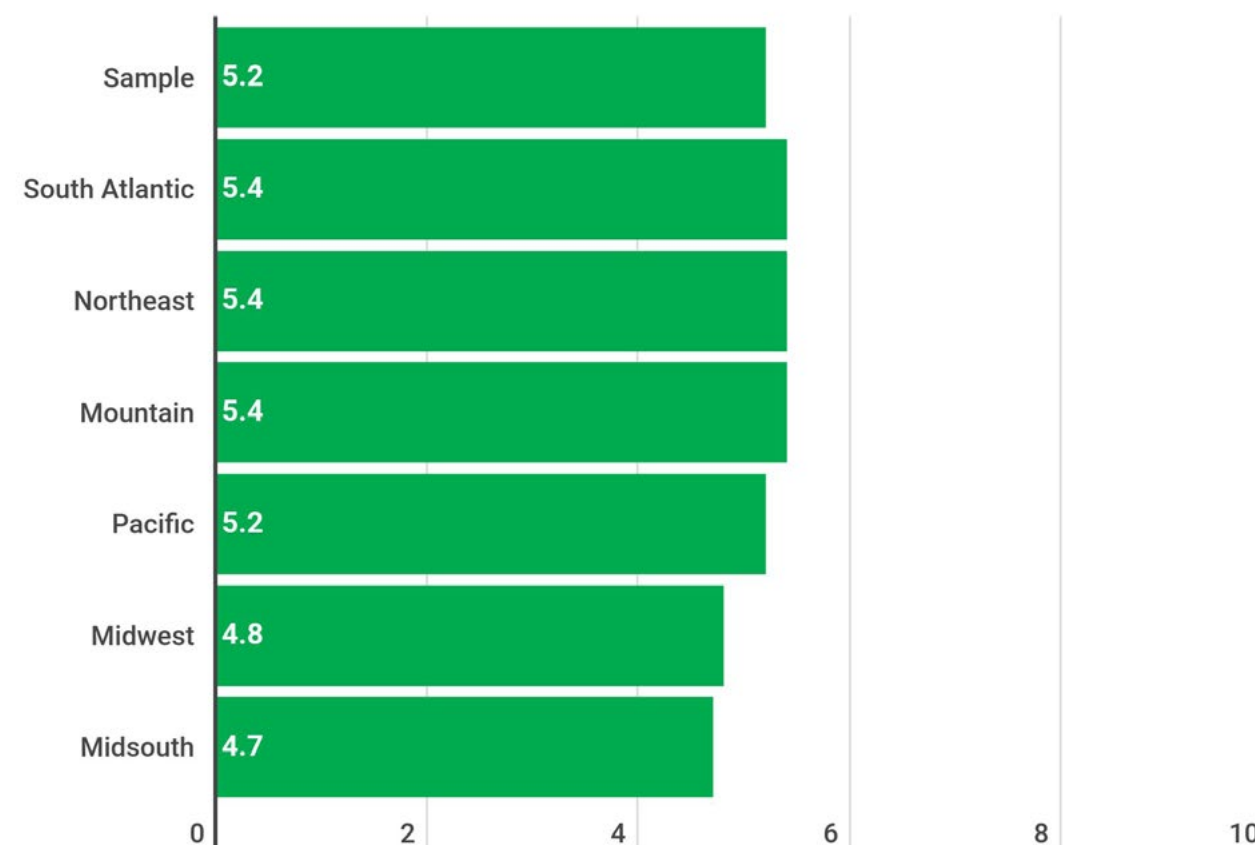
Consumers in the Northeast, South Atlantic and Mountain regions all own more connected devices than consumers in the Pacific.

The average U.S. consumer owns 5.2 connected devices, including an assortment of smartphones, desktop computers, wearables, home assistants and others, but those in the South Atlantic and Mountain states own the most. Consumers in these states own an average of 5.4 devices, compared to just 4.7 devices owned by the average consumer in the Midsouth.

