

# Likelihood Success of Mobile Wallets in Tuguegarao City

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**Abstract:-** In the Philippines, the payment of bills, essentials, deliveries, utilities, hospital bills, and tuition fees are done through mobile wallets. Gcash and Maya are the commonly used mobile wallets in the Philippines. The researcher made use of the descriptive research design. This study is conducted to determine the likelihood success of the use of mobile wallet in Tuguegarao City. Results showed that majority of business owners, consumers, students, professionals, and other users drastically adapted mobile wallet for business transactions because of the convenient services that they provide. Also, government and private agencies, universities, hospitals, entrepreneurs utilized Gcash and Maya to better improve their services for the convenience of their customers. Electric and water bills in Tuguegarao are paid through mobile wallet. The Overseas Filipino Workers (OFW) Remittances are likewise also sent through mobile wallet. Hence, with the number of users of mobile wallet payments the business owners as well as government agencies can benefit from the convenient payment services of the mobile wallets for cashless transactions.

**Keywords:-** Mobile Wallet, Cashless Payments, Digital Payments.

## I. INTRODUCTION

The coronavirus pandemic outbreak that causes lockdowns and work from home have constantly shifted the way people spend and payment of file. Digitization has brought an extraordinary development in the aftermath of the pandemic. One of the sectors that became popular is the digital payments. The e-wallets have transformed the world of payments. The mobile phone has become an imperative device in which the way people consume digital services has been shaped using mobile phones. There is also a vast demand for money transfer app as more people need to send money anywhere, anytime, and everywhere. The two world's leading payment application platforms is WeChat and Alipay wherein it is most likely to expand into other markets.

According to CFI Team (November 2022) a mobile wallet is a type of virtual wallet that stores credit card numbers, debit card numbers, and loyalty card numbers. It is accessible through an app installed on a mobile device, such as a smartphone or tablet. Customers use mobile wallets to make in-store payments, and it is a convenient payment method compared to paying with cash or carrying physical credit cards. Mobile wallets are accepted as a method of payment in stores that are listed with mobile service providers.

Mobile-payment wallets have become a vital part of the Southeast Asian consumer landscape, allowing financial access for millions of previously excluded people. As online spending soared during the COVID-19 pandemic, wallets saw a surge in newly registered users. Uptake of this convenient technology now far outpaces that of credit cards in the region's emerging markets, thereby revitalizing the pay. McKinsey and Company (May 2022)

In the study of Sharma, G., & Kulshreshtha, K. (2019) m-wallets are used for executing various financial transactions. In the emerging economies, m-wallets provide a platform to target a large population. In India, m-wallet services are growing because of its various advantages. However, the consumers' liking, disliking and preferences keep changing with the passage of time. Factors such as convenience, safety, complexity, trialability, compatibility, service quality, privacy, availability of information and ease of use were identified.

In the article of First State Community Bank (July 2019) digital and mobile wallet usage is on the rise, even among consumer groups that are traditionally slower to adopt new technologies. According to The Global Payments Report for Financial Institutions and Merchants, digital wallets made up more than 48 percent of global e-commerce transaction value in 2021 and are projected to reach 52.5 percent of transaction value in 2025.

In the article posted at Starista.com, the coronavirus pandemic prompted a noticeable shift to digital payments in the Philippines. With reduced in-store shopping, Filipino consumers have turned to mobile wallets and QR payments to complete their shopping transactions. In fact, the Philippines made one of the highest digital payment transactions in Southeast Asia in 2022, next to Indonesia and Thailand. Remittances from overseas Filipino workers (OFWs) also contributed to this as online remittance services allowed transfers straight to a recipient's mobile wallet, aside from cash pickup locations.

In the Philippines Gcash is the first mobile wallet which was launched in 2004 powered by Globe Telecommunications. In the article posted at ww.globe.com.ph, GCash now has over 60 million registered users nationwide, marking a milestone with a majority of the country's adult population using the popular e-wallet service. At the same time, GCash now boasts of more than five million merchants and social sellers

accepting digital money transfers or payments. Its app marketplace GLife also has over 420 merchant partners.

At present, Gcash and Maya were the most used mobile or digital wallets which was already available in 2004 but most of the Filipinos did not utilize because they find the traditional payments more effective and efficient. They also find mobile wallets registration is time consuming and it requires personal information such as mobile phone, valid ID, email address to be able to have an account. Eventually, Filipinos embraced the use of technology through mobile wallet during pandemic and post pandemic for its features and services offered. The quick swift of this mode of payment is accepted Nationwide and Tuguegarao City included, thus groceries, food deliveries, shops, utilities, schools, and other related services adapted the said innovation. This study was conducted to determine the likelihood success of mobile wallet in Tuguegarao City.

#### A. Paradigm of the Study

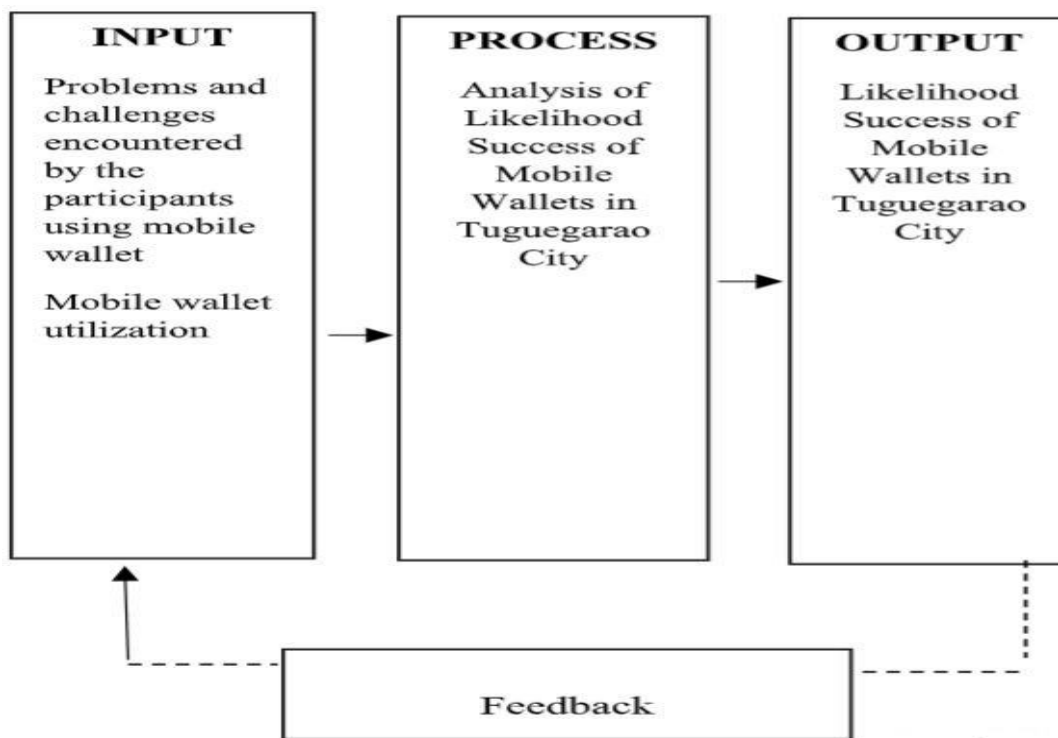


Fig 1. Paradigm of the Study

The research paradigm illustrates the direction of the study. In this study, the researcher utilizes the Input-Process-Output paradigm.

As shown in Figure 1, the Input-Process-Output framework illustrates a schematic presentation of the inputs (i.e., data and/or requirements) that will be analyzed, processed, and used in the results of the study.

#### ➤ The Input.

The input of the study contains the problems and challenges encountered by the participants using the mobile wallets.

#### ➤ The Process.

The process of conducting this study consists of two (2) phases. The first phase involves the analysis of the problems and challenges encountered by participants in using mobile

wallets. The second phase will involve the assessment of the of the utilization of mobile wallets by the participants.

➤ *The Output.*

The output of the study is to the determine the likelihood success of mobile wallets in Tuguegarao City.

*B. Statement of Problem*

The study aimed to determine the likelihood of success of Mobile Wallets in Tuguegarao City.

Specifically, the study will seek to answer the following:

- What are the problems and challenges encountered by the participants using the mobile wallets
- To what extent did the participants utilize the Mobile Wallets with respect to:
  - Food Purchase
  - Online Shopping
  - Utility bill
  - Telephone bill
  - Credit Cards bill
  - Government agencies that requires payment services

- Tuition fee
- Hospital bill

- What do the participants recommend to improve the services and features of mobile wallet app?

## II. METHODOLOGY

*A. Research Design*

This study employed a mix method using qualitative approach using descriptive research design to gather necessary information to ascertain the likelihood success of mobile wallet in Tuguegarao City. The researcher used descriptive methods to collect information about the participants, the extent of utilization of mobile wallets, and problems and challenges encountered by the participants in using mobile wallets.

*B. Participants of the Study*

Participants of the study are students, professionals, entrepreneurs, and other users of the mobile wallets, the participants random sampling was used to determine the number of participants.

Table 1: Participants of the study

Participant	No.	Percentage
Students	18	36%
Professionals	14	28%
Entrepreneurs/Business Owners	10	20%
Other Users	8	16%
<b>TOTAL</b>	<b>50</b>	<b>100%</b>

*C. Instrumentation*

To ensure that the data required in the conduct of the study correct, sufficient, and appropriate, researchers used the following:

The interview guide was used in collecting the data required on the problems and challenges encountered by the participants in using mobile payment.

In addition, the researcher used a questionnaire through google forms to gather relevant data of the mobile wallet utilization.

*D. Data Collection and Analysis*

➤ *Data Gathering Procedure*

To achieve the objectives of this study, the researcher went through the following series of steps:

- The initial conduct of this study was initiated through a letter of permission to the participants of the study to seek their approval to participate in this research.
- After obtaining the approval, the researcher scheduled an individual interview using any available technology
- The gathering of data and information relative to this study from the different participants was done through an informed consent form. The form includes the purpose of the research, and possible risk benefits, as well as confidentiality of their responses for participating in this research work.
- The researcher prepared guide questions for use during the interview, and asked probing questions related to likelihood success of mobile wallets in Tuguegarao City.

➤ *Data Analysis*

The data analysis would provide for proper data treatment to minimize bias in the research findings and conclusions. The researcher extracted data using data analysis tools.

The different participants of this study who would provide feedbacks were used to stimulate qualitative research validity. The participants' feedbacks and the researchers' interpretations and conclusions would provide useful verification, insights and challenges in this study.

The following data analysis were used.

- Data would be thematically analyzed where notes, themes and categories will be extracted.

- Thematic analysis. This was used by the researcher to closely examine the data from interview transcripts to identify common topics, ideas, and patterns of meaning that come up repeatedly.
- Weighted mean. This was used to determine the utilization of mobile wallets by the participants. The Likert scale below was used to describe the means obtained in this study

Table 2. Likert Scale to Determine the Utilization of Mobile Wallets

Scale	Mean Range	Descriptive Interpretation
4	3.25 – 4.0	Always
3	2.50 – 3.24	Sometimes
2	1.75 – 2.49	Rarely
1	1.00 – 1.74	Never

### III. RESULTS

#### A. Problems and Challenges Encountered by the Participants using the Mobile Wallets

Through the interviews conducted, the researcher identified the problems and challenges encountered by the participants as follows:

##### ➤ Internet Connectivity

According to the participants Internet Connectivity is the common problem of the participants because the mobile wallet is dependent on internet connection. “Di ko naman po magagamit ang GