

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.

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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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MAY 2022 ■

The ConnectedEconomy™

Monthly Report



THE **BRICK-
AND-MORTAR
ECONOMY**
GOES DIGITAL

TABLE OF CONTENTS

INTRODUCTION	03
PART I:	06
The demand for digital reaches new heights	
PART II:	12
Tracking changes in consumers' eating habits	
PART III:	17
Getting travel done online	
METHODOLOGY	20

INTRODUCTION

The year is 2022, but consumers are partying like it is 2019 now that mask mandates and travel restrictions are lifting. Previously house-bound consumers are abandoning the habits they acquired during the pandemic, reentering the brick-and-mortar world and traveling, socializing, dining out and shopping to their hearts' content. Finally, using the internet for everything has gone the way of home-baked bread, sea shanties and Tiger King: out of sight, out of mind and out of style.

At least, that's what some news outlets would have us believe.

The truth about consumers' triumphant reentry into the physical world is, as usual, far more complex than most headlines let on. It is true that consumers across the U.S. are taking advantage of their newfound freedoms to explore the world outside their homes, but it would be wrong to say that they are doing away with the digital habits they acquired during the early days of the pandemic. In fact, more consumers than ever are using the internet to inform their real-world experiences, including not only their daily commutes and grocery shopping routines but also their travel plans, social lives, professional lives and everything in between.

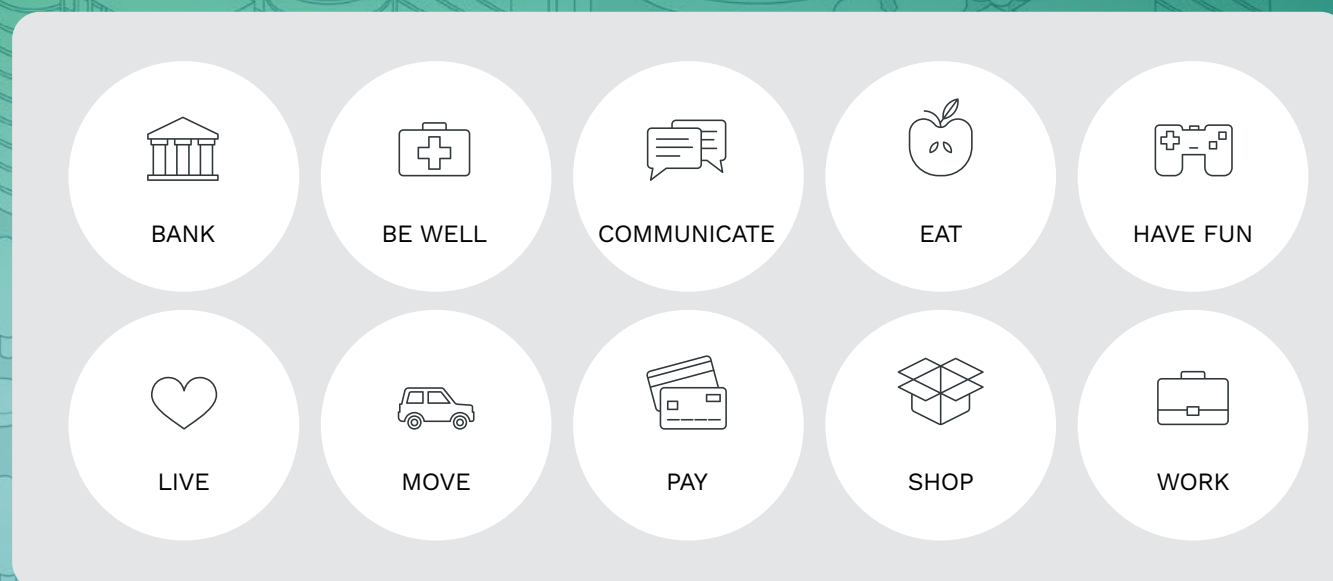
In the May edition of PYMNTS' ConnectedEconomy™ Monthly Report series, PYMNTS went back into the field to examine how consumers' appetite for digital activities is shifting in the wake of disappearing COVID-19 restrictions, lifting mask mandates and the oft-told tale that both these factors will inevitably bring the U.S. economy back to where it was before March 2020. We surveyed 2,658 consumers as part of our ongoing research into the U.S. economy's continuing digital transformation and uncovered new evidence that dismantles the myth of a post-pandemic "return to normal." Far from bringing the digital transformation to a grinding halt, our latest research shows that consumers are increasingly integrating digital into their physical experiences, underscoring the extent to which the brick-and-mortar economy has adapted to a new digital-first paradigm.

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 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 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 three devices on average.

- **MAINSTREAM-TECH**

These consumers are computer/smartphone/tablet/smart TV/gaming console-dominant and own six to seven devices on average.

- **INTEGRATED-TECH**

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

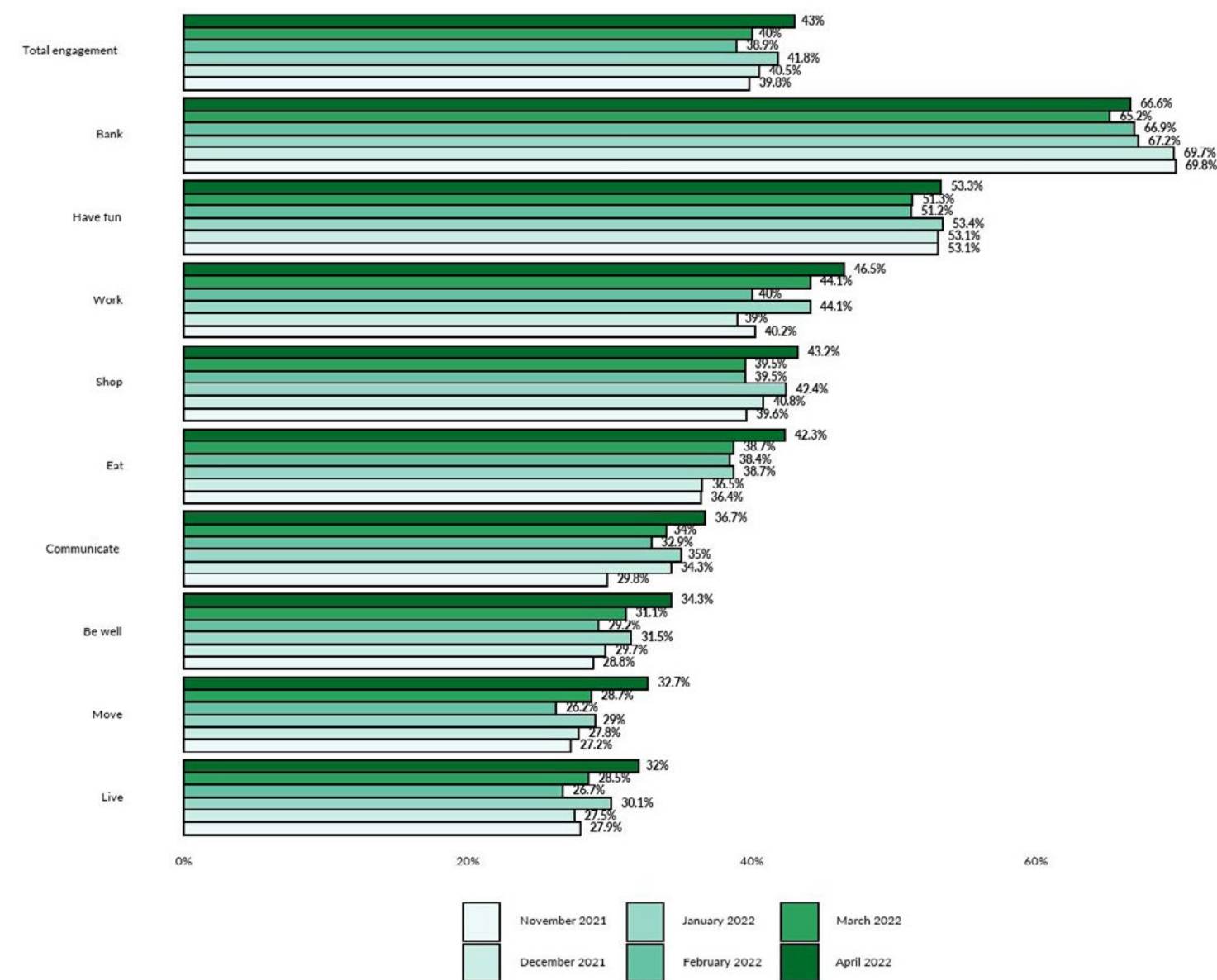
PART I:
The demand for digital reaches new heights

Consumer demand for digital experiences is going up, not down.

Forty-three percent of consumers reported engaging regularly in digital-first activities last month — the highest level of digital engagement observed since November 2021.

This increase in digital engagement is even more drastic if measured since November 2021, when just 40% of consumers reported going online to perform a wide array of routine activities, including ordering groceries, hailing a rideshare and working from home. In fact, 8% more consumers performed at least some activities online last month than did so in November 2021. Although the share of consumers engaged in digital activities has fluctuated from month to month, the overall trajectory is clear: More of them — not less — are going online with the passage of time.

FIGURE 1:
HOW CONSUMERS' DIGITAL ENGAGEMENT HAS CHANGED OVER TIME
Share of consumers engaging in select types of digital activities, by month



Source: PYMNTS.com

PART I:
The demand for digital reaches new heights

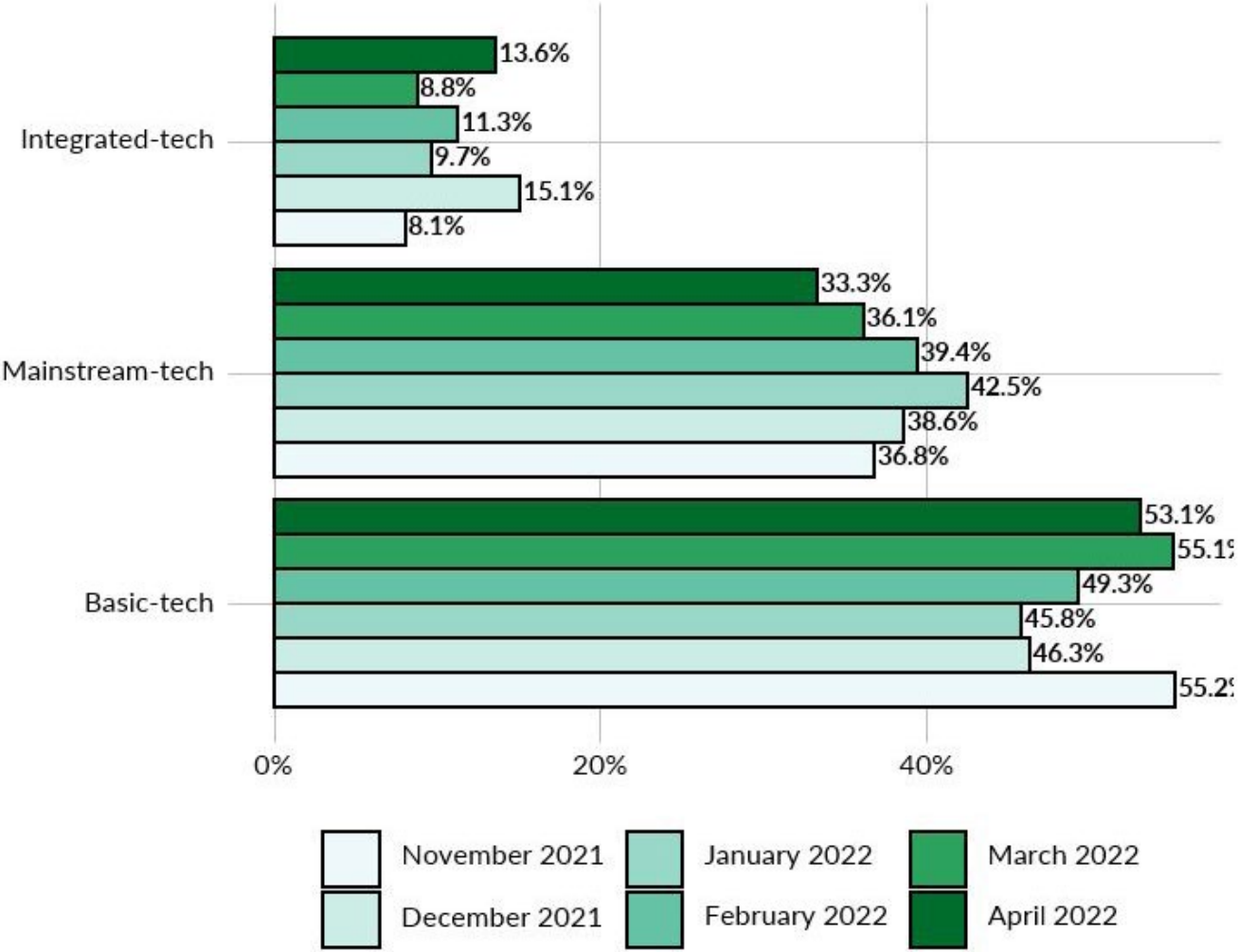
Large, connected device collections
are growing more ubiquitous.

The share of consumers who own six connected devices or more jumped 54% this month, meaning that there are more integrated-tech consumers now than there have been since December 2021.

These integrated-tech consumers accounted for 14% of the adult U.S. population last month. This is the highest share recorded since December 2021 and far higher than the 8.8% recorded last month.

This month-over-month increase in the share of integrated-tech consumers has gone hand in hand with decreases in other types of connected persona groups. The share of mainstream-tech consumers decreased 8% in the last month, and the share of basic-tech consumers decreased 4%.

FIGURE 2:
HOW DEVICE OWNERSHIP HAS CHANGED OVER TIME
Share of consumers falling into select connected device ownership groups, by month



Source: PYMNTS.com



PART I:
The demand for digital reaches new heights

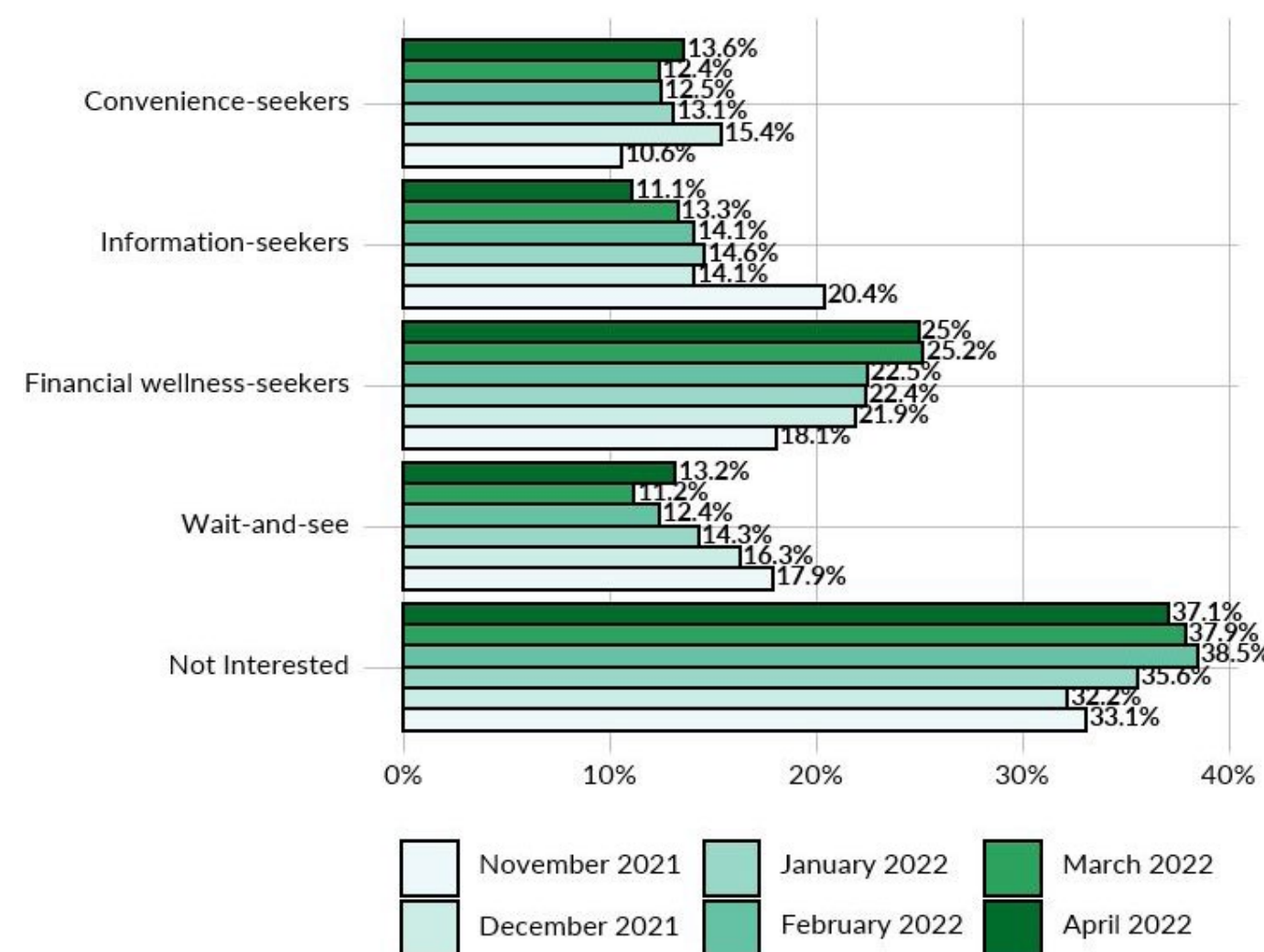
Consumer interest in digital consolidation is also on the rise. Ten percent more consumers said they wanted to consolidate all of their digital activity into a single user interface — or “super app” — than said so in December 2021.

As more consumers go online and perform more of their routine activities digitally, their demand for digital consolidation through a hypothetical super app, which would allow them to manage several digital activities from a single, central location, is also increasing. Fourteen percent of all adult consumers in the U.S. reported wanting to use this type of app to integrate all aspects of their lives online. We call these consumers convenience-seekers, and they are one of three different types of consumers expressing interest in using a super app.

Financial wellness-seekers are another super app persona group. These consumers are interested in using a super app chiefly to manage their finances, such as by consolidating their banking and transaction activity into a single user interface. Financial wellness-seekers accounted for 25% of all adult U.S. consumers last month — roughly the same as the month prior, but their numbers are increasing alongside inflation.

Information-seekers are principally concerned with aggregating most of their user data into a single place, though they are not necessarily interested in transacting online. This can be especially useful for tracking spending patterns, searching for coupons and applying user data to personalize their user experiences. The only areas they are not interested in integrating into a super app are their work and social lives. Eleven percent of consumers were information-seekers last month, and their numbers are in rapid decline.

FIGURE 3:
HOW CONSUMERS' INTEREST IN USING A SUPER APP HAS CHANGED OVER TIME
Share of consumers falling into different connected persona groups, by month



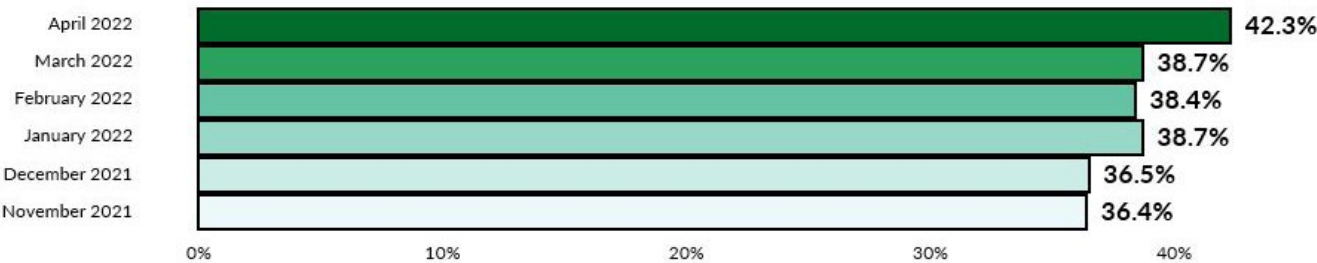
Source: PYMNTS.com

PART II:
Tracking changes in consumers' eating habits

Fifty-six percent of consumers bought food online in April — a 9% increase from March. This is also by far the highest recorded engagement since November 2021.

One of the biggest changes we've witnessed over the past few months is consumers' propensity to purchase food online, both in the form of restaurant orders and groceries to cook at home. Nine percent more consumers reported buying food online last month than the previous month, making for the biggest monthly increase measured since November 2021. In total, consumers were 9.3% more likely to order food online last month than they were in November 2021, underscoring how rapidly consumers' appetite for digital food orders is increasing.

FIGURE 4:
HOW ENGAGEMENT IN ONLINE FOOD ORDERING ACTIVITIES HAS CHANGED WITH TIME
Share of consumers who ordered groceries or placed restaurant orders online, by month



Source: PYMNTS.com

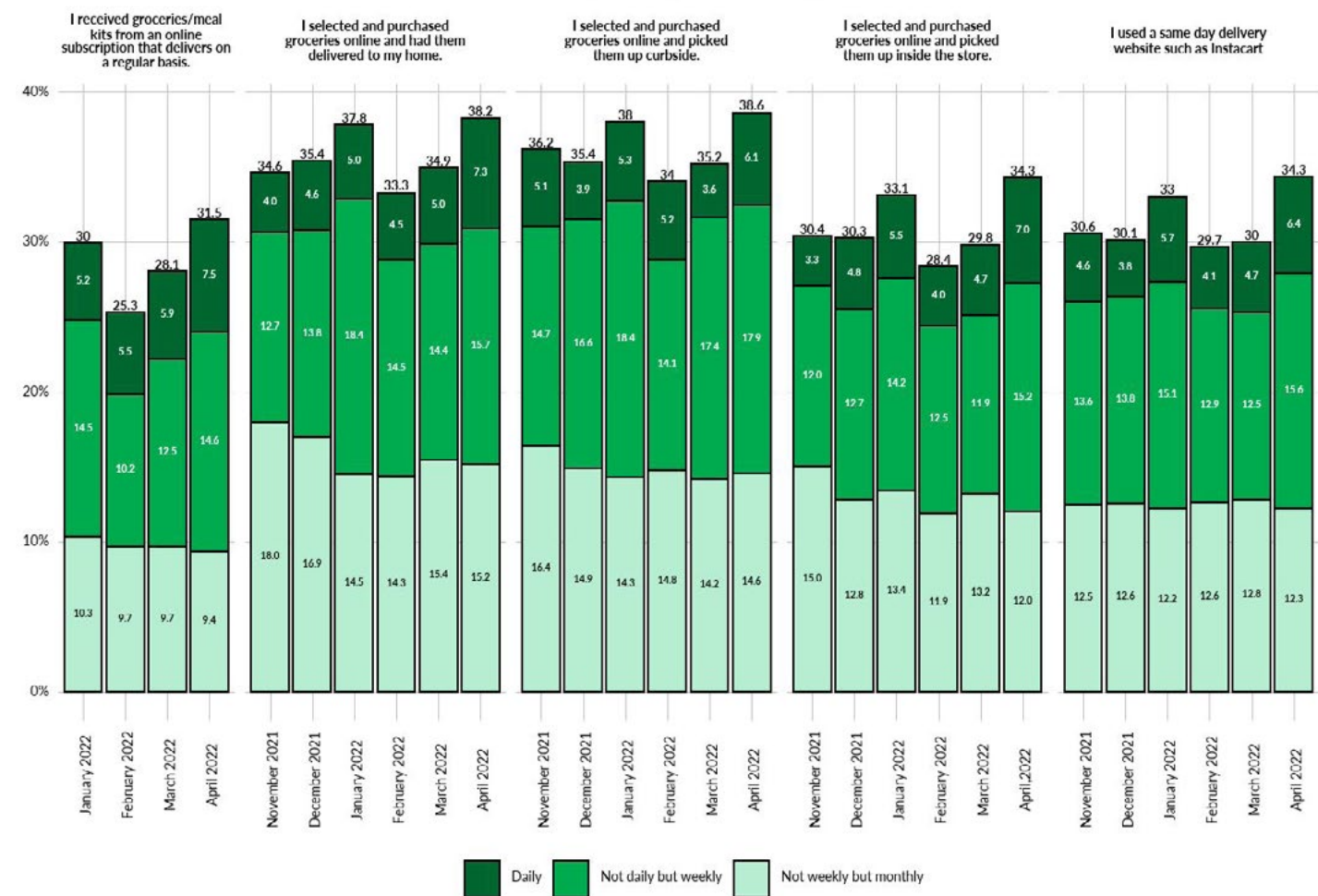
PART II:
Tracking changes in consumers' eating habits

This increase in digital food engagement is fueled by a spike in online grocery orders. Fifteen percent more consumers bought their groceries online in May, with more consumers than ever acquiring grocery orders through almost every ordering channel: home delivery, in-store pickup, same-day delivery, subscriptions and curbside pickup.

The share of consumers who bought groceries online and had them delivered to their homes increased 9% month over month, while the share who ordered them online for same-day delivery increased 14%. We also saw a 10% increase in the share who ordered their groceries online and picked them up in-store. This signals a widespread increase in demand for faster, digitally enabled grocery shopping experiences.

Consumers' use of grocery subscriptions and same-day delivery options has also increased month over month. Twelve percent more consumers obtained their groceries via subscriptions and 10% more picked theirs up curbside last month, underscoring just how widespread the demand for faster, digitally enabled grocery options has become.

FIGURE 5:
HOW CONSUMERS' APPETITE FOR ONLINE GROCERY ORDERS HAS CHANGED OVER TIME
Share of consumers who ordered groceries online, by month



Source: PYMNTS.com

PART II:
Tracking changes in consumers' eating habits

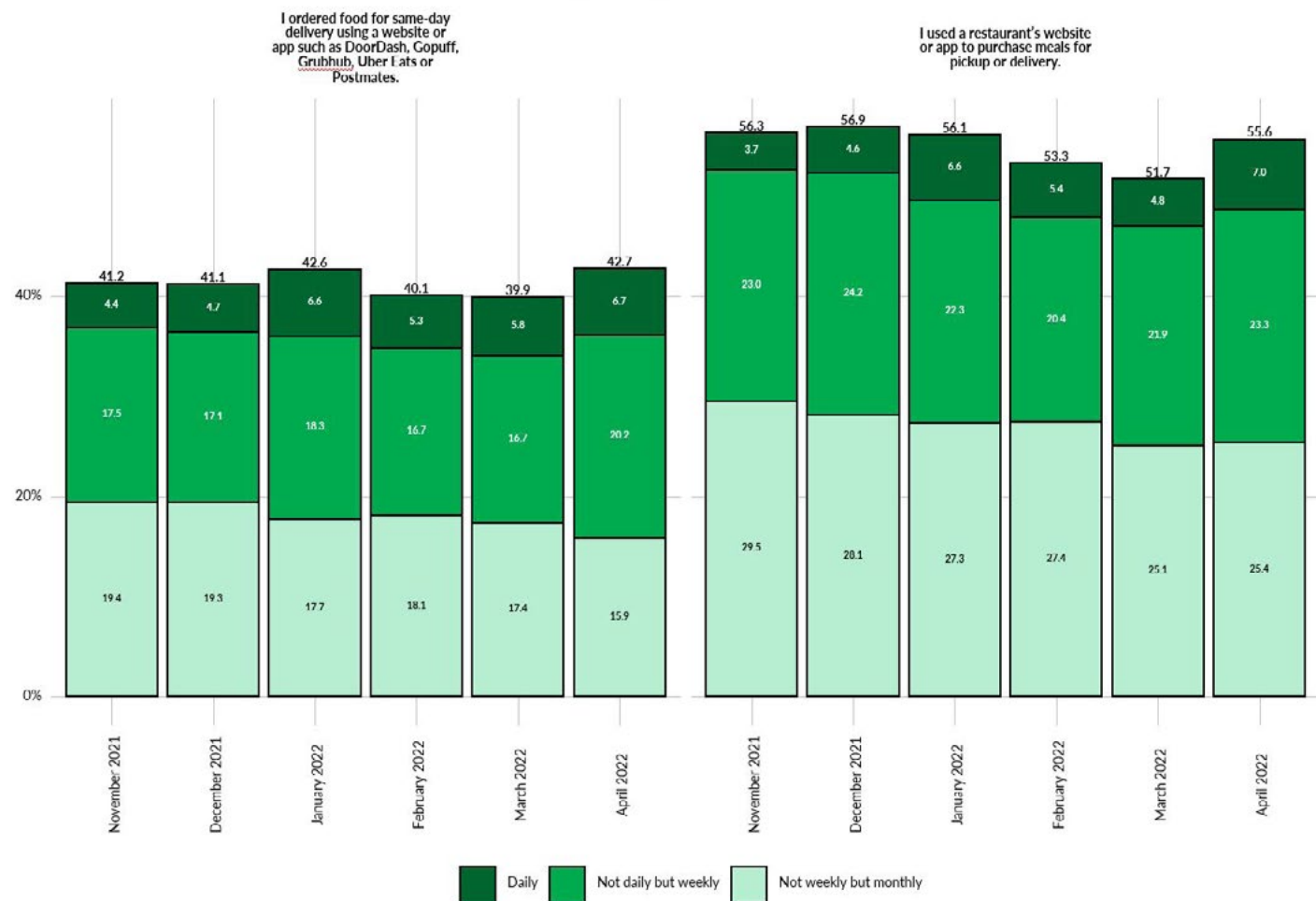
Consumers are going back
to placing restaurant orders online.

The share of consumers ordering from restaurants online and via aggregator has recovered after seeing a temporary setback in February and March.

Our research showed that consumer usage of aggregators to place restaurant orders dipped 5% between January and February, and they remained roughly level through March. It was not until April that aggregator usage reached its previous height. Roughly 43% of consumers have been using aggregators to order from restaurants ever since.

Ordering directly through restaurants' websites or apps recovered in April as well, but it has since dropped back down to March levels. Fifty-three percent of consumers placed orders via restaurants' websites or apps last month — roughly the same share who did so in March.

FIGURE 6:
HOW CONSUMERS' ONLINE RESTAURANT ORDERING HABITS HAVE CHANGED OVER TIME
Share of consumers who placed restaurant orders in select ways, by month



Source: PYMNTS.com

PART III:
Getting travel done online

More travel is leading to greater digital engagement.
Thirty-three percent of all consumers — an estimated 84 million people — now go online to complete at least some part of their travel journeys, far more than seen since November 2021.

This increase in travel activity coincides with widespread lifting of both the mask mandates and the travel restrictions put in place to slow the spread of COVID-19. We witnessed a 14% increase in the share of consumers going online to plan or prepare travel plans last month, whether it was to search for and compare plane ticket prices, hailing Ubers or Lyfts, reserving Airbnbs or otherwise.

FIGURE 7:
HOW CONSUMERS' APPETITE FOR DIGITAL TRANSPORTATION AND TRAVEL ACTIVITIES HAS CHANGED OVER TIME
Share of consumers who went online to perform an activity related to either travel or transportation, by month



Source: PYMNTS.com

PART III: Getting travel done online

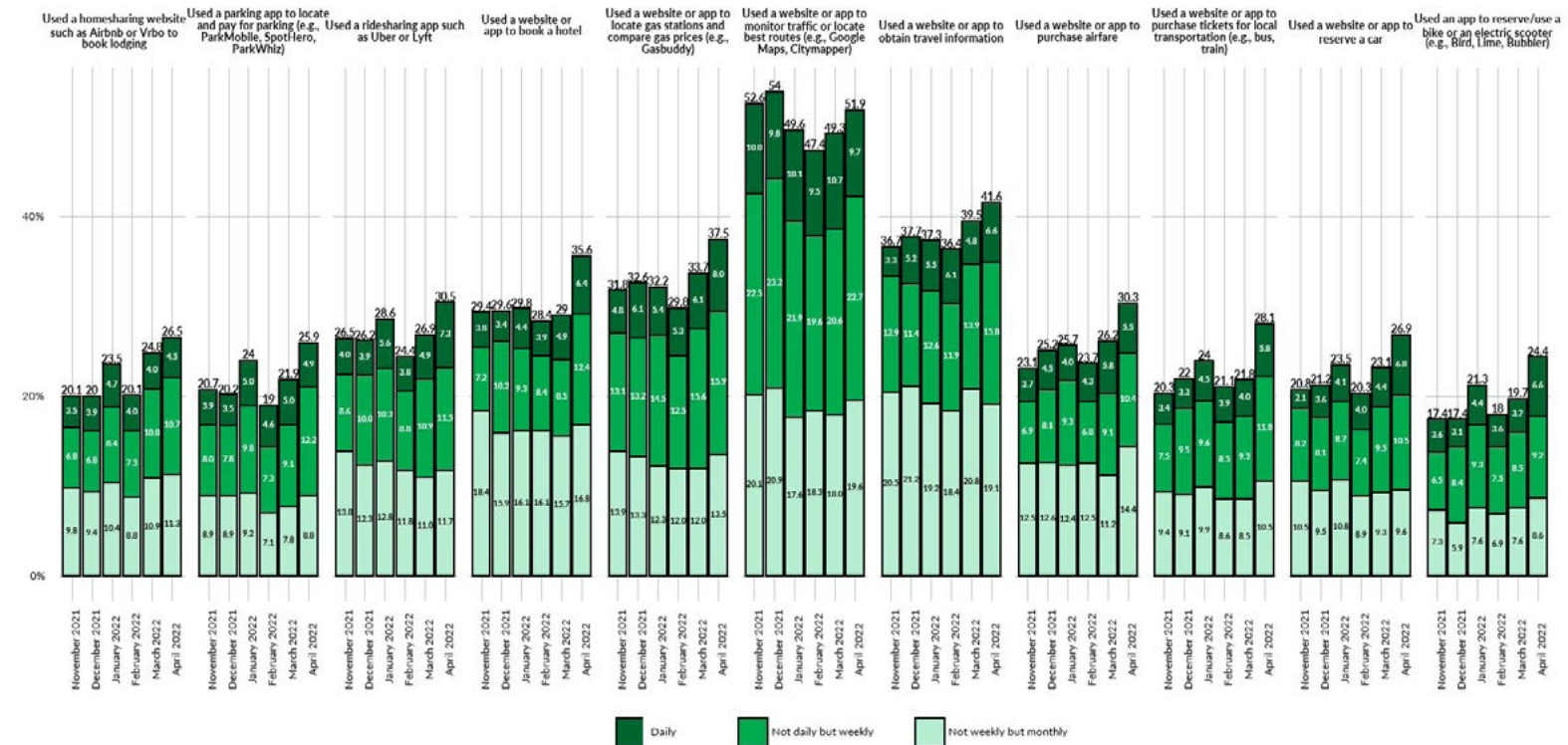
This uptick in online travel- and commute-related activity is chiefly driven by consumers engaging in more vacation-related activities, such as booking hotels.

It is in vacation-related online activities — not commute-related activities — where we see the biggest jump in digital engagement.

Among the 11 activities we track to measure consumers' engagement in the Move pillar of the ConnectedEconomy™, five of them are activities in which we might expect consumers to engage while planning and taking vacations. These include booking hotels and Airbnbs online, using apps to purchase airfare, using apps or sites to track or obtain travel information and using sites to reserve rental cars. Digital engagement in these activities saw a massive increase last month, especially in using sites and apps to reserve hotels. The share of consumers going online to book hotels increased 23%, strongly indicating that consumers are taking the opportunity to travel.

We have also seen increases in the share of consumers using the internet to inform their daily commutes, but not to the same extent. Eighteen percent more consumers went online to locate parking and 11% more used apps to compare gas prices last month, for example. This goes to show how deeply accustomed consumers have become to using the internet to inform what were once strictly physical routine activities.

FIGURE 8:
HOW CONSUMERS' DIGITAL TRANSPORTATION- AND TRAVEL-RELATED BEHAVIOR HAS CHANGED OVER TIME
Share of consumers engaged in select digital transportation or travel activities, by month



Source: PYMNTS.com



The ConnectedEconomy™

Monthly Report

METHODOLOGY

The PYMNTS ConnectedEconomy™ Monthly Report is based on a survey of a census-balanced panel of 2,658 U.S. consumers conducted between April 8 and April 18 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: 17% of respondents declared an annual income of more than \$100,000, 31% earned between \$50,000 and \$100,000 and 53% earned less than \$50,000. Additional proprietary data from PYMNTS was used for supplementary analysis.

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