A closer look reveals a great deal of variety in the connected devices that consumers in each region own. The Mountain and Pacific regions are home to the most “integrated-tech” consumers in the country. These consumers own not just tablets, smartphones, laptop and desktop computers and smart televisions, but they also own smart home devices and activity trackers. Seventeen percent of consumers in the Mountain region and 16% of consumers in the Pacific region are integrated-tech consumers.

Most of these integrated-tech consumers are nevertheless highly concentrated in the most densely populated urban areas, especially in the Pacific. In fact, 84% of all the region's integrated-tech consumers reside in urban areas, while virtually none reside in rural areas. This urban concentration shows just how central technology hubs like Silicon Valley and Seattle are to the region's ConnectedEconomy.

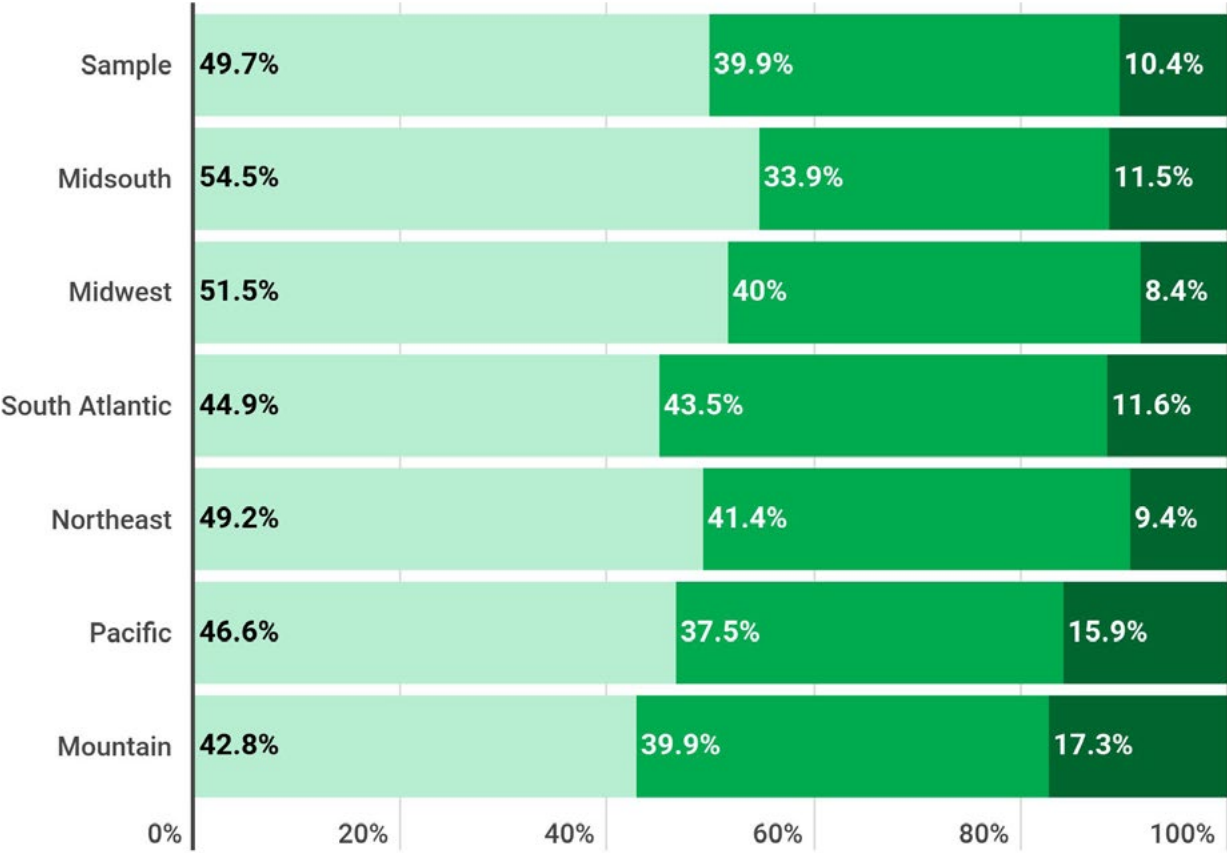
FIGURE 3:
HOW MANY CONNECTED DEVICES CONSUMERS OWN
Average number of connected devices owned by consumers in select regions



