

The 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 or are paid. This work builds on 15 studies and the more than 40,000 consumers PYMNTS has surveyed since November 2021, 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

MARCH 2023 ■

# The ConnectedEconomy™

Monthly Report



THE  
EVOLVING  
DIGITAL  
DAILY

# INTRODUCTION

## TABLE OF CONTENTS

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INTRODUCTION.....	03
<b>PART I:</b> .....	<b>06</b>
A rising demand for digital	
<b>PART II:</b> .....	<b>12</b>
The most connected generations	
<b>PART III:</b> .....	<b>14</b>
From browsing to buying	
<b>METHODOLOGY.....</b>	<b>16</b>

### **Meta. Microsoft. Amazon. Google.**

These are just a few of the technology giants that have instituted large-scale layoffs in the past weeks. News of these staffing adjustments at some of the world’s largest and most influential technology companies has triggered many sensationalist headlines, leading some to speculate that these companies overestimated the impact that digital would continue to have in consumers’ lives after pandemic restrictions came to an end.

These layoffs and the doom and gloom in the headlines mask the reality, however. The truth is that in every area of life, more consumers are using digital more now than ever before. Compared to just a year ago, 21 million more consumers are using smart home devices, 17 million more are using social media and messaging apps, and 18 million more are using apps and aggregators like Airbnb and Uber to travel and commute.<sup>1</sup>

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<sup>1</sup> We estimated the increase in the number of consumers participating in digital activities based on the percentage increase in average participation for each segment from February 2022 to February 2023.

# 31%

MORE CONSUMERS  
USED SMART HOME DEVICES  
IN FEBRUARY 2023 THAN  
IN FEBRUARY 2022.

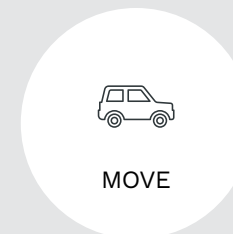
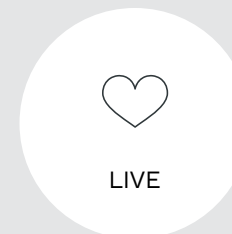
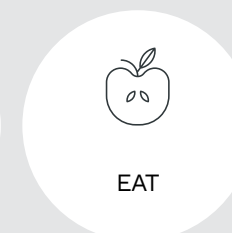
The ConnectedEconomy™ Monthly Report: The Evolving Digital Daily Edition provides an overview of the state of development of the digital economy. We surveyed a census-balanced panel of 4,058 consumers between Feb. 1 and Feb. 6 to find out how consumers' use of digital continues to grow in not one but nearly every aspect of their lives. This report details some of the key growth areas we have witnessed in the past year and how that growth is driving more digital transactions across the ConnectedEconomy™.

**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 the pandemic accelerated the shift to digital — but the transition from an app-based world to an ecosystem-driven one was abundantly clear.

