

Shopping With Cryptocurrency: Tech-Driven Consumers Drive Market Acceptance, a PYMNTS and BitPay collaboration, examines consumers' expectations when using crypto during the checkout process. We surveyed 2,333 consumers from Feb. 22 to March 2 to gauge their use of technology and how that influences their interest in using cryptocurrency as a payment method.



Shopping With Cryptocurrency

Tech-Driven Consumers Drive Market Acceptance

October 2022

PYMNTS

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Acknowledgment

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Introduction



In the digital economy, all consumers are connected — but not all are connected equally. For some, the digital life consists of a smartphone, a laptop and not much else. For others, there is no such thing as having too many devices. These “tech-driven” consumers are ready to hop on the latest digital trends and load up on the newest gizmo Silicon Valley has to offer. They are also the most willing to experiment with emerging payment methods and are more likely than other consumers to invest in or make purchases with cryptocurrency.

Tech-driven consumers account for just 15% of the overall market, but they are a powerful segment. Before most digital technologies make their way to broad acceptance, the tech-driven cognoscenti are the ones who try them out — and their use determines which features have the most appeal. If cryptocurrency becomes regularly available at merchants’ checkouts, it may be a trickle-down effect of the tech-driven consumers’ demand for that payment method.

These are just a few of the key findings in *Shopping With Cryptocurrency: Tech-Driven Consumers Drive Market Acceptance*, a PYMNTS and BitPay collaboration, which examines consumers’ use of connected devices and how that influences their use of cryptocurrency. We surveyed 2,333 consumers from Feb. 22 to March 2 to gauge their use of technology and how it influences their interest in using cryptocurrency as a payment method.

This is what we learned.



Cryptocurrency users are more likely than other consumers to own a wide range of connected devices, which indicates that their technological sophistication and usage affects their interest in crypto.¹

PYMNTS identified a subset of consumers who use a wide range of devices, including smartphones, smartwatches, tablets and eReaders, and tend to be more technologically adept than the average consumer. These tech-driven consumers account for 15% of all consumers and 22% of consumers who hold or have held cryptocurrency. This group, while a relatively small portion of the overall consumer market, are the trendsetters for the adoption of new products and new technologies that other consumers will likely follow. They offer models that merchants and financial institutions can learn from as they tailor their products to capitalize on emerging trends.

1. We used statistical analysis to identify three groups of consumers according to their connected device usage. Basic-tech consumers are consumers who own a limited number of technological devices, two to three devices on average. Mainstream-tech consumers are the predominant subset, owning six connected devices on average. Tech-driven consumers account for 15% of consumers and represent those who are most connected. Individuals in this group own, on average, 10 to 11 connected devices.



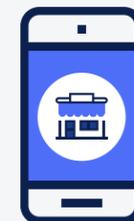
Thirty-five percent of tech-driven consumers prefer to shop at stores that accept crypto, making this the group most likely to lean toward a merchant because of its acceptance of crypto at the checkout.

Tech-driven consumers' preference for merchants that accept cryptocurrency as a payment method is substantially stronger than the other categories of consumers surveyed. Twenty-three percent of basic-tech consumers, who typically own no more than a few connected devices, prefer to shop at merchants that accept crypto. This is also the case for 20% of mainstream consumers, who own an average of six connected devices. However, the preference for a crypto-accepting merchant is so strong among some that 35% of tech-driven consumers prefer merchants that take crypto and 26% would switch merchants in favor of those offering this capability.



Consumers tend to buy cryptocurrency for investment purposes and then use their investment gains as a payment method. This is especially true for tech-driven and mainstream-tech consumers.

Forty-two percent of tech-driven consumers buy cryptocurrency mainly for investment reasons, while 33% use cryptocurrency primarily to make purchases. Similarly, 52% of mainstream-tech consumers buy crypto for investment reasons, and 26% buy it for use as a payment method. Another 10% of mainstream-tech consumers buy crypto to simply take part in the trend.



Tech-driven consumers have more experience using crypto for shopping online and in stores.

Forty percent of tech-driven consumers who own cryptocurrency made online purchases with it in the past 30 days, compared to 35% of basic-tech consumers and 19% of the mainstream group. Tech-driven consumers who shop with cryptocurrency also tend to use it more frequently for in-store purchases: 34% of that group used it for in-store purchases in the past 30 days, compared to 25% of basic-tech consumers and 11% of the mainstream group.



Higher incomes, more education: Hallmarks of tech-driven consumers

Twenty-three percent of consumers earning more than \$100,000 annually and 22% of consumers with college educations are classified as tech-driven consumers. Still, no single classification of device ownership accounts for a majority of consumers, although mainstream-tech consumers make up the largest category, at 46%.

PYMNTS' data shows that virtually all consumers own and use technology, but they differ based on the extent to which they own smart and connected devices. Basic-tech consumers, those who are least likely to purchase gadgets and account for 40% of all consumers, own two to three devices on average.

This differentiation by consumers' ownership of connected devices suggests that merchants can expand the use of crypto at the checkout by targeting promotions to fit each consumer category.



Income and education also influence how much technology consumers will incorporate into their shopping routines. Just 7.9% of consumers with only high school educations and 5.9% of consumers with annual earnings of less than \$50,000 are in the tech-driven category.

Still, tech-driven consumers account for less than one in four consumers with annual incomes of \$100,000 or more and less than one-quarter of consumers with college educations.

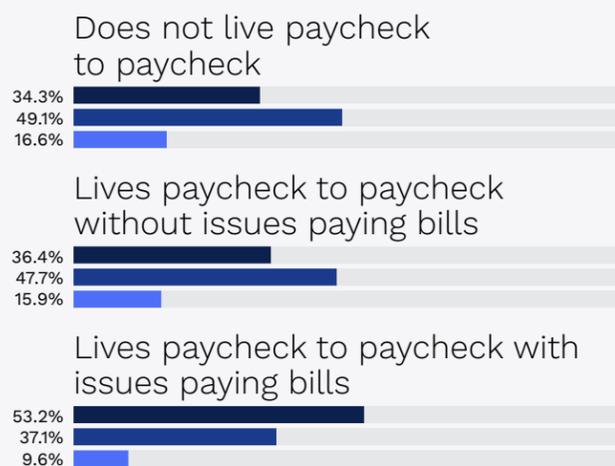
Age also has a big influence on whether consumers are classified as tech-driven. Twenty percent of bridge millennials and 19% of both millennial and Generation X consumers fall into that category, compared to just 8.2% of baby boomers and seniors. Fourteen percent of the members of Generation Z are tech-driven.

Figure 1:

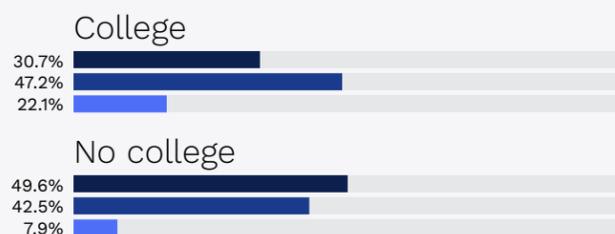
Sizing up the tech-driven consumer

Share of consumers categorized into tech persona groups, by demographic

FINANCIAL LIFESTYLE



EDUCATION



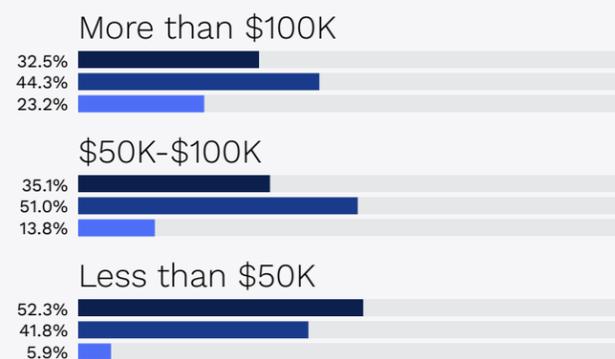
- Basic-tech
- Mainstream
- Tech-driven

Source: PYMNTS

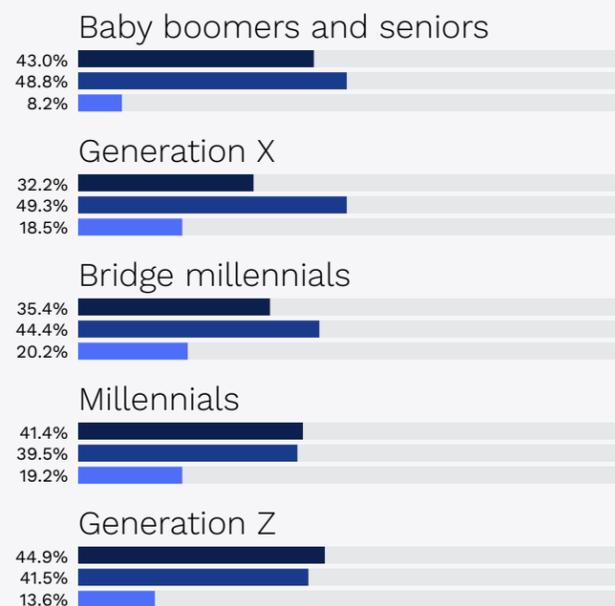
Shopping With Cryptocurrency: Tech-Driven Consumers Drive Market Acceptance, October 2022

N = 2,333: Complete responses, fielded Feb. 22, 2022 – March 4, 2022

INCOME



GENERATION



39%
of basic-tech consumers buy cryptocurrency for transactional reasons.

A vast opportunity for merchants

Thirty-seven percent of basic-tech consumers are ambivalent about shopping with merchants that accept crypto as a payment method, as are 56% of mainstream consumers and 47% of tech-driven consumers. These large shares of consumers with no preference about how accepting crypto might influence where they shop suggests an opportunity for merchants to persuade and educate consumers about crypto's benefits.

Merchants would do well to gain more understanding of their customers' level of technology sophistication. PYMNTS' data indicates that the tech-savviest consumers are the most likely to be influenced by a merchant's acceptance of crypto at the checkout. Thirty-five percent of tech-driven consumers prefer doing business with retailers that accept crypto at the checkout. For basic-tech consumers, the share is 23%, and 20% of mainstream-tech consumers share this preference. PYMNTS' data also shows that 41% of basic-tech consumers, 24% of mainstream-tech consumers and 17% of tech-driven consumers say they prefer to shop with merchants that do not accept crypto. This presents an obstacle for merchants, but there is still an opportunity to capitalize on the consumers who do seek out this option.

Figure 2:

Where tech users like to shop

Share of consumers citing select preferences for shopping with merchants that accept cryptocurrency, by tech persona



Source: PYMNTS

Shopping With Cryptocurrency: Tech-Driven Consumers Drive Market Acceptance, October 2022

