

The Cryptocurrency Payments Report: How Consumers Want To Use It To Shop And Pay, a PYMNTS and BitPay collaboration, examines U.S. consumers' current interest in and future plans to own cryptocurrency and use it to make payments. The Report analyzes a census-balanced survey of 8,008 U.S. consumers who were current and former cryptocurrency users and cryptocurrency nonusers between Feb. 8 and Feb. 23, 2021, to gain a comprehensive overview of how they used cryptocurrency to make payments.

Cryptocurrency Payments Report

How Consumers
Want To Use It
To Shop And Pay

May 2021

PYMNTS.com

bitpay

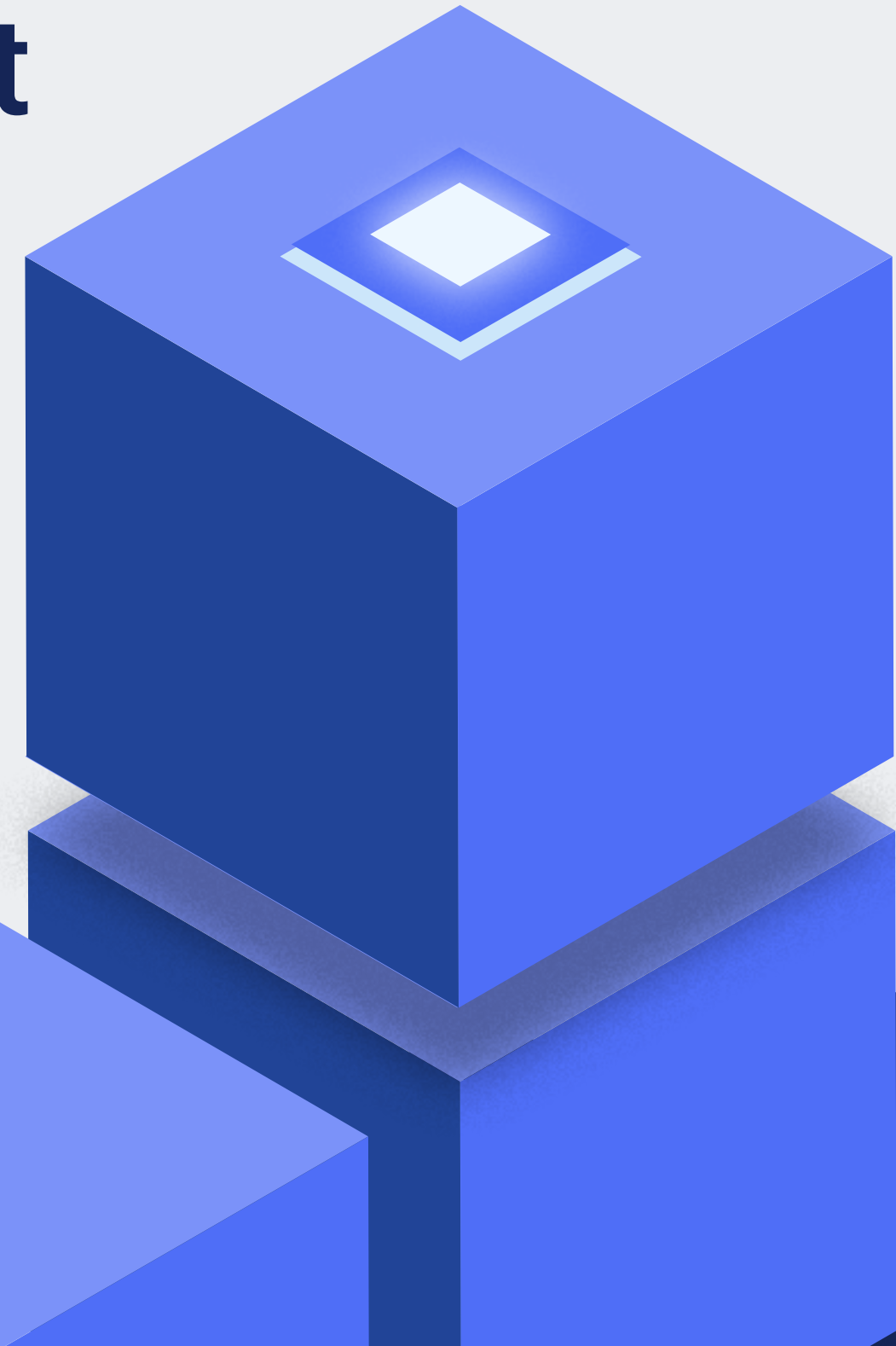


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Acknowledgment

The Cryptocurrency Payments Report was done in collaboration with Bitpay, and PYMNTS is grateful for the company's support and insight. PYMNTS.com retains full editorial control over the following findings, methodology and data analysis.

Introduction



Cryptocurrencies have come a long way since bitcoin's 2009 debut. The once-obscure cryptocurrencies that were the domain of only the most ardent enthusiasts are now one of the most talked-about topics in payments. Trading apps such as Robinhood and Coinbase make buying and selling cryptocurrency more accessible to the retail investor. Influencers such as Elon Musk and Mark Cuban stoke interest.

Cryptocurrency ownership soared 63 percent in 2020 alone, and so has its valuation. The cryptocurrency market's valuation exceeded \$2 trillion for the first time in April of this year.¹

Consumers' interest in buying and spending cryptocurrency continues to rise, propelled by the fear of missing out on both a potential investment opportunity and a way to use these currencies as an alternative to their own fiat currencies to pay for retail purchases.

PYMNTS, in collaboration with BitPay, set out to examine consumers' current interest in and future plans for ownership and use of cryptocurrency. PYMNTS conducted a census-balanced survey of 8,008 United States consumers who were current and former cryptocurrency users and cryptocurrency nonusers between Feb. 8 and Feb. 23, 2021.