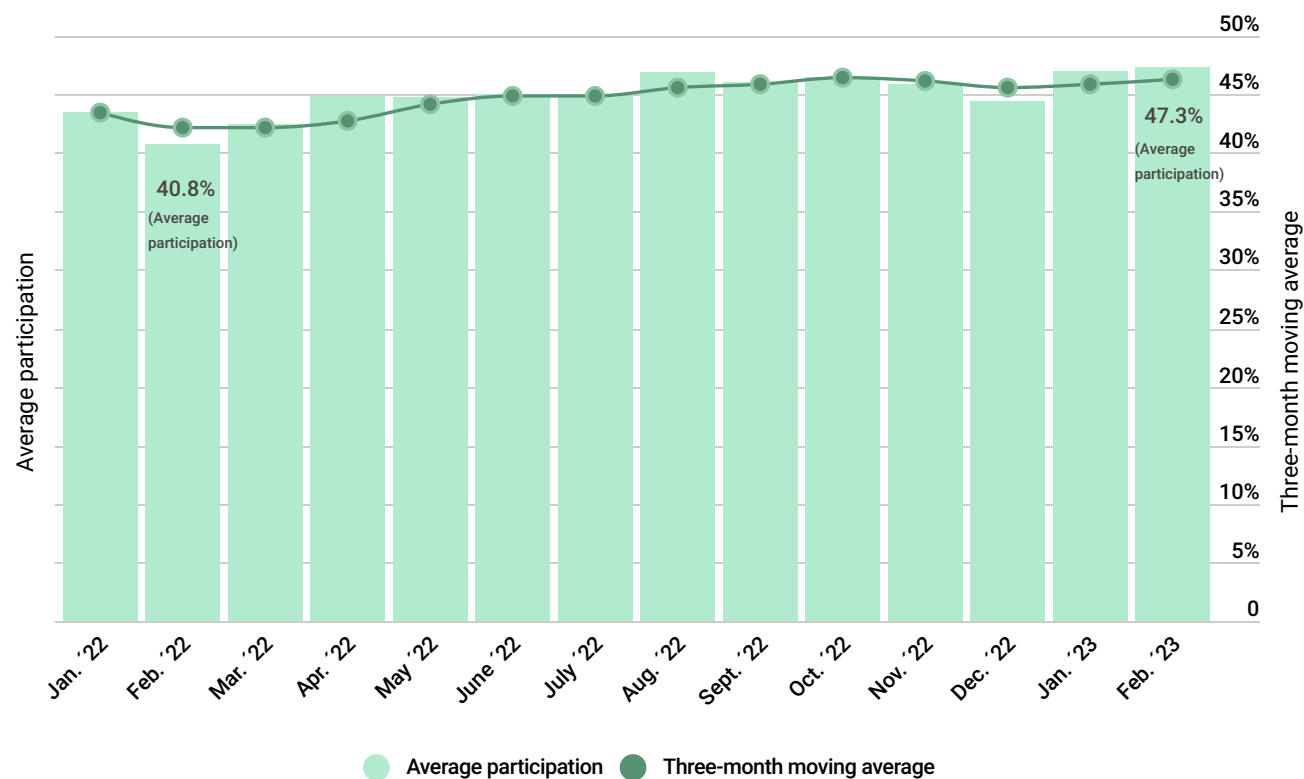
PYMNTS accelerated its research efforts in early March 2020, and we now have more observations documenting the shift to digital since the start of the pandemic. PYMNTS' landmark study of 15,000 U.S. consumers, published in June 2021, was intended to further document consumers' digital habits and routines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



PART I:  
A rising demand for digital

**On average, 47% of consumers participated in the digital activities we track — the highest level registered in our 15-month series.**

Figure 1  
Consumers engaging in digital  
Average share of consumers participating in digital activities



Source: PYMNTS  
The ConnectedEconomy™ Monthly Report, March 2023  
N = 4,058: Whole sample, fielded Feb. 1, 2023 – Feb. 6, 2023

This participation means that more consumers are using the internet to engage in digital activities than they did at the same time last year, when 41% of consumers participated in those same activities, on average.

The most significant increase in participation we witnessed year over year was how many consumers used connected devices to manage their homes. Compared to February 2022, 21 million more consumers participated in activities involving some type of smart home device in February 2023, whether they used voice assistants like Google Home, smart thermostats like Ecobee or security systems like Ring. The average participation in these activities stood at 40%, an increase of 31% year over year.

We also saw a sharp increase in the share of consumers using digital tools to travel and commute year over year. The use of digital tools for travel or commuting, such as ride aggregators Lyft and Uber and homesharing site Airbnb, grew 27% in February 2023 compared to the same month in 2022, an equivalent of 18 million more consumers.

We saw less of an uptick in consumers' use of restaurant apps and aggregators, partly because they were already using such tools in large numbers. In total, 11% more — representing 14 million additional consumers — used apps and aggregators in February 2023 than in the same month last year. Our research shows that 146 million consumers across the country now use restaurant apps and sites to order food for pickup or delivery.

PART I:  
A rising demand for digital

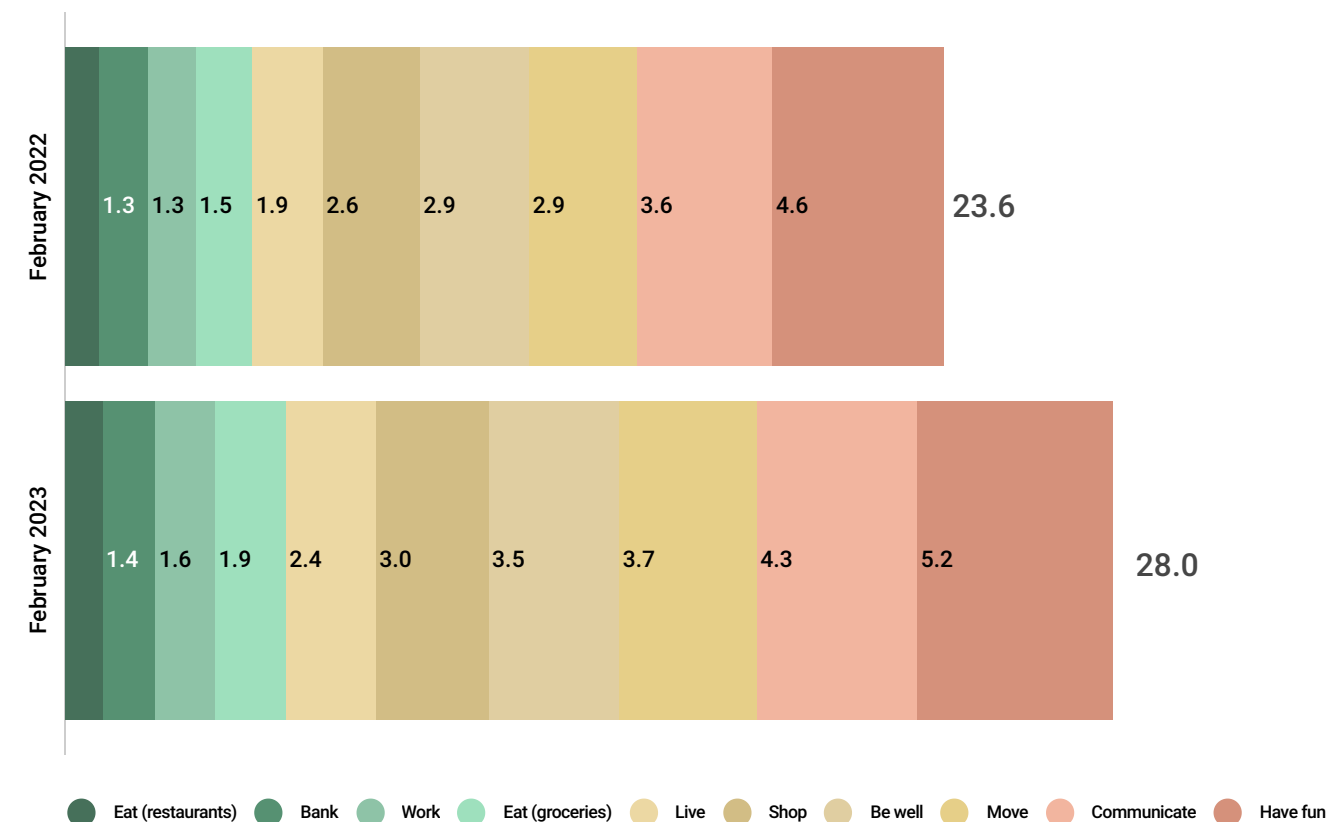
## Consumers added two new digital activities to their daily routines and four on average to their monthly routines in the past year.

Our research tracks 70 different types of digital activities. The average consumer engages in 28 monthly — up from 24 one year prior. This increase shows that consumers continue to find new ways to integrate digital into their routines, adding new digital activities to their schedules as time passes.

This uptick in consumers’ use of digital channels increased the most when it came to traveling and commuting, keeping in touch with friends and relatives, and adopting smart home technologies. Nine of the top 10 digital activities that consumers are participating in more year over year were related to one of these three areas.

Figure 2  
How consumers do digital

The average number of different activities that consumers perform online per month, by ConnectedEconomy™ pillar



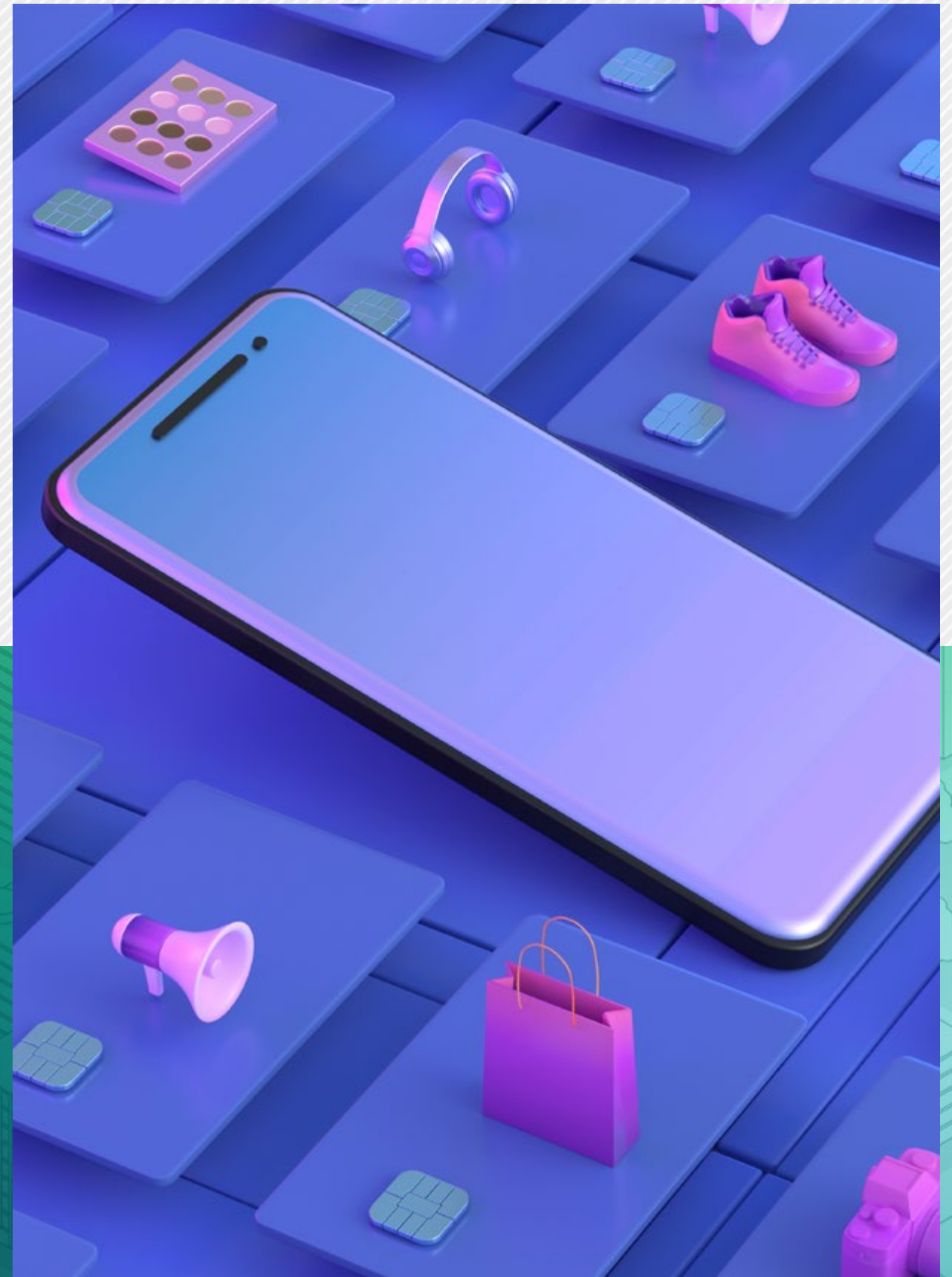
Source: PYMNTS  
The ConnectedEconomy™ Monthly Report, March 2023  
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Consumers’ use of parking apps, dating platforms and homesharing apps increased more than 30% year over year, for example. We find that 31% more consumers cited using smart home technology to enhance security, and 33% more used devices such as Nest or Philips Hue to monitor or change their homes’ conditions. Overall, 40 out of 70 digital activities saw an increase in the share of consumer engagement of 20% or more.

Consumers are engaging in more activities per month and have also added more to their daily routines since last year. Consumers participate in an average of eight digital activities daily — up from six last year.

The most common digital activities in which they participate each day are video streaming, using dating apps and messaging. At the same time, the number of consumers streaming music each day grew by 7 million, as did the number of people playing games on their mobile devices every day.

Working remotely from home, however, was the one activity that saw fewer consumers citing day-to-day engagement, with 23% of workers engaging in such frequency, down from 26% one year prior.



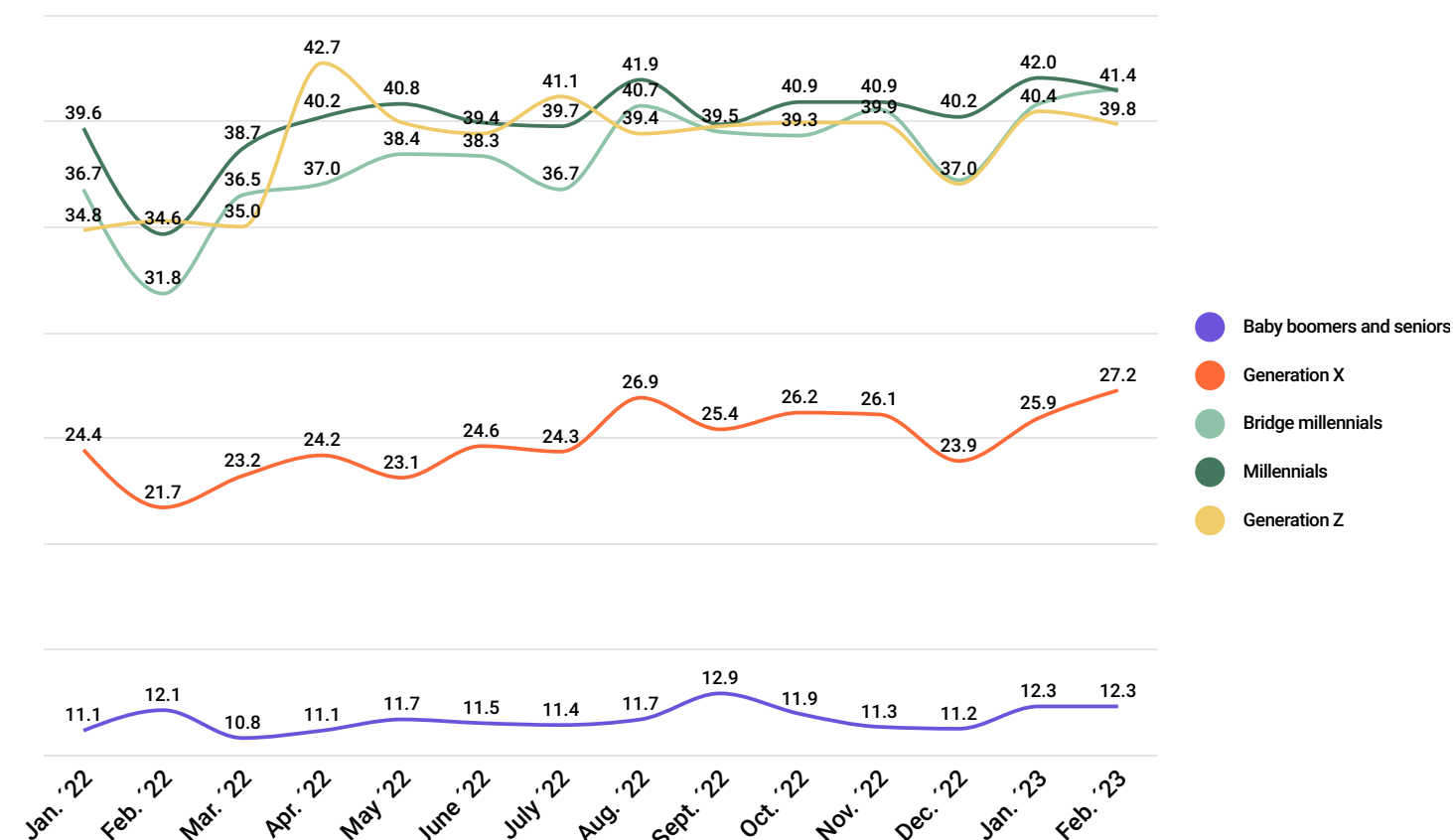
PART II:  
The most connected generations

# Millennials and bridge millennials are the driving force behind this digital growth.

On average, millennials engage in more than three times as many digital activities as baby boomers and seniors. Baby boomers and seniors carry out 12 different digital activities each month and just three digital activities daily, while millennials engage in 41 activities each month and perform 12 of those activities daily.

More than 60% of millennials and Generation Z consumers used connected, wearable technology at least once per month, with more than one-quarter wearing their devices every single day. Just 12% of baby boomers and seniors say the same. While 62% of millennials used a website or app to interact with health providers, just 30% of their baby boomer and senior counterparts did. A sizeable share of baby boomers and seniors used marketplaces to browse and purchase retail items, at 51%, but still to a much lesser extent than millennials, at 83%, and Gen Z, at 78%.

**Figure 3**  
**How the generations do digital**  
*The average number of activities consumers perform online per month, by generation*



Source: PYMNTS  
The ConnectedEconomy™ Monthly Report, March 2023  
N = 4,058: Whole sample, fielded Feb. 1, 2023 - Feb. 6, 2023



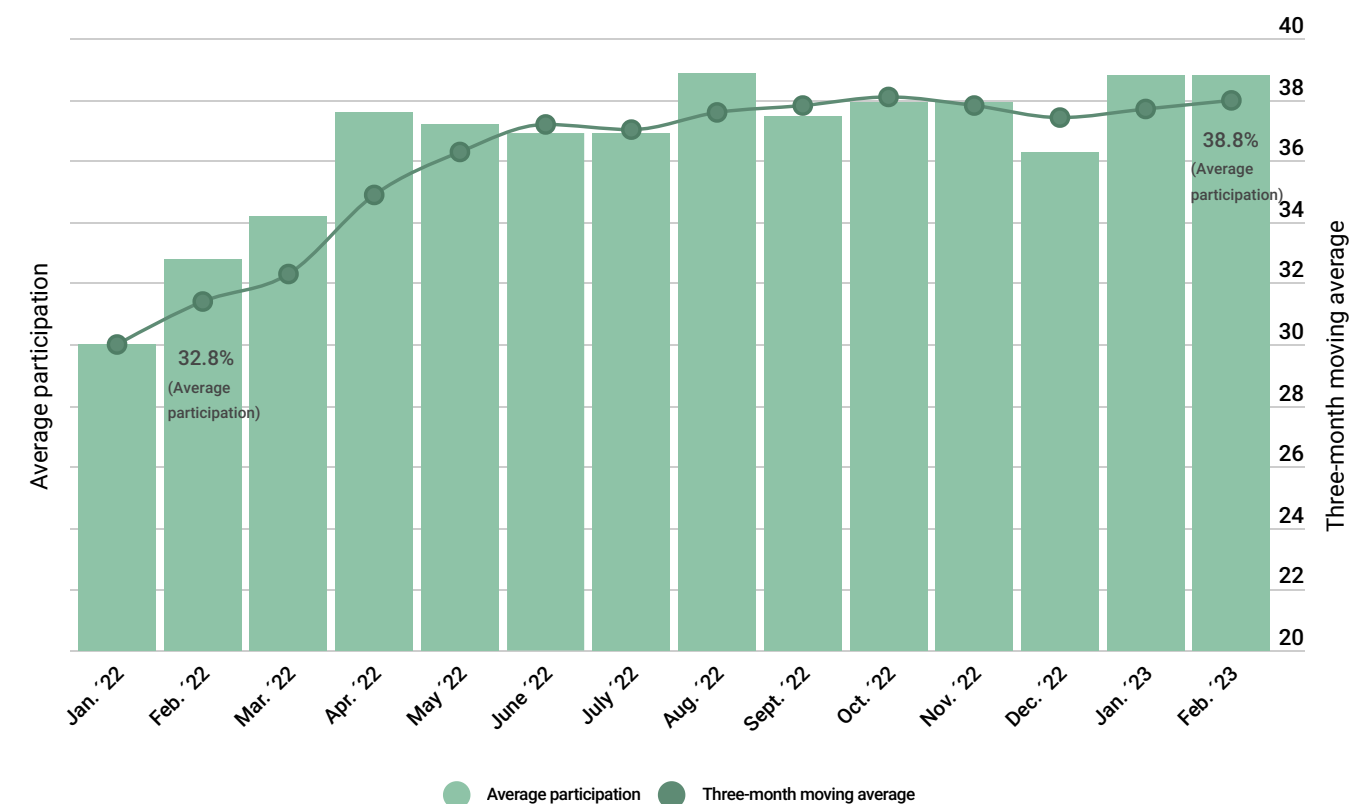
PART III:  
From browsing to buying

**An average of 39% of consumers engaged in activities that involved online payments, up from 33% one year ago.** The average consumer now performs more than 11 different types of digital transactions per month.

As more consumers go online to perform their daily and monthly routines, they increasingly use apps, aggregators and other platforms to transact. Participation across online transactional activities grew an average of 18% in February 2023 relative to February 2022: The average consumer engaged in 11 such transactions — up from 9.7 last year.

Among the 11 transactions performed monthly by the average consumer, they perform two every day. The most common of these daily digital activities are mobile and online banking. Seventeen percent of consumers engaged in mobile banking and 14% engaged in online banking transactions every day in February 2023.

**Figure 4**  
**Consumers' digital transactions**  
The average share of consumers performing digital transactional activities per month



Source: PYMNTS  
The ConnectedEconomy™ Monthly Report, March 2023  
N = 4,058: Whole sample, fielded Feb. 1, 2023 – Feb. 6, 2023

The share of consumers using smart home devices in their everyday routines increased sharply in 2023. Twenty-one percent of consumers used smart security systems daily, while 15% used technology to control home conditions, up from 15% and 10%, respectively, one year ago.





## METHODOLOGY

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The ConnectedEconomy™ Monthly Report is based on a survey of a census-balanced panel of 4,058 U.S. consumers conducted between Feb. 1 and Feb. 6 as a follow-up to a continuing series of studies examining consumers' shift to a more digital way of engaging in everyday activities. The sample was balanced to match the U.S. adult population in a set of key variables: Respondents were 48 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 annual incomes 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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