

The ConnectedEconomy™ Report series 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 or are paid. This work builds on 15 studies and the more than 33,000 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
WHAT'S NEXT
IN PAYMENTS: **THE**
CONNECTED
ECONOMY™

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.

PYMNTS

DECEMBER 2022 ■

12 Months Of The
ConnectedEconomy™

Report



33,000
CONSUMERS
ON DIGITAL'S
ROLE IN THEIR
EVERYDAY
LIVES

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INTRODUCTION

The last few months have marked consumers' return to the physical world after two years of pandemic lockdowns and a shift to using digital channels for many of the tasks for which it was a suitable substitute. That return did not include leaving digital channels behind.

In the past 12 months, the PYMNTS ConnectedEconomy™ Monthly Report series examined the digital engagement of a composite sample of 33,792 United States consumers in the 67 activities we examine as part of our global digital transformation research. These 67 activities cut across 10 categories representing routine consumer activities — eating, working, shopping, living in their homes, having fun, staying well, communicating, banking, traveling and paying people and businesses.

For the 12 months between November 2021 and November 2022, we observed that consumers have integrated using digital channels into their daily routines, even if they are out and about in the physical world.

During that period of time and for those 67 activities, more consumers used digital methods and connected devices to complete more tasks — and they did so more often. By November of 2022, U.S. consumers were using digital devices and apps 10% more than they were one year ago.

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 the pandemic accelerated the digital shift — 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 consumers' 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 primarily use extremely interested in being able to aggregate or integrate all aspects of their lives online into a single super app.

- **COMMERCE-SEEKERS**

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

- **FINANCIAL WELLNESS-SEEKERS**

These consumers are likely to want to aggregate or integrate data related to banking, money management or payments into a single super app to have access to that information and then, crucially, use that data to make or 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 primarily use computers or smartphones and exhibit low overall ownership of devices, possessing three devices on average.

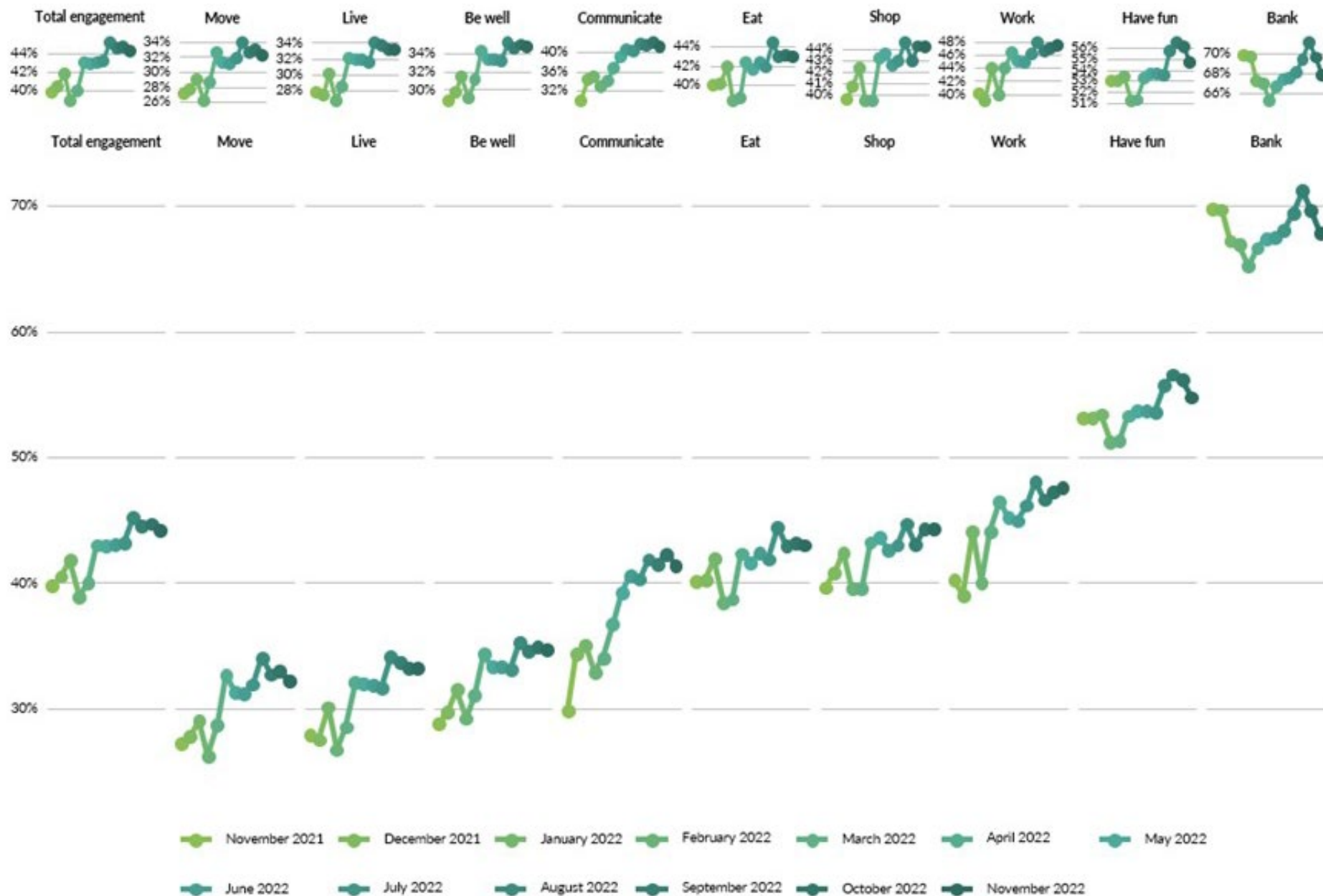
- **MAINSTREAM-TECH**

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

- **CONNECTED-TECH**

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

FIGURE 1:
GROWTH IN DIGITAL ENGAGEMENT THROUGH 2022
 Average digital participation in select pillars of the ConnectedEconomy™, by month



BY NOVEMBER 2022:

96 MILLION PROFESSIONALS
 — or 67% of employed consumers
 — did some or all of their work away from the physical office.

131 MILLION SHOPPERS
 — or 51% of the adult U.S. population — were ordering groceries online for delivery or curbside pickup every month.

86 MILLION CONSUMERS
 — or one-third of the adult U.S. population — were using different types of smart home technology.

Source: PYMNTS
 12 Months Of The ConnectedEconomy™, December 2022
 N varies based on month of survey, fielded October 27, 2021 - November 17, 2022

Here is how U.S. consumers lived their best digital lives throughout the last 12 months.



CONSUMERS WERE **10% MORE LIKELY TO USE DIGITAL DEVICES AND APPS** TO CONDUCT ROUTINE ACTIVITIES IN NOVEMBER 2022 THAN THEY WERE ONE YEAR PRIOR.

We observed sustained, long-term increases in how much consumers used digital channels to engage in nearly every type of the 67 activities tracked between November 2021 and November 2022, but the most significant increase was how much consumers used digital channels to communicate. The U.S. consumer was 19% more likely to use digital methods to keep in contact with their friends, family and loved ones in November this year than at the same time last year.

We also witnessed increases in how often consumers used digital outlets to work, travel/commute, take care of their chores and shop. By November 2022, consumers were participating in remotely working online 10% more than they did one year prior. They were also 18% more likely to use travel and commuting apps such as Uber and Airbnb and 19% more likely to use digital assistants to organize or assist with household chores.



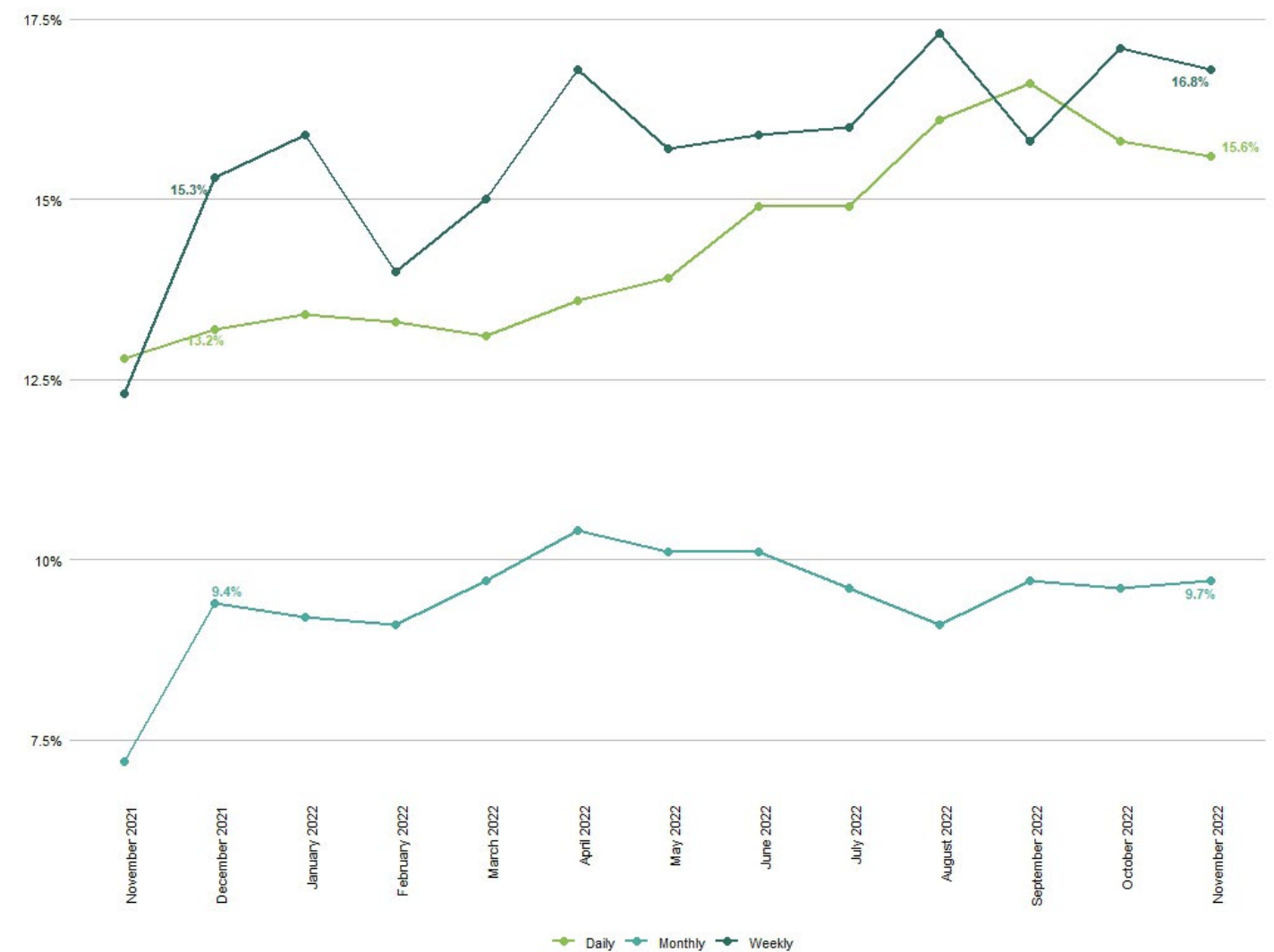
Communicate

During the last 12 months, consumers increased their use of social media and messaging apps more than any other digital activity.

Social media and messaging apps were already an important part of consumers' everyday lives in November 2021 — and by November 2022, they were even more important. We watched as more consumers slowly and steadily integrated social media and messaging apps into their routines: Monthly users became weekly users, and weekly users became daily users.

Consumers are not just regularly using social media to communicate with friends, family and romantic partners. Dating apps, location tracking and messaging also drove a 2.3% increase in daily digital communication activities in November 2022 compared to November 2021.

FIGURE 2:
THE RISE OF ONLINE SOCIAL ACTIVITIES
Consumers' average participation in online social activities, by frequency and month



Source: PYMNTS
12 Months Of The ConnectedEconomy™, December 2022
N varies based on month of survey, fielded October 27, 2021 - November 17, 2022



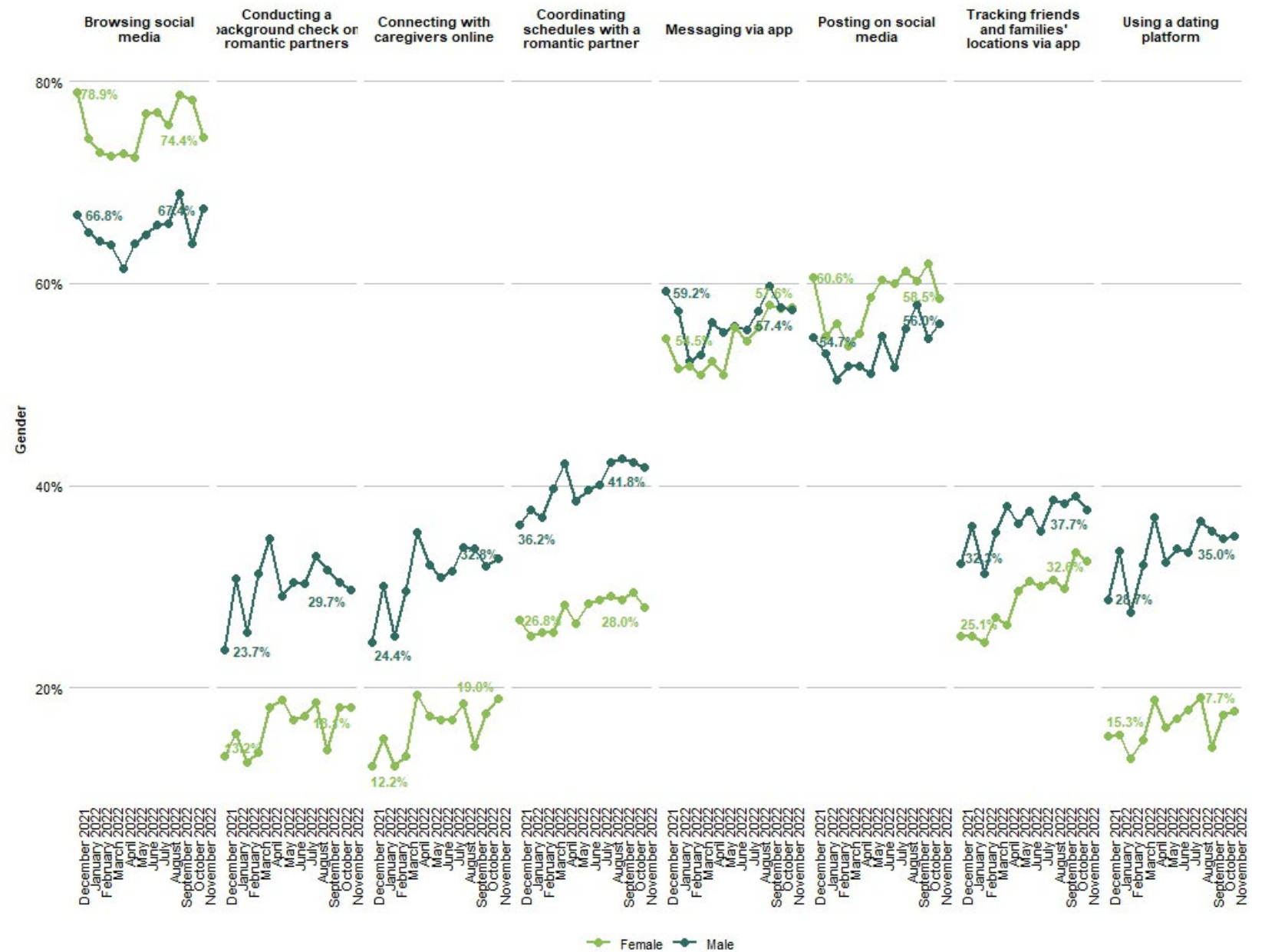
Communicate

Twice as many men as women use online dating sites.

Men and women used digital channels to communicate more as time went on — but men always used digital channels to communicate more than women, thanks to their heavy use of dating sites and background checks. Twice more men used dating sites and apps than women between November 2021 and November 2022, on average. They were also 64% more likely to run background checks on potential romantic partners than women.