We discovered that 16 percent of the U.S. population either currently owns cryptocurrencies or once did. Thirty million consumers currently own cryptocurrency, and nearly 24 million consumers who are either former owners or nonowners plan on acquiring it in the future. In all, 29 percent of consumers are likely to purchase cryptocurrency, whether they are owners or not.

We also found that current and former users — and even nonusers — are eager to own and use cryptocurrencies for making purchases in the future, going so far as to say that they would if more merchants accepted it.

Eighteen percent of the adult population is likely to use cryptocurrency to make a purchase, some 46 million consumers, including 17 million nonowners. Those who have made purchases with it bought everything from real estate and jewelry to groceries and food from delivery aggregators.

What is driving consumers' growing interest in using cryptocurrency for making day-to-day payments, and why should merchants pay attention? The following study details the insights.

¹Chan, J. Crypto Market Value Exceeds \$2 Trillion for First Time. *Entrepreneur*. April 2021. <https://www.entrepreneur.com/article/368913>. Accessed May 2021.



**Cryptocurrencies
gain momentum as a
valid payment option**

Cryptocurrencies have gained momentum with consumers as a trusted payment option.

Two-thirds of current and former owners purchased cryptocurrencies to make transactions, and 93 percent of cryptocurrency owners would consider making purchases with it in the future.

PYMNTS' research shows that 12 percent of consumers (a projected 30 million) currently own one or more cryptocurrencies, 4.5 percent (11.5 million) have owned them in the past and 17 million nonowners may acquire cryptocurrency for making purchases in the near future.

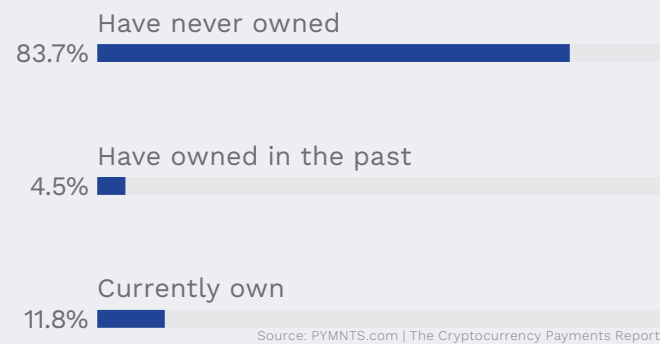
Consumers' comfort level with making purchases using cryptocurrencies is high among current owners but is notably strong with those who have never owned cryptocurrency. Fifty-seven percent of former or present cryptocurrency owners made at least one purchase using it last year, and 59 percent of consumers who never owned cryptocurrency are interested in using it to make purchases in the future. The fact that more than half of consumers who have never owned cryptocurrency are interested in using it in the future illustrates that consumers now perceive cryptocurrencies as a trusted payment option.

Cryptocurrency holders are young, male and millennial.

Who are these cryptocurrency owners? Our research shows that cryptocurrency owners are more commonly younger, middle-income and male. Nineteen percent of millennials currently own cryptocurrencies, as do 16 percent of middle-income consumers (those earning between \$50,000 and \$100,000 per year), 15 percent of men and 8.5 percent of women.

Millennials and bridge millennials are the most likely of all to already own cryptocurrency or to have owned it in the past. Our research shows that 28 percent of all millennials and bridge millennials either own or have owned at least one type of cryptocurrency, compared to 17 percent of Generation X consumers and only 5.2 percent of baby boomers and seniors, by contrast.

FIGURE 1:
Who are the cryptocurrency owners?
1a: Cryptocurrency ownership status



1b: Cryptocurrency ownership status, by income

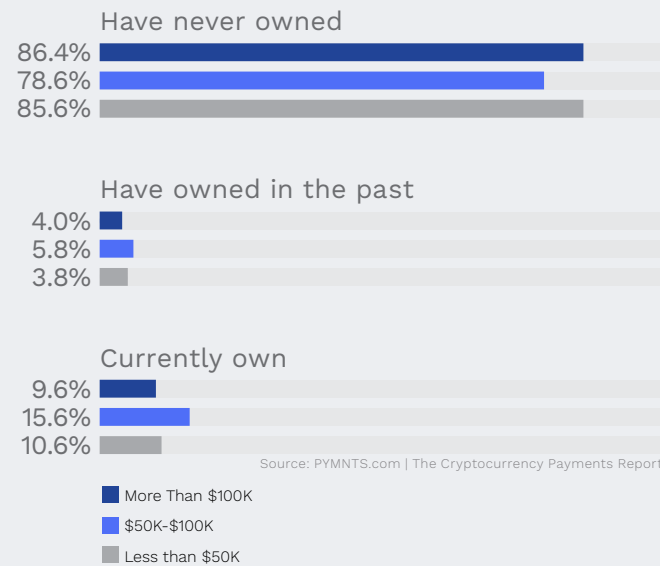


TABLE 1:
Cryptocurrency ownership status, by generation

	Generation Z	Millennials	Bridge millennials	Generation X	Baby boomers and seniors
• Has never owned	80.3%	72.4%	72.5%	83.3%	94.7%
• Has owned in the past, but not now	4.1%	8.5%	8.2%	3.5%	2.0%
• Currently owns	15.6%	19.1%	19.3%	13.2%	3.2%

Source: PYMNTS | The Cryptocurrency Payments Report



Millennials are particularly interested in paying for retail products, streaming services and financial services using cryptocurrency.

Consumers are looking to use cryptocurrency for making purchases both big and small. Nearly a quarter of current or former cryptocurrency owners have used cryptocurrency to purchase groceries and retail products as well as to make online gaming or gambling-related purchases, pay for streaming services or access financial services. A small but significant share of nonowners are interested in making purchases via cryptocurrency in these categories as well, especially for buying groceries (19 percent) and paying for streaming services (20 percent).

Seventy-eight percent of millennial cryptocurrency nonowners are interested in purchasing at least one product type using cryptocurrency, second only to Gen Z (82 percent).

The top five things current and former millennial cryptocurrency owners would consider paying for with cryptocurrency are travel and leisure (62 percent), real estate (60 percent), professional services (58 percent), furniture and appliances (57 percent) and financial services (56 percent).

Demand and interest in using cryptocurrency for making day-to-day purchases is also particularly high among millennials, especially for streaming services, grocery purchases, online gaming and computer-related products (29 percent each) and more routine travel and leisure-related purchases (22 percent).