Source: PYMNTS.com

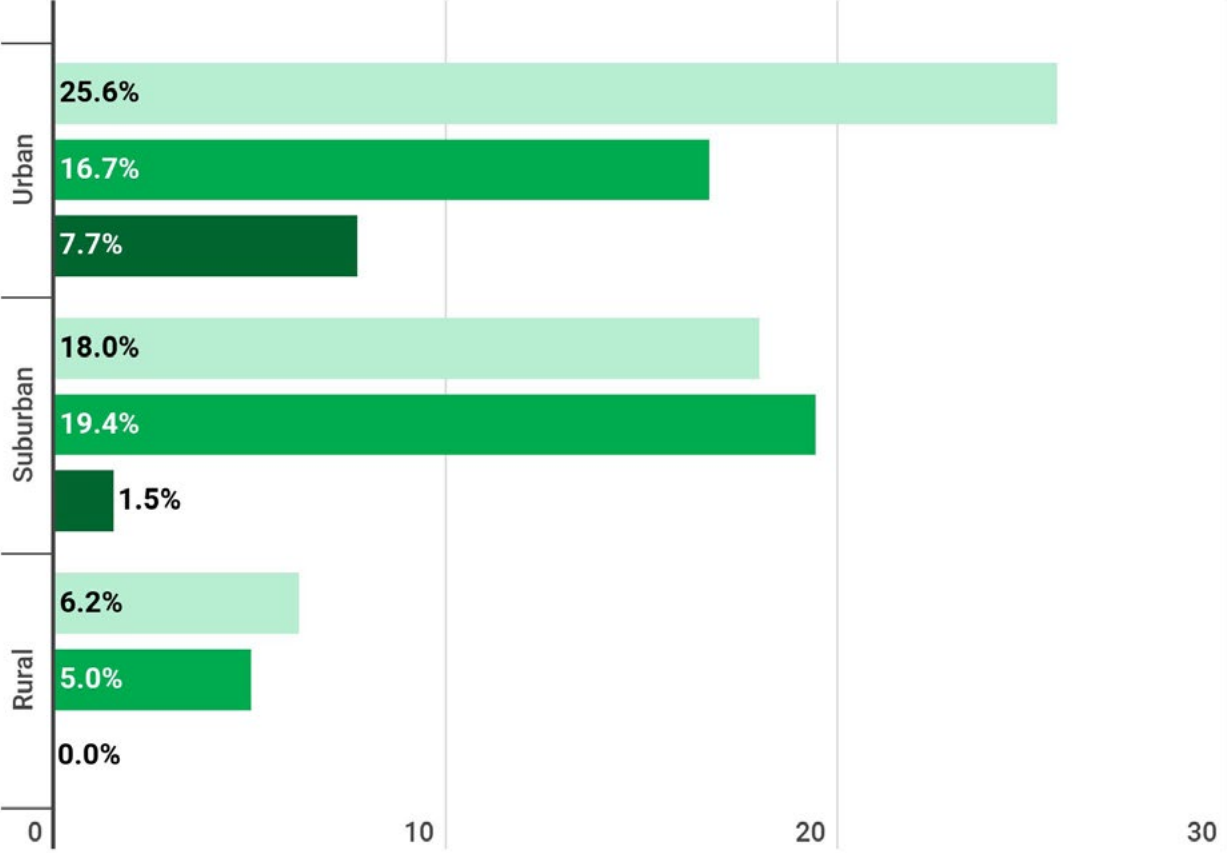


FIGURE 4:
WHICH CONNECTED DEVICES CONSUMERS IN DIFFERENT REGIONS OWN
Share of consumers in different regions falling into different connected device ownership groups



Source: PYMNTS.com

FIGURE 5:
WHICH CONNECTED DEVICES URBAN, SUBURBAN AND RURAL CONSUMER IN THE PACIFIC STATES OWN
Share of consumers in the Pacific region falling into different connected device ownership groups



Source: PYMNTS.com



PART II:
Different lifestyles, different demands

Consumers in the Midsouth are the most likely to be living paycheck to paycheck, and they are also the most likely to want to use a super app to manage their personal finances online.