The only online social activity in which women participated more than men in that 12-month timeframe was social media browsing and posting. Ten percent more women browsed social media than men each of those 12 months, on average.

FIGURE 3:
THE GENDER DIVIDE IN THE ONLINE SOCIAL SCENE
Share of consumers engaging in select online communication activities at least once per month, by gender



Source: PYMNTS
12 Months Of The ConnectedEconomy™, December 2022
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Shop

More than four in ten consumers went online to buy a retail product in November 2022 – an increase of 12% from one year prior.

States and counties lifted their pandemic-era restrictions en masse these past 12 months, freeing consumers to return to brick-and-mortar stores. Despite this newfound freedom, however, consumers continued to shop online, and they did so more with each passing month. By the end of 2022, 131 million individuals across the country had online retail purchases delivered every month, on average.

Even more critically, these eCommerce shoppers also used a wider variety of shopping and acquisition options as time went on. Sixty-four percent of consumers shopped on digital marketplaces in November 2022, up 3% year over year.

131 MILLION
CONSUMERS ORDERED PRODUCTS
 ONLINE FOR HOME DELIVERY
 EACH MONTH, ON AVERAGE,
 BETWEEN NOVEMBER 2021
 AND NOVEMBER 2022.

Meanwhile, 50% of consumers ordered on merchants' retail sites for home delivery. This made for an 18% increase between November 2021 and November 2022.

Retail subscription delivery options also gained popularity in that 12-month timeframe. By November 2022, 37% of consumers were using retail subscriptions. This compares to 30% who used retail subscriptions one year prior.



Same-day delivery also gained more traction between November 2021 and November 2022. Thirty percent of consumers ordered retail items for same-day delivery in November 2022 — up from the 25% who did so 12 months earlier.

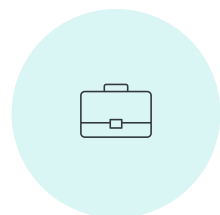
In all cases, these increases were slow and steady, meaning consumers' use of each and every one of these eCommerce shopping options is likely to continue growing for the foreseeable future.

FIGURE 4:
CONSUMERS' USE OF DIFFERENT SHOPPING CHANNELS TO MAKE RETAIL PURCHASES
 Share of consumers making retail purchases via select channels, by month



Source: PYMNTS
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Work

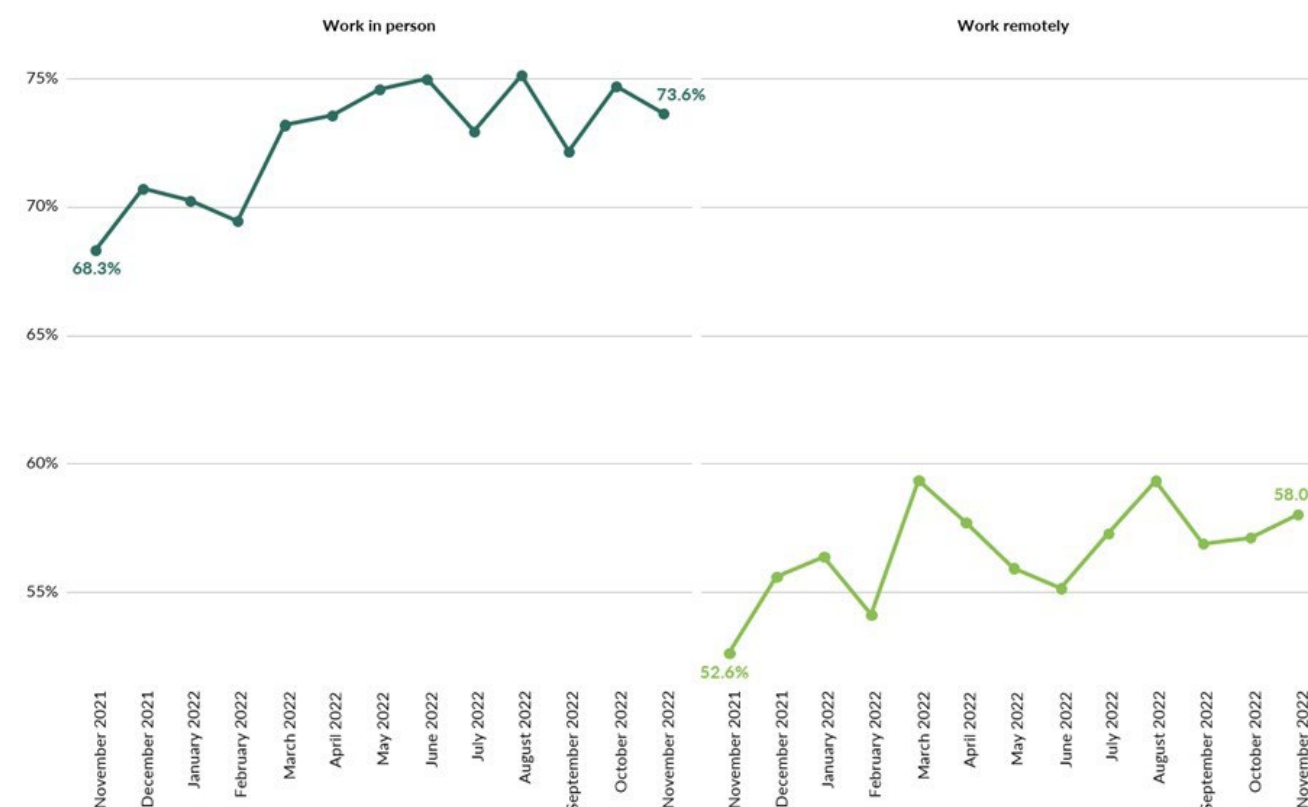
Fifty-four percent of consumers are now part of the hybrid workforce, working both in an office and remotely.

This is nearly double the share of consumers who work entirely in person and four times the share who work entirely online.

When we first examined consumers' online work habits in November 2021, 53% worked in either an entirely remote or hybrid work environment, splitting their time between home and the office. Many workers opted to continue working from home — at least on a part-time basis — even as their employers began reopening physical offices.

FIGURE 5:
THE HYBRID MODEL, CONSOLIDATED

Share of employed consumers who carried out work-related activities in person and remotely, by month



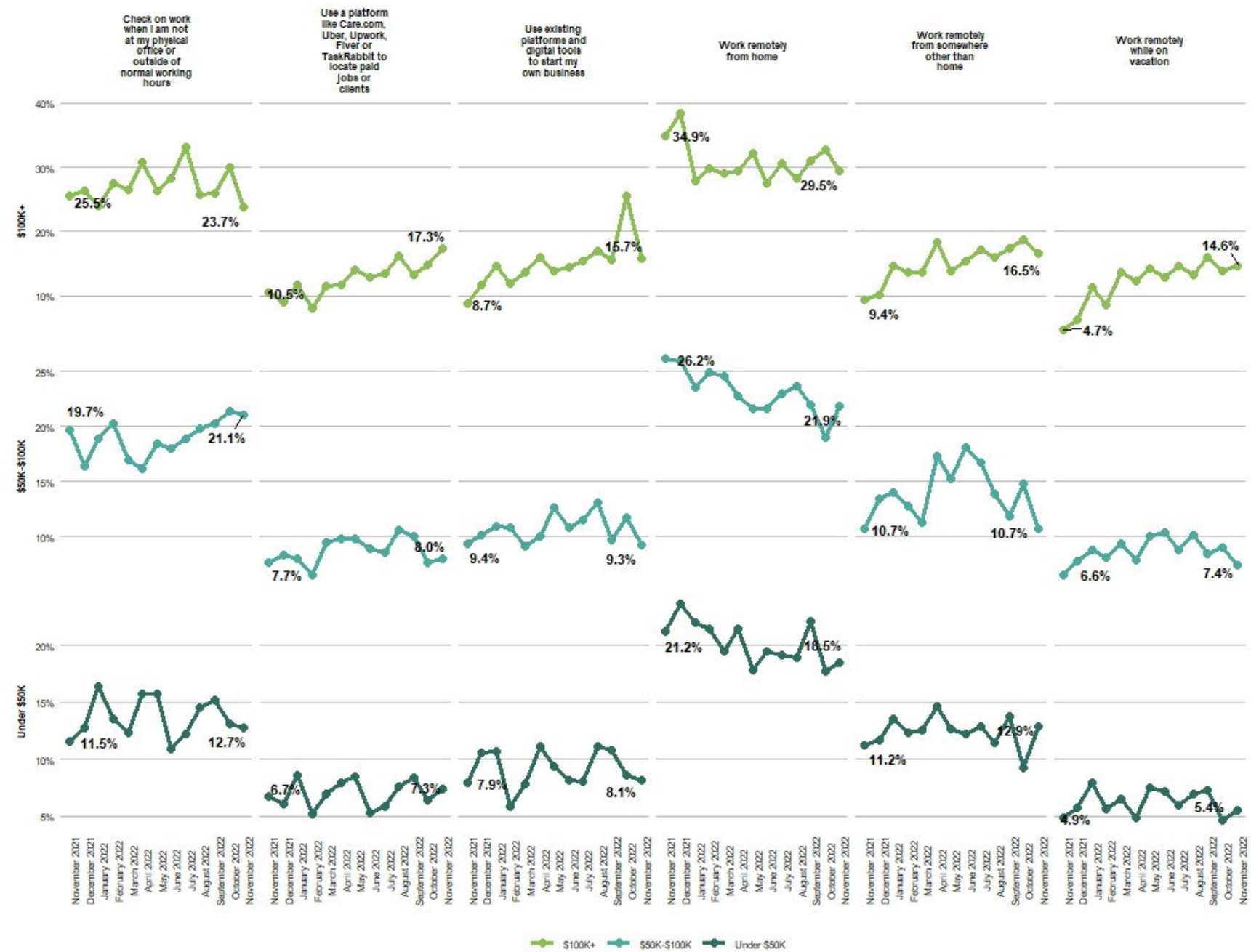
Source: PYMNTS
12 Months Of The ConnectedEconomy™, December 2022
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As time passed, more and more workers opted to work remotely, either part-time or exclusively. By the end of the year, 58% of consumers worked in a digital-only or hybrid work environment. This means 8 million more consumers were part of the remote workforce in November 2022 than just one year earlier.

The switch to remote work increased steadily throughout those 12 months, but we observed a particularly sharp increase during the summer months. When summer came along, millions of employees reported working remotely from vacation destinations and other locations, such as cafés, airports and family members' homes.

High-income employees were the most likely to report working on vacation in July, while mid-income consumers sought new, interesting locations to work outside their homes. Nine million more high-income consumers worked while on vacation in July than at the beginning of the year, and five million more mid-income workers worked from outside locations.

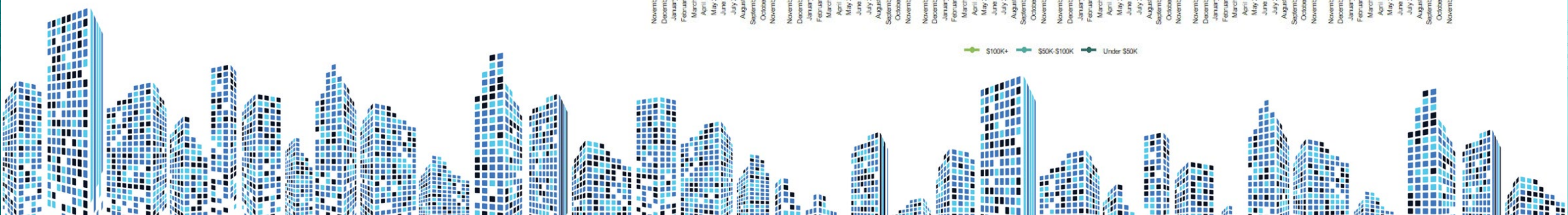
FIGURE 6:
DAILY DIGITAL ENGAGEMENT IN WORK ACTIVITIES
 Share of respondents participating in daily activities related to the Work pillar

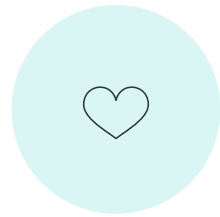


Source: PYMNTS

12 Months Of The ConnectedEconomy™, December 2022

N varies based on month of survey, fielded October 27, 2021 - November 17, 2022





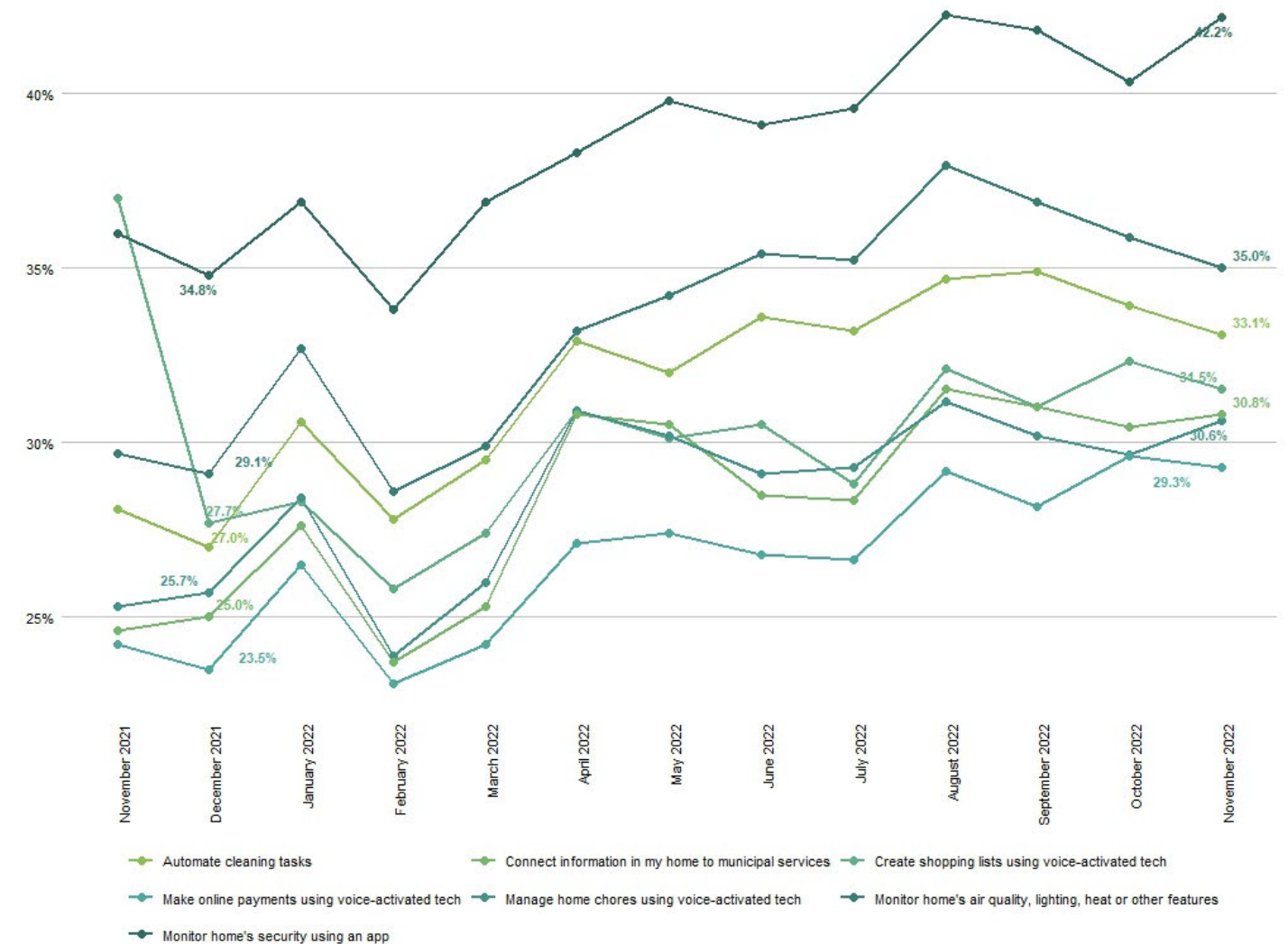
Live

Half of U.S. consumers have integrated at least one smart technology, including voice assistants, in their homes as of November 2022.

An average of 28% of U.S. consumers reported using different types of smart home technology in November 2021, with many using several. That figure increased to 30% in January 2022 and continually grew throughout the next 11 months. By November 2022, 33% of all consumers were likely to be using smart home technologies, and half of all consumers were using at least one. This means that roughly 13 million more consumers nationwide were using such technologies in November 2022 than in November 2021.

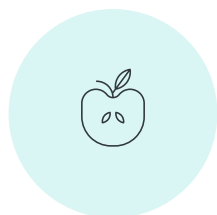
Home monitoring systems and automated climate controls were the most commonly used smart home technologies during the 12 months between November 2021 and November 2022, followed closely by automated cleaning technologies, including automated vacuums, robotic pool cleaners and other cleaning devices.

FIGURE 7:
THE GROWING USE OF SMART HOME TECHNOLOGY
Share of consumers using select smart home technologies, by date



Source: PYMNTS
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Meanwhile, by November of this year, 75 million consumers reported using voice assistants such as Alexa and Google Home to automate chores, create shopping lists or make online transactions.



Eat

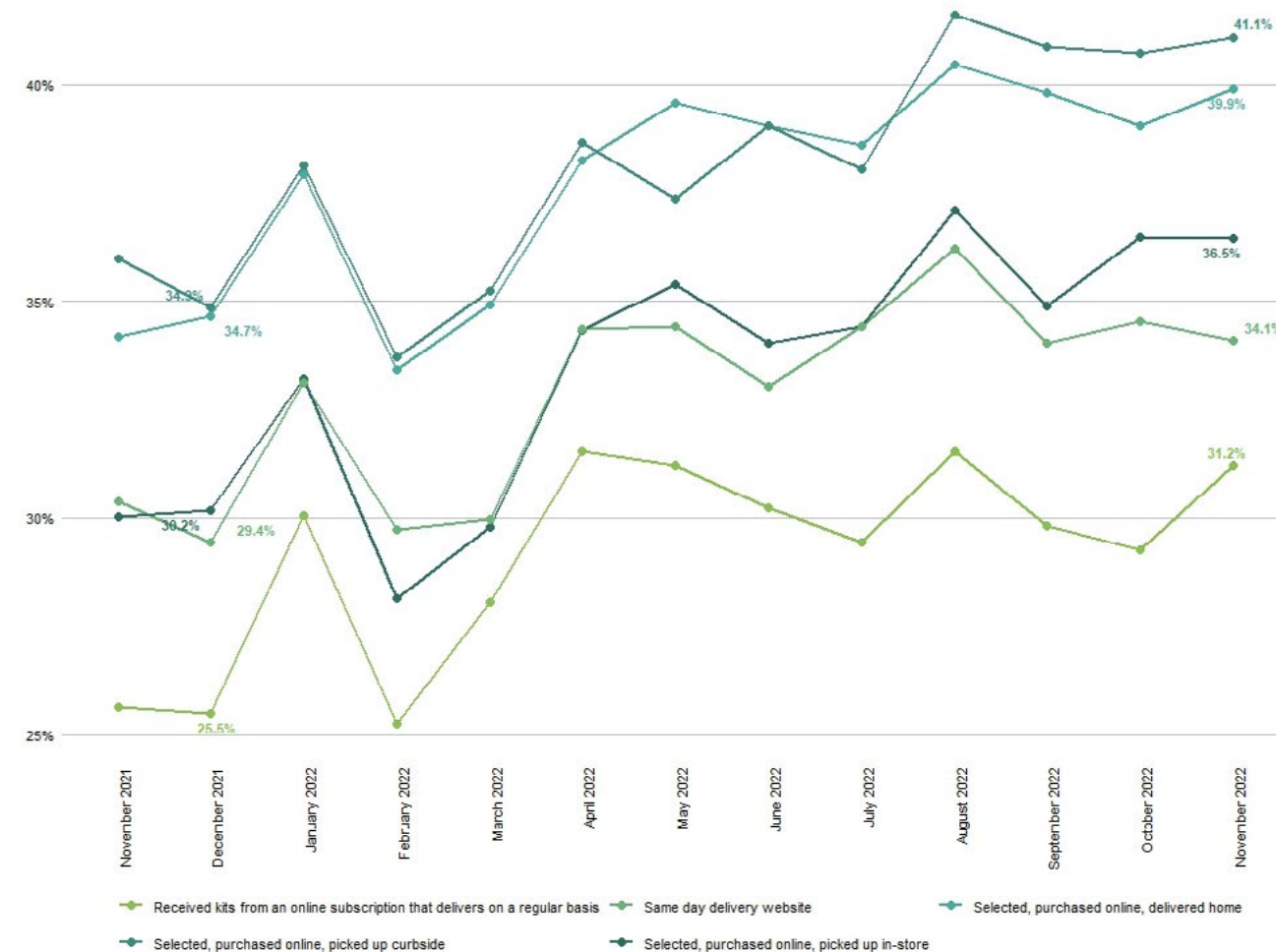
During the last 12 months, more consumers had restaurant orders delivered to their homes than their groceries.

Curbside pickup is the most common way consumers order their groceries online — but it is not the only way. Both home delivery and in-store pickups grew more popular between November 2021 and November 2022.

Just 34% of consumers ordered groceries for at-home delivery in November 2021, but this figure slowly and steadily grew with time. One year later, 40% of consumers were having their groceries delivered to their homes.

We saw a similar year-over-year increase in the share of consumers who ordered their groceries for in-store pickup. Thirty percent of consumers ordered groceries to pick up in-store in November 2021, and that figure grew to 37% by November 2022.

FIGURE 8:
THE MOST COMMON WAYS CONSUMERS ORDER THEIR GROCERIES ONLINE
Share of consumers ordering their groceries online in select ways, by date



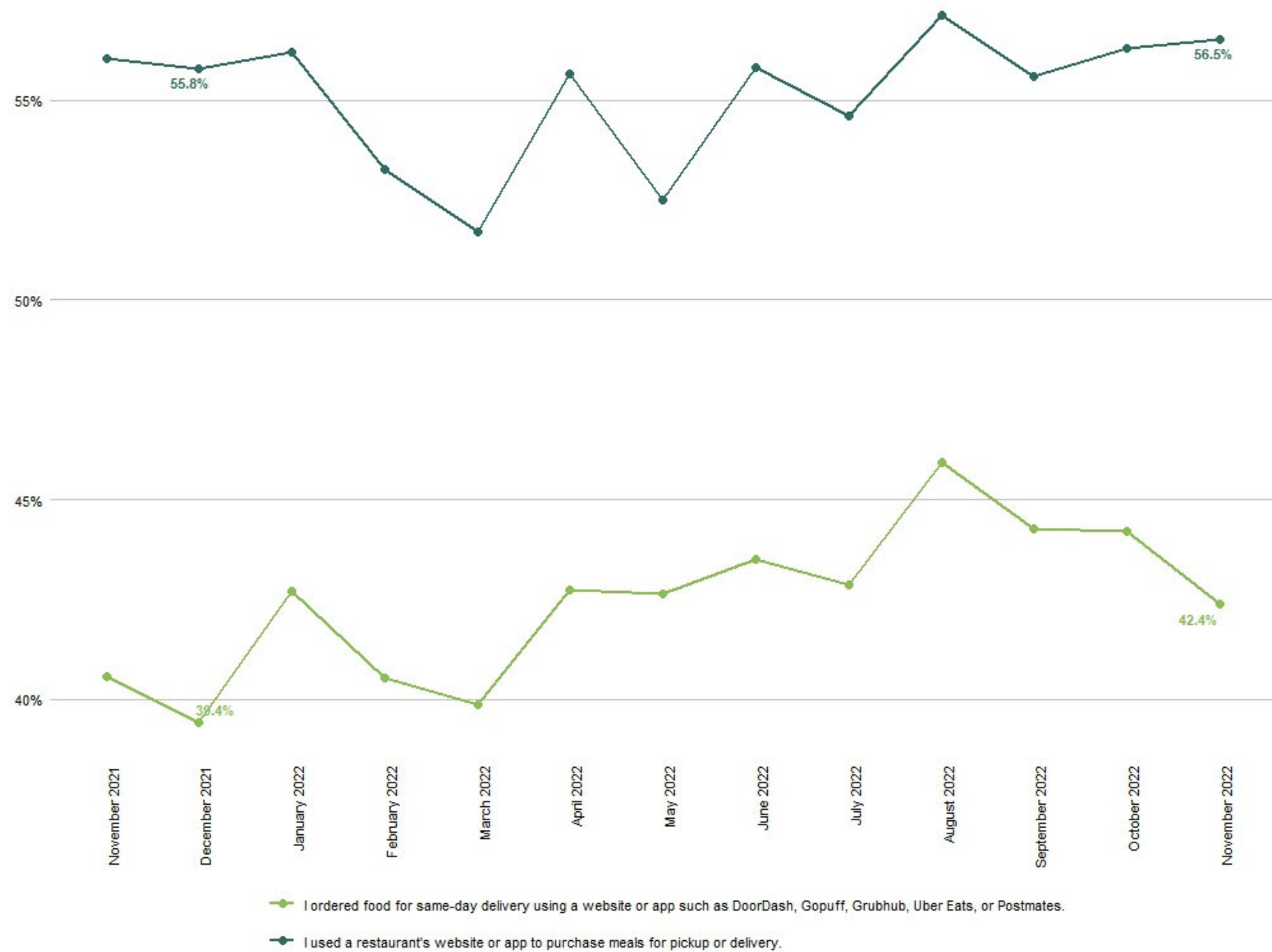
Source: PYMNTS
12 Months Of The ConnectedEconomy™, December 2022
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In the same 12-month timeframe, we saw a 13% uptick in the share of consumers ordering groceries via same-day delivery platforms and a 22% uptick in the share using grocery subscriptions.

Meanwhile, home delivery was the most common way consumers obtained their online restaurant orders between November 2021 and November 2022, whether they placed those orders on restaurants' websites or via restaurant aggregators such as Uber Eats or Grubhub. The difference was that consumers' use of digital channels to place restaurant orders did not grow as much as their use of digital channels to place grocery orders.

Fifty-six percent of consumers placed food orders for home delivery via restaurants' sites or delivery platforms in November 2021. One year later, that share held steady at 56%. Similarly, 41% of consumers placed restaurant orders in November 2021, and 42% did so in November 2022.

FIGURE 9:
THE MOST COMMON WAYS CONSUMERS PLACE RESTAURANT ORDERS ONLINE
 Share of consumers ordering groceries online through select channels, by date



Source: PYMNTS

12 Months Of The ConnectedEconomy™, December 2022

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METHODOLOGY

The 12 Months Of The ConnectedEconomy™ Report is based on a series of monthly census-balanced surveys of roughly 2,500 U.S. consumers each, examining their shift to a more digital way of engaging in everyday activities, from November 2021 to November 2022. Additional proprietary data from PYMNTS was used for supplementary analysis.

12 Months Of The
ConnectedEconomy™
Report

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