N = 2,333: Complete responses, fielded Feb. 22, 2022 – March 4, 2022

When crypto owners invest, and when they transact

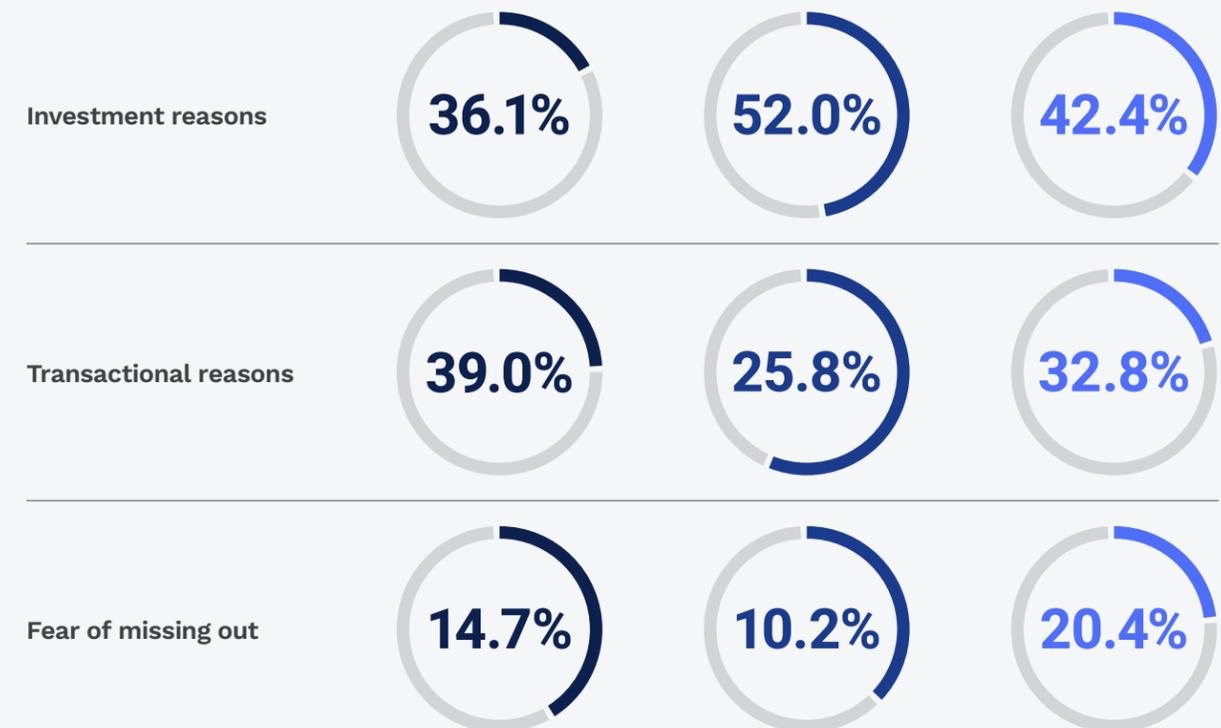
In the 13 years since bitcoin was created, the primary reason most consumers have purchased crypto is for investment purposes. It is still less likely that consumers will buy crypto as a means of exchange.

Although basic-tech consumers own the fewest connected devices of the groups we surveyed, those in that group who own crypto are the most likely to buy it to use as a means of payment. Thirty-nine percent of basic-tech consumers buy cryptocurrency for transactional reasons, while 36% buy it for investment purposes. This suggests that consumers' technological sophistication and usage affects their reasons for owning cryptocurrency.

Figure 3:

Cryptocurrency's lure

Share of consumers citing select reasons as main motivators to buy crypto, by tech persona



■ Basic-tech
■ Mainstream
■ Tech-driven

Source: PYMNTS

Shopping With Cryptocurrency: Tech-Driven Consumers Drive Market Acceptance, October 2022

N = 1,096: Respondents who hold cryptocurrency or held it in the last 12 months, fielded Feb. 22, 2022 – March 4, 2022

More than a decade after the dawn of the cryptocurrency era, consumers still see crypto as an opportunity they are afraid of missing out on. Twenty percent of tech-driven consumers, 10% of the mainstream-tech group and 15% of basic tech consumers say they buy crypto to avoid missing out on the biggest trend in finance.

Consumers with more tech devices are frequent crypto shoppers

Tech-driven consumers use crypto up to to 20 times per month, more frequently than either mainstream or basic-tech consumers.

Thirty-five percent of tech-driven holders use cryptocurrency frequently for purchases, as do 21% of mainstream and 10% of basic-tech consumers. Tech-driven consumers were also more likely to have used crypto while shopping in the 30 days prior to being surveyed. Forty percent of the tech-driven group who hold crypto used it for online shopping, and 34% used it for in-store shopping.