Consumers in the Mountain states are the most financially stable and the most likely to integrate every aspect of their digital lives.

What consumers want from a hypothetical “super app” varies dramatically depending on their personal financial situation. Consumers who live paycheck to paycheck are far more interested in using a single, integrated super app to consolidate their online banking and transactional activity, thereby using it as a tool to manage their financial wellness.

These so-called financial wellness seekers are most common in the Midsouth, where 66% of the population lives paycheck to paycheck, and 28% of those who live paycheck to paycheck struggle to pay their monthly bills. There is, therefore, little surprise that 26% percent of consumers in this region want to be able to use a super app to help manage their personal finances.

TABLE 1:
HOW CONSUMERS’ FINANCIAL LIFESTYLES VARY ACROSS REGIONS
Share of consumers living in select income brackets with select financial lifestyles, by region

	Midsouth	Midwest	Mountain	Northeast	Pacific	South Atlantic
Sample	21.2%	19.5%	7.3%	18.2%	12.2%	21.5%
Urban	26.9%	20.8%	24.3%	28%	34.9%	21.5%
Suburban	43.7%	49.2%	54.7%	49.3%	51.3%	52.7%
Rural	29.4%	30%	21%	22.7%	13.8%	25.8%
Do not live paycheck to paycheck	33.8%	39.8%	40.7%	35.3%	34.9%	39.2%
Live paycheck to paycheck with no difficulty paying bills	38.4%	38.5%	37.1%	41.7%	38.6%	36.7%
Live paycheck to paycheck with difficulty paying bills	27.8%	21.7%	22.2%	23.1%	26.4%	24.1%
More than \$100K	35.1%	30.3%	37.3%	37.3%	48%	34.6%
\$50K-\$100K	30.2%	34.6%	31.3%	31%	29.8%	28.4%
Less than \$50K	34.7%	35.2%	31.5%	31.6%	22.2%	36.9%