TABLE 2: Purchases and interest in purchasing using cryptocurrency, by generation and product categories

Product categories	Purchases using cryptocurrency			Consumer spending ranking	Current or former owners who have made purchases using cryptocurrencies, by generation					Current or former owners who would consider purchasing in the future using cryptocurrency, by generation				
	Owners who purchased	Owners who would consider purchasing in the future	Cryptocurrency nonowners who would be interested in purchasing		Generation Z	Millennials	Bridge millennials	Generation X	Baby boomers and seniors	Generation Z	Millennials	Bridge millennials	Generation X	Baby boomers and seniors
At least one category	57.4%	92.6%	58.7%	-	72.2%	63.8%	62.7%	50.2%	28.1%	96.4%	93.1%	93.3%	92.9%	85.0%
Groceries	25.3%	51.4%	19.1%	3	29.8%	28.6%	28.6%	21.5%	14.2%	53.6%	51.1%	53.2%	54.5%	42.3%
Online gaming or gambling	25.1%	48.6%	13.9%	13	26.2%	28.6%	28.4%	23.7%	12.2%	54.3%	50.5%	49.1%	49.5%	30.4%
Streaming	24.1%	53.0%	20.4%	10	32.9%	28.8%	26.7%	18.1%	6.9%	47.6%	53.2%	54.9%	58.9%	44.6%
Computers and electronics	24.1%	57.8%	19.4%	14	26.9%	28.9%	25.4%	19.4%	10.9%	59.2%	54.8%	59.8%	64.4%	52.9%
Financial services	23.3%	57.8%	14.0%	2	23.6%	27.6%	25.2%	20.0%	11.5%	56.9%	56.4%	60.4%	63.4%	51.6%
Restaurants/food delivery	23.2%	52.9%	18.9%	4	30.3%	26.2%	25.7%	19.6%	9.2%	52.7%	53.4%	54.1%	54.5%	46.7%
Clothing and accessories	22.9%	54.2%	19.0%	7	25.4%	26.8%	27.7%	20.6%	8.3%	54.9%	53.0%	55.3%	58.8%	47.0%
Entertainment and media	21.2%	55.7%	13.0%	11	26.4%	24.7%	23.6%	16.9%	9.4%	60.6%	55.4%	56.2%	59.1%	41.6%
Furniture and appliances	18.6%	57.9%	14.3%	8	21.5%	22.8%	21.9%	15.1%	5.3%	55.7%	57.4%	59.1%	62.5%	51.1%
Professional services	18.5%	55.7%	9.4%	12	18.3%	21.6%	18.7%	17.0%	8.9%	53.8%	57.9%	61.1%	59.2%	40.6%
Jewelry	18.3%	54.8%	12.1%	15	24.3%	20.6%	18.8%	15.6%	6.4%	54.9%	54.8%	59.4%	61.0%	39.3%
Travel and leisure	17.4%	62.6%	18.6%	6	14.0%	21.6%	19.3%	16.3%	6.0%	65.3%	61.6%	63.3%	65.7%	55.9%
Real estate	17.1%	57.9%	12.0%	1	25.8%	18.8%	17.4%	13.6%	7.4%	53.0%	60.4%	62.3%	63.1%	40.6%
Education/training services	16.7%	52.6%	7.8%	9	21.9%	19.5%	16.4%	14.5%	3.1%	50.3%	54.5%	58.5%	57.8%	34.3%
Autos, boats or other vehicles	16.2%	55.9%	11.9%	5	17.5%	20.4%	17.4%	13.4%	3.4%	53.0%	56.3%	59.4%	61.2%	44.7%

Cryptocurrency use is especially high for making small-value purchases. Nearly half of cryptocurrency owners make purchases valued at less than \$100. This is particularly true for Gen Z, of whom 53 percent have made such a purchase, and millennials, at 48 percent. Thirty-one percent of cryptocurrency owners make purchases in the \$100 to \$1,000 range, and 19 percent make purchases that are valued at more than \$1,000.

Baby boomers, meanwhile, more commonly use cryptocurrencies for more expensive purchases. Forty-five percent of current and former cryptocurrency holders used them for making purchases in the \$100 to \$1,000 range. Just 30 percent of Gen Z owners made cryptocurrency purchases in this price range.

PYMNTS data shows that 68 percent of those who earn \$50,000 or less per year make cryptocurrency transactions of \$100 or less, while 29 percent of those who earn \$100,000 or more make cryptocurrency transactions valued at \$1,000 or more.

FIGURE 2:
Average amount spent using cryptocurrency last year



2b: Smallest amount spent using cryptocurrency last year, by income

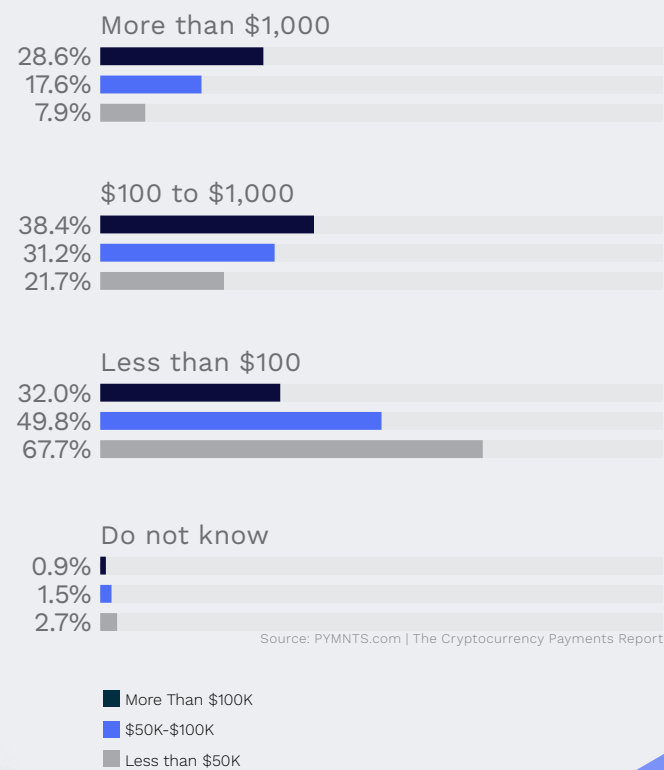
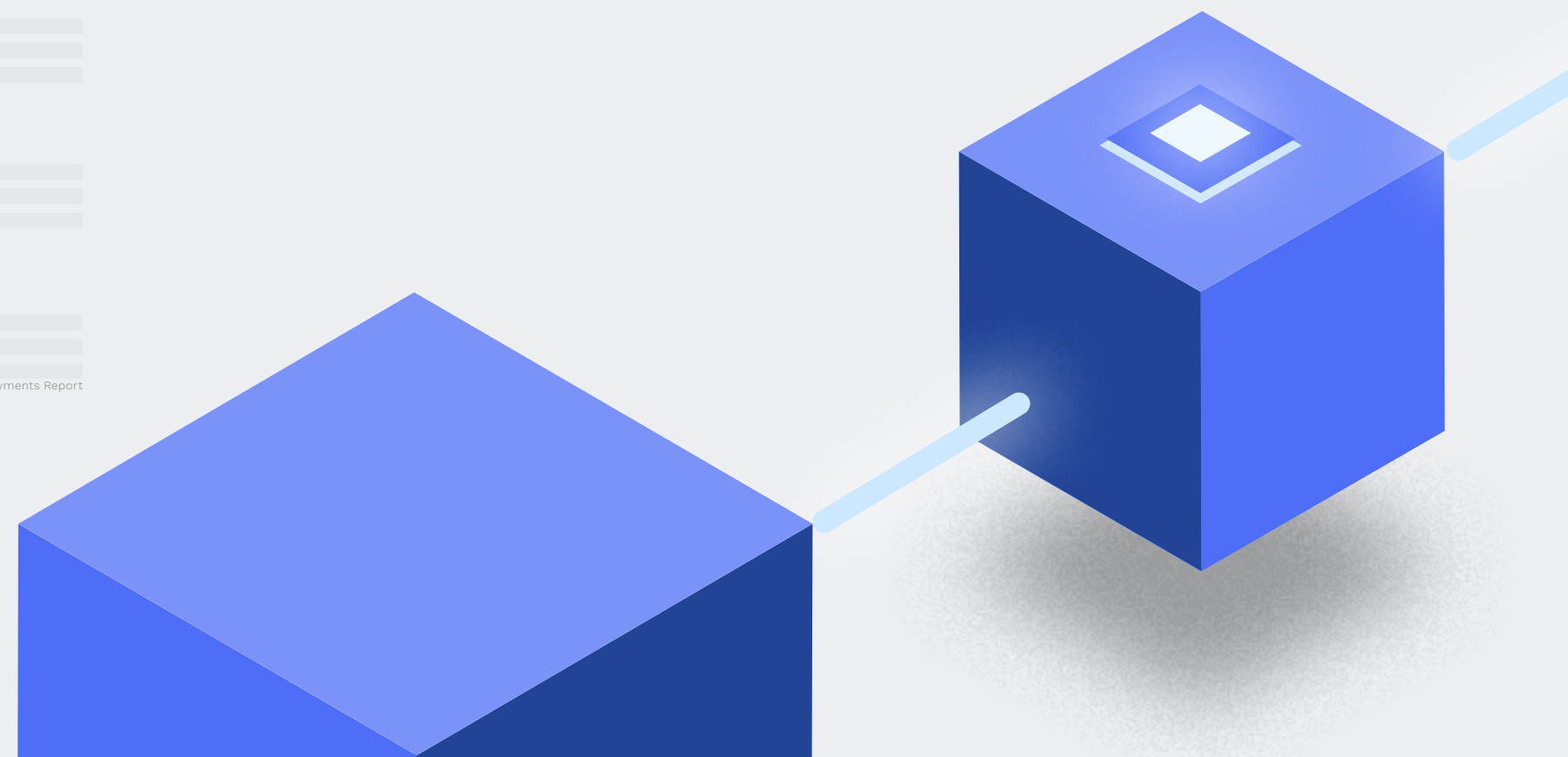


TABLE 3:
Smallest amount spent using cryptocurrency last year, by generation

	Generation Z	Millennials	Bridge millennials	Generation X	Baby boomers and seniors
• More than \$1,000	16.8%	21.9%	21.3%	17.0%	4.5%
• \$100 to \$1,000	30.1%	28.9%	30.8%	34.3%	44.8%
• Less than \$100	53.1%	47.5%	45.4%	47.0%	45.0%
• Do not know	0.0%	1.7%	2.6%	1.7%	5.7%

Source: PYMNTS | The Cryptocurrency Payments Report



Bitcoin is the most commonly owned cryptocurrency, with 80 percent of current holders owning it.

Sixty-nine percent of cryptocurrency holders own currencies other than bitcoin, and ownership of bitcoin and other cryptocurrencies is especially high among Gen Z.

Bitcoin (BTC), the oldest cryptocurrency, is today also the most acquired, with 82 percent of current or previous holders owning it. Twenty-six percent of individuals who currently own any cryptocurrency solely hold bitcoin, while 46 percent hold bitcoin and another cryptocurrency. Bitcoin is also widely recognized by nonowners: 72 percent of them report that it is the most familiar coin, followed by bitcoin cash (29 percent).

Younger consumers in general are most likely to acquire bitcoin and other popular cryptocurrencies. PYMNTS' research shows that Gen Z (58 percent), millennial (45 percent) and bridge millennial (46 percent) owners are the most likely generations to purchase bitcoin and other cryptocurrencies at the same time.

Just less than a third (29 percent) of current cryptocurrency owners hold cryptocurrencies other than bitcoin. Other cryptocurrencies still have a long way to go to make inroads. Ethereum, for example, is the third-most commonly owned cryptocurrency, but only 13 percent of nonowners are familiar with it. Meanwhile, dogecoin, despite the recent hype, is far from being the most owned, as just 18 percent of nonowners are familiar with it.

Nearly three-quarters of consumers view cryptocurrency as an investment opportunity, but that does not mean that consumers are not keen to use cryptocurrency for making purchases. More than 60 percent of current and past holders purchased cryptocurrency to be able to transact. The third-most common reason current owners cite for buying cryptocurrency is the fear of missing out (FOMO). More than half of current owners and 32 percent of past owners said they purchased cryptocurrency because of that fear.

FIGURE 3:
Cryptocurrencies that former and current owners have purchased
Cryptocurrencies former and current owners have purchased overall



FIGURE 4:
Select reasons to have purchased cryptocurrency
Select reasons consumers have purchased cryptocurrency, by current and former owners

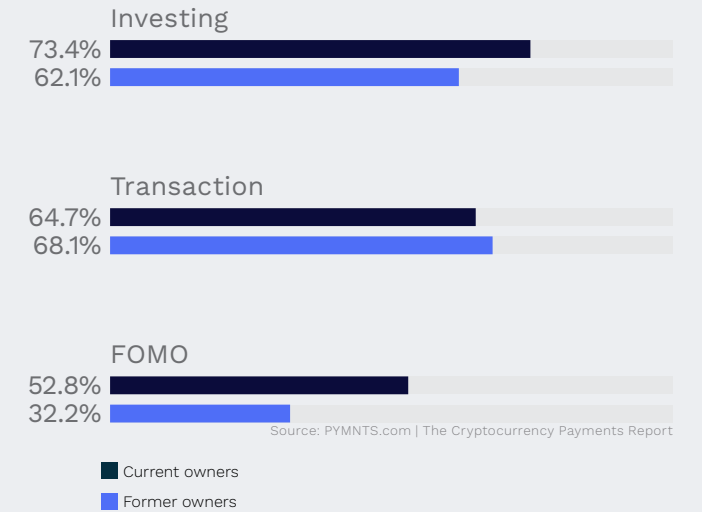


TABLE 4:
Cryptocurrencies that current owners have purchased

	Generation Z	Millennials	Bridge millennials	Generation X	Baby boomers and seniors
• Bitcoin and others	57.7%	45.1%	45.7%	44.2%	33.1%
• Only bitcoin	26.8%	23.5%	26.7%	27.9%	26.5%
• Other crypto combinations, but not bitcoin	15.5%	31.4%	27.6%	28.0%	40.4%

Source: PYMNTS | The Cryptocurrency Payments Report

Barriers to adoption



The vast majority of nonowners — 92 percent — have heard about cryptocurrencies, yet lack of knowledge is the main purchasing inhibitor.

PYMNTS research indicates that lack of knowledge about cryptocurrency, how to obtain it or its tax implications is the most often-quoted inhibitor for nonowners, with 75 percent not purchasing it for this reason. One-third of consumers who never purchased cryptocurrencies cite their not being mainstream or accepted enough as a reason why. This is most commonly cited among baby boomers and seniors (39 percent). A relatively smaller but significant share of respondents who have never purchased cryptocurrencies worry about their value being too volatile (25 percent).

FIGURE 5:

Reasons for never having purchased cryptocurrency






Nonowners' reasons for never having purchased cryptocurrency




Source: PYMNTS.com | The Cryptocurrency Payments Report

TABLE 5:

Reasons for never having purchased cryptocurrency, by generation

	 Generation Z	 Millennials	 Bridge millennials	 Generation X	 Baby boomers and seniors
• Lack of knowledge	71.9%	72.4%	72.2%	76.9%	75.8%
• Not mainstream enough/accepted enough	21.7%	27.0%	26.8%	33.0%	39.4%
• Their value is too volatile	15.4%	22.5%	24.6%	26.0%	28.1%
• Do not view it as a good investment	18.1%	18.4%	19.2%	19.5%	27.2%
• Worry about whether they are legal	19.6%	16.7%	19.5%	18.6%	14.6%
• Had not heard of them before this survey	9.1%	8.3%	9.2%	7.3%	8.4%
• Other	2.1%	2.4%	2.3%	2.3%	3.5%

Source: PYMNTS | The Cryptocurrency Payments Report



Future and potential growth

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Cryptocurrency acceptance will drive new sales for merchants.

Fifty-one percent of cryptocurrency owners are more likely to shop with a merchant if they accept cryptocurrency as a payment option.

Not enough merchants accept cryptocurrency today, despite consumers' strong interest in using it to make transactions. One of the key factors that makes cryptocurrencies appealing to consumers is the ease with which customers can transact with them. Our research shows that 55 percent of past and current owners find paying for online purchases with cryptocurrency easy. Far fewer cryptocurrency nonowners (19 percent) feel the same way. The interest is still there, however, as 59 percent of nonowners would be interested in purchasing at least one product using cryptocurrency.

Despite consumers' growing appetite for owning and using cryptocurrencies, few merchants today accept them as a payment method. Two-thirds of cryptocurrency owners and more than half of nonowners agree that there are not enough merchants that accept cryptocurrency for payments. Merchants would do well to begin accepting cryptocurrency, as more than half (51 percent) of cryptocurrency owners are more likely to buy from merchants that do, and 47 percent of owners seek out merchants that accept cryptocurrency to make purchases.

FIGURE 6:
Cryptocurrency owners' and nonowners' opinions of how merchants handle cryptocurrency



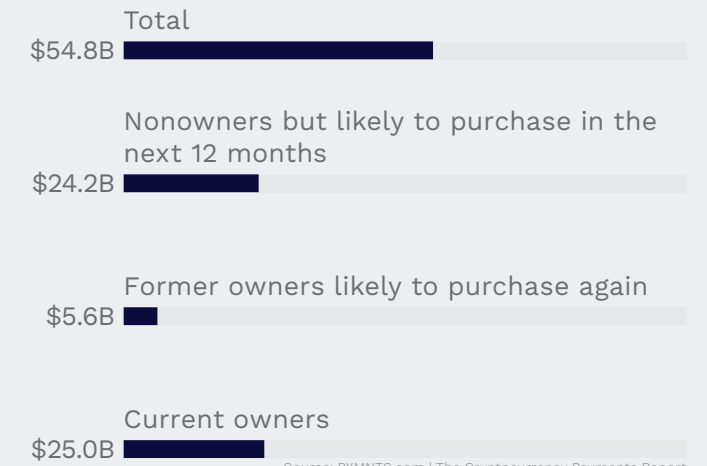
Forty-six million U.S. consumers say they are likely to make at least one purchase with cryptocurrency in the next year.

These purchases could represent as much as \$55 billion in consumer spend. PYMNTS' research indicates that there is significant potential for cryptocurrency ownership to increase. Nearly 30 million consumers own cryptocurrency, and of these, 24 million are likely to make a purchase using it in at least one product category, while 17 million cryptocurrency nonowners are likely to do the same. Interest in owning cryptocurrency is also high among nonowners and previous owners. Our estimates show that 5.3 million consumers who previously owned cryptocurrency are likely to buy it again, and 4.9 million of them are also likely to make a purchase using it in at least one product category. Approximately 19 million cryptocurrency nonowners are likely to purchase cryptocurrency in the future.

Purchases made using cryptocurrency could represent approximately 1 percent of retail sales over the next 12 months.

FIGURE 7:
Purchases using cryptocurrency market potential, by cryptocurrency ownership

Potential amount of cryptocurrency purchases by consumers



Conclusion

PYMNTS' research indicates that 30 million consumers currently own cryptocurrency and that nearly 24 million consumers are either former cryptocurrency owners or nonowners who plan to acquire it in the future. Our estimates show that cryptocurrencies could represent around 1 percent of retail sales in the next 12 months. Unfortunately, a large gap exists between merchants' acceptance and consumers' interest in using cryptocurrencies for making purchases. Nearly half of cryptocurrency owners are more likely to purchase from merchants that offer such payment options. Merchants that accept cryptocurrencies will be positioned to better serve their customers going forward.

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Methodology

The Cryptocurrency Payments Report: How Consumers Want To Use It To Shop And Pay draws from a survey of a census-balanced panel of 8,008 U.S. consumers who were current and former cryptocurrency users and cryptocurrency nonusers between Feb. 8 and Feb. 23, 2021. Respondents were 47 years of age on average. Thirty-two percent held college degrees, and 52 percent were female. We collected responses from 1,376 current crypto users, 443 former crypto users and 6,189 crypto nonusers, 3,072 of whom were considered in the final analysis. This data allowed us to examine consumers' perceptions and plans to use cryptocurrency to make payments.

About

PYMNTS.com

[PYMNTS.com](https://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.

bitpay

The first and most experienced company in bitcoin payments, [BitPay](https://bitpay.com) 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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