By comparison, 35% of basic-tech cryptocurrency owners used crypto while shopping online, and 25% used it for in-store shopping. Only 19% of mainstream-tech consumers used crypto to shop online, and 11% used it for shopping in stores.



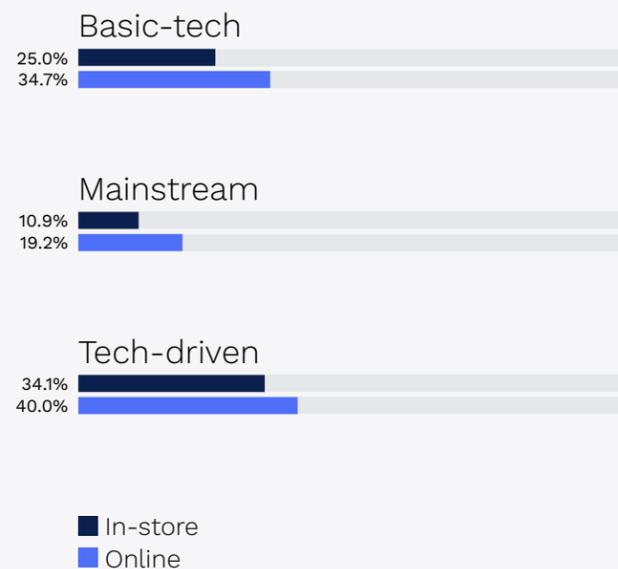
In fact, about two-thirds of frequent crypto users are classified as habitual users, meaning they use it more than 20 times per month. Twenty-four percent of tech-driven consumers are habitual users, as are 15% of mainstream-tech users and 6% of basic-tech users.

Consumers who are occasional or infrequent users of cryptocurrency are as likely to be mainstream or basic-tech consumers as they are to be tech-driven. Fifty-one percent of basic-tech consumers are occasional crypto users, while 41% of mainstream-tech and 40% of tech-driven consumers fall into this category. Thirty-nine percent of both basic-tech and mainstream-tech holders are classified as rare users of crypto.

24%
of tech-driven consumers are habitual cryptocurrency users.

Figure 4A:
The link between tech ownership and crypto usage

Share of consumers who own cryptocurrency and used it for in-store or online shopping in the past 30 days, by tech persona