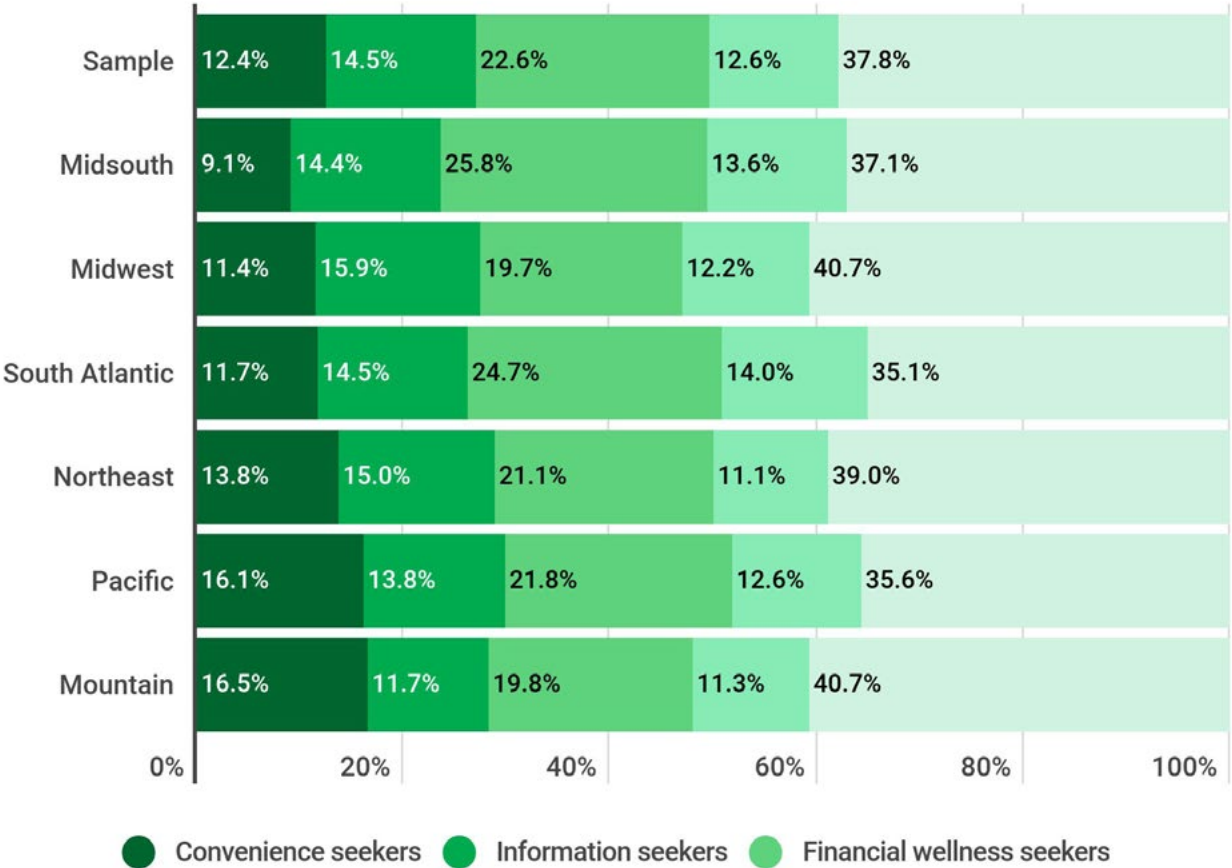
Source: PYMNTS.com



Consumers in the Mountain region are the most financially stable of those in any U.S. region. According to our research, 41% of consumers in the Mountain region can comfortably save at the end of each month. This may account for their being more interested in using a hypothetical super app as a tool for integrating all aspects of their digital lives into a single, central location than to manage every aspect of their lives online. The Mountain region is home to more than 3 million of these so-called “convenience seekers,” who make up 17% of the region’s population.

Midwesterners also stand out from the rest for their interest in using a super app as an information aggregator. Sixteen percent of consumers in the Midwest want to be able to use a super app to collect, store and manage data about their shopping habits — but do not necessarily want to use that data to transact or bank online. They might be more interested in using this data to locate and access coupons and discounts, reviewing their purchase histories or checking the statuses of their online orders.

FIGURE 6:
HOW CONSUMERS IN DIFFERENT REGIONS WANT TO USE A SUPER APP TO CONSOLIDATE THEIR DIGITAL LIVES
Share of consumers in select regions falling into different connected persona groups



Source: PYMNTS.com

PART III:
From food to entertainment

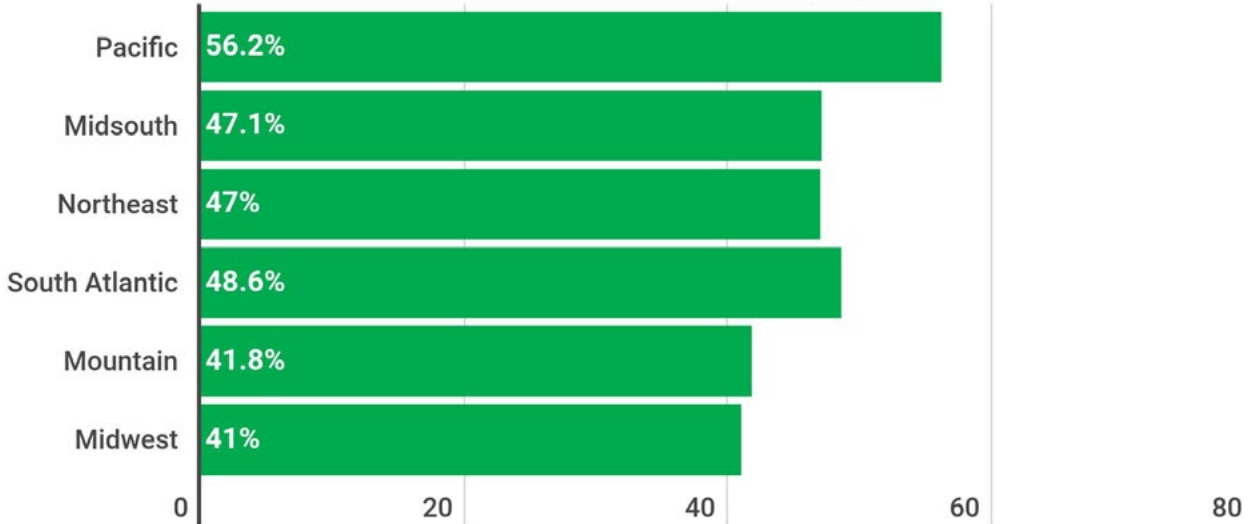
How consumers buy their food is the biggest differentiator in digital behavior across all regions.
Consumers in the Pacific are 37% likelier to order from restaurants online and 56% likelier to order their groceries online than Midwesterners — the biggest regional gap of all.

Consumers’ eating habits vary more drastically between regions than nearly any other area of life. Consumers in the Pacific region area far and away are most likely to order both restaurant meals and groceries online, with 56% and 37% buying their restaurant orders and groceries digitally, respectively. In total, more than 11 million consumers in the Pacific region buy their groceries online, and 17 million place restaurant orders online.

Consumers in the South Atlantic are a close second to Pacific consumers when ordering food online. Forty-nine percent and 33% of South Atlantic consumers use digital channels to order food from restaurants and grocers.

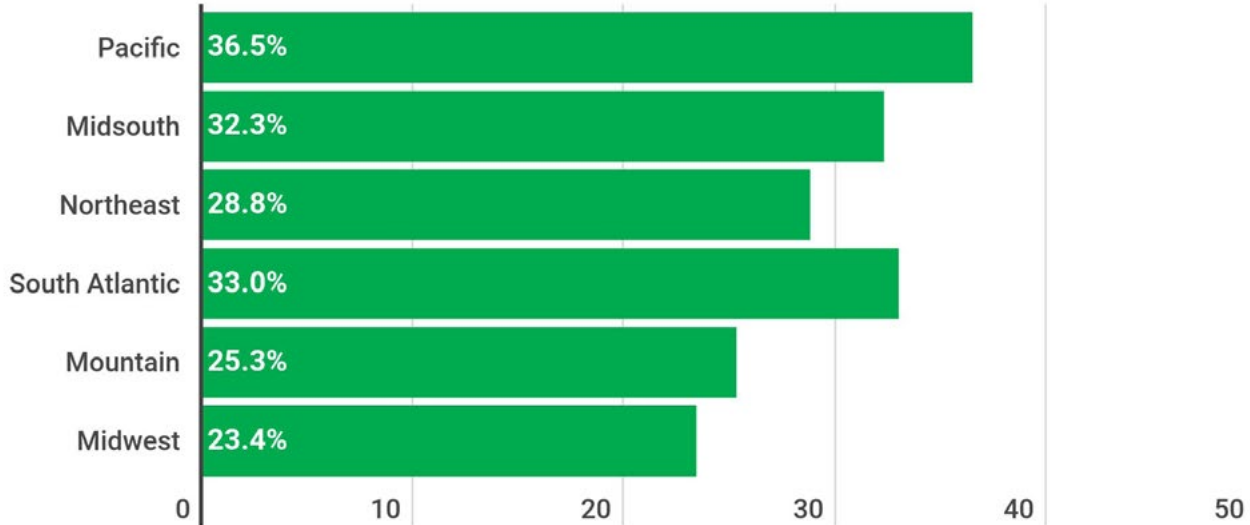
Midwesterners are the least likely of all to be purchasing their meals online, by contrast. Forty-one percent of Midwestern consumers order from restaurants online, and 23% order groceries online.

FIGURE 7:
HOW CONSUMERS’ RESTAURANT AND GROCERY ORDERING HABITS VARY ACROSS REGIONS
Share of consumers who order from restaurants online, by region



Source: PYMNTS.com

FIGURE 8:
HOW CONSUMERS’ RESTAURANT AND GROCERY ORDERING HABITS VARY ACROSS REGIONS
Share of consumers ordering their groceries online, by region



Source: PYMNTS.com

PART III:
From food to entertainment

U.S. consumers are united in their love for digital entertainment, despite strong regional differences in other areas.

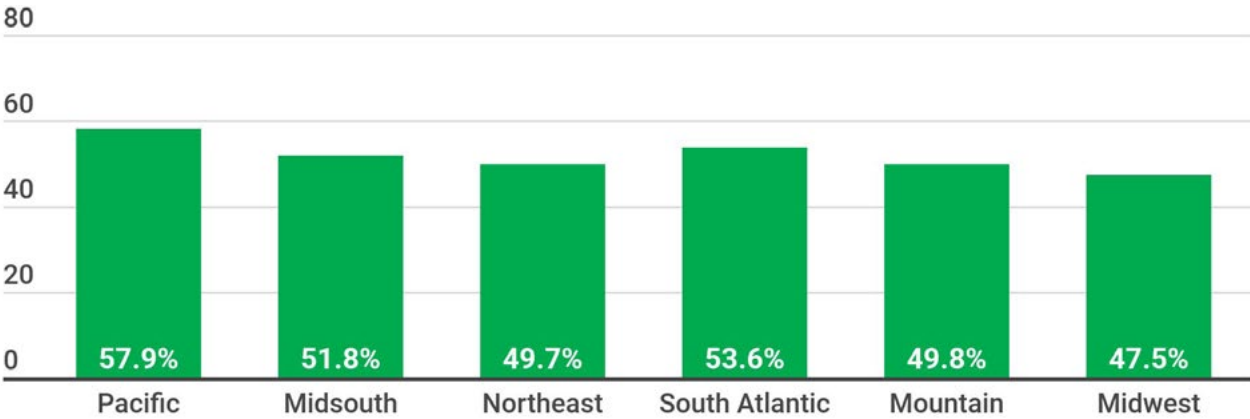
Pacific consumers are 22% more likely than Midwest consumers to go online for their entertainment, whether to stream videos, play games or read media.

If there is one area of life online U.S. consumers have in common, it is how they get their entertainment. Consumers in the Pacific are the most likely and consumers in the Midwest are the least likely to go online for entertainment. The difference is that Pacific consumers are just 22% more likely than Midwesterners to go online for entertainment, whether it is to stream videos and music, read newspapers and magazines, game or even gamble. This is the smallest engagement gap seen for any of the 10 pillars on which the ConnectedEconomy is built.

Video streaming is the single most common form of digital entertainment in the U.S. Seventy-seven percent of all U.S. consumers stream videos on platforms like Netflix, Amazon, Hulu and YouTube, to name a few. Forty-one percent of U.S. consumers — representing 104 million individuals — use these types of streaming services every day.

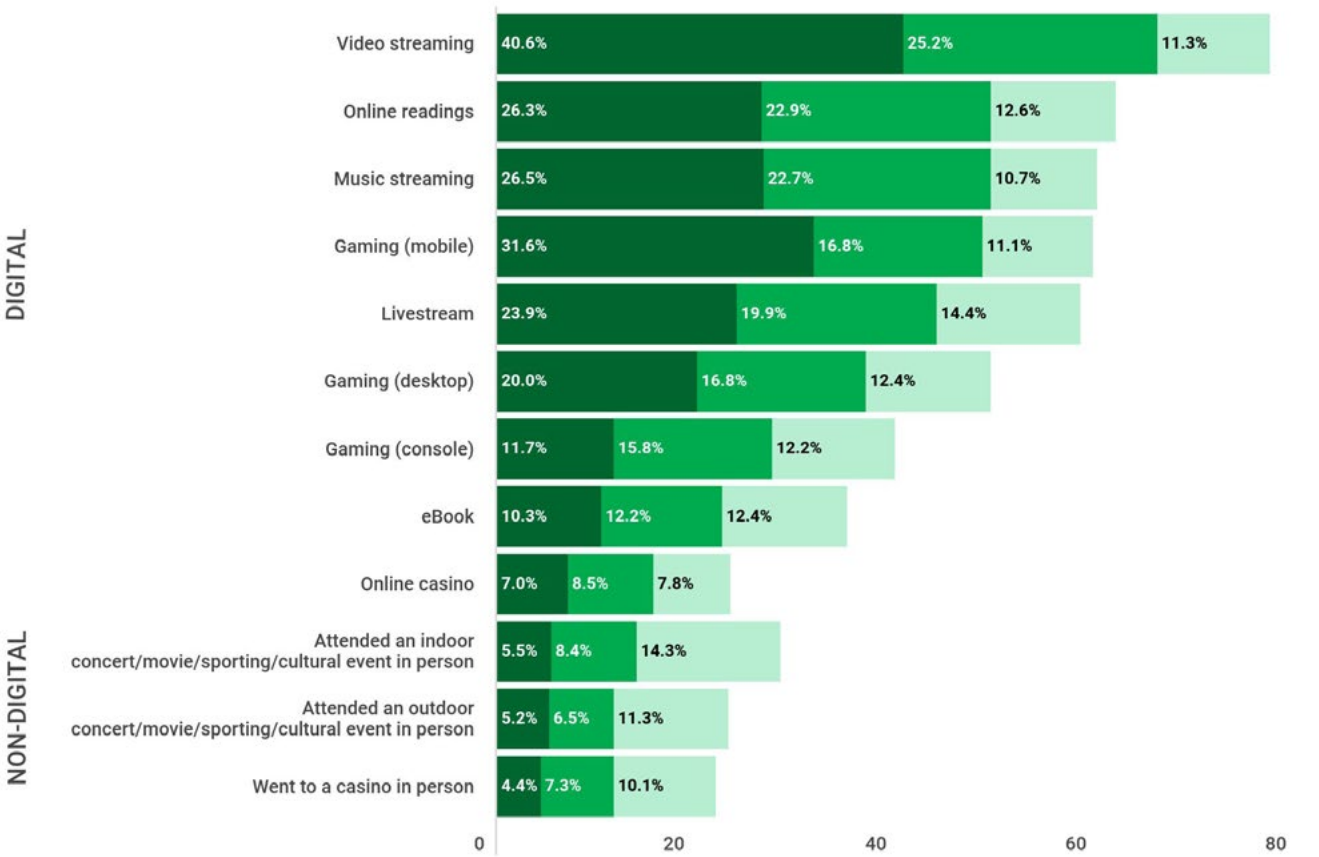
Reading digital media, including online newspapers and magazines, streaming music and mobile gaming are the second-, third- and fourth-most common forms of digital entertainment in the U.S., respectively. Among the consumers who game on their smartphones, 32% do so daily. Other common forms of digital entertainment in the U.S. include livestreaming, both P.C. and console gaming and online gambling.

FIGURE 9:
HOW CONSUMERS' APPETITE FOR DIGITAL ENTERTAINMENT VARIES ACROSS REGIONS
Share of consumers who go online for their entertainment, by region



Source: PYMNTS.com

FIGURE 10:
THE WAYS THAT CONSUMERS GET THEIR ENTERTAINMENT ONLINE
Share of consumers engaging in select types of digital entertainment, by frequency



Source: PYMNTS.com



The ConnectedEconomy™

Monthly Report

METHODOLOGY

The PYMNTS ConnectedEconomy™ Monthly Report is based on a survey of a census-balanced panel of 2,665 U.S. consumers conducted between Feb. 7 2022 and Feb. 14, 2022 as a follow-up to a continuing series of studies examining consumers' shift to a more digital way of engaging in everyday activities. Respondents were 47 years old on average, and 52% were female. Thirty-two percent of respondents held college degrees. We also collected data from consumers in different income brackets: 36% of respondents declared an annual income of more than \$100,000, 31% earned between \$50,000 and \$100,000 and 33% earned less than \$50,000. Additional proprietary data from PYMNTS was used for supplementary analysis.

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