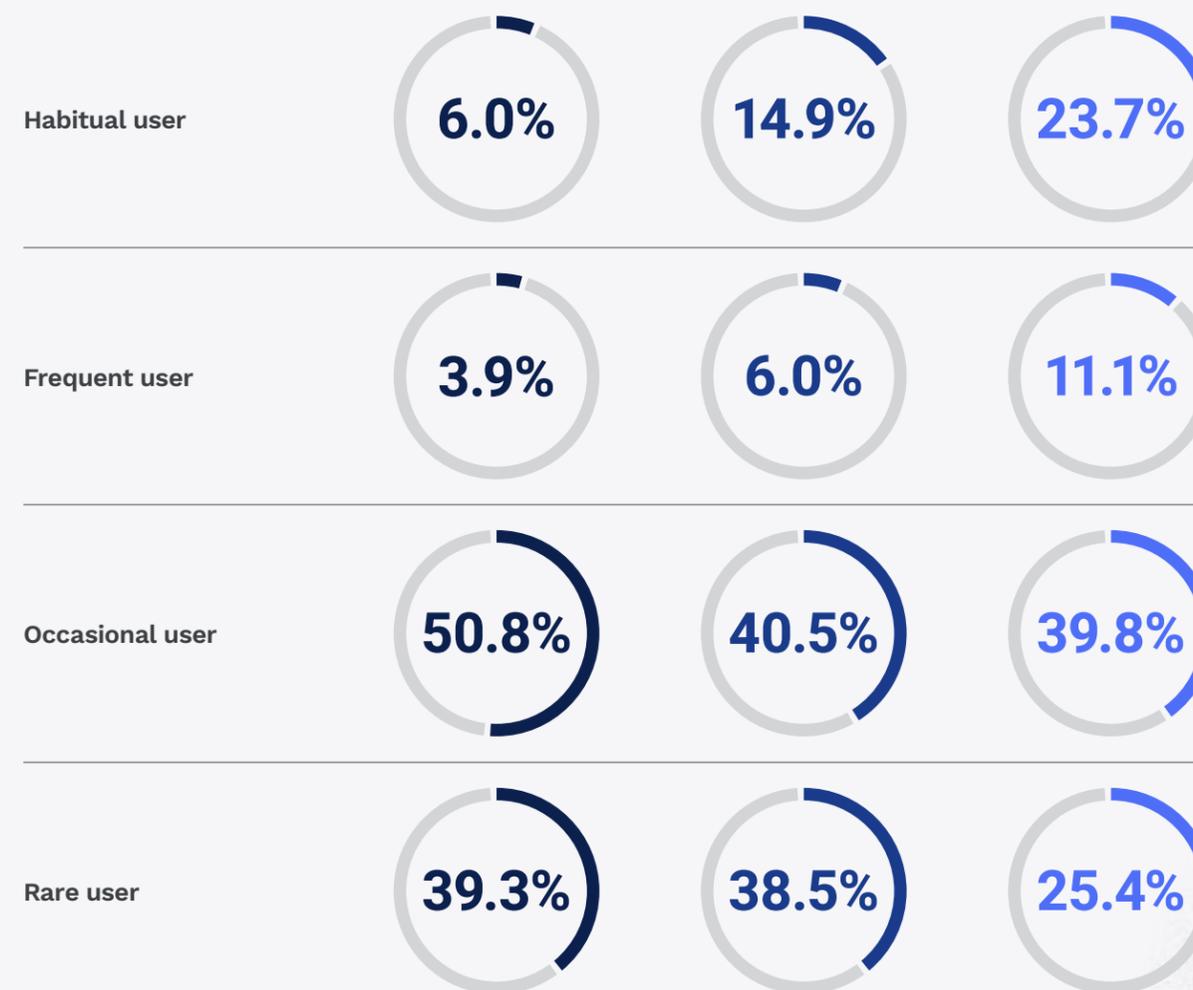
Source: PYMNTS

Shopping With Cryptocurrency: Tech-Driven Consumers Drive Market Acceptance, October 2022

N = 1,096: Respondents who hold cryptocurrency or held it in the last 12 months, fielded Feb. 22, 2022 – March 4, 2022

Figure 4B:
The link between tech ownership and crypto usage

Share of consumers who use cryptocurrency when shopping at select rates, by tech persona



■ Basic-tech
■ Mainstream
■ Tech-driven

Source: PYMNTS

Shopping With Cryptocurrency: Tech-Driven Consumers Drive Market Acceptance, October 2022

N = 1,096: Respondents who hold cryptocurrency or held it in the last 12 months, fielded Feb. 22, 2022 – March 4, 2022

Conclusion

The most technologically adept and adventurous consumers have driven much of the digital shift that has defined the economy in recent years. This trend is likely to continue, and as it does, technologies that have been relegated to secondary roles in the broader economy may soon gain wider acceptance. As the tech-driven consumers who are often the first to adopt new technologies appear ready to increase their use of cryptocurrency as a payment method, it is possible that the next stage of the digital shift may include widespread acceptance of crypto at checkout. The merchants who are first to recognize this trend may position themselves to profit from it.

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Methodology

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About

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PYMNTS 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.

bitpay

The first and most experienced company in bitcoin payments, **BitPay** builds powerful tools for spending, accepting and building with bitcoin.

The company has offices in North America, Europe and South America and has raised over \$70 million from top investors including Index Ventures, Aquiline Technology Growth, Menlo Ventures, Founders Fund and Sir Richard Branson.

We are interested in your feedback on this report. If you have questions or comments, or if you would like to subscribe to this report, please email us at feedback@pymnts.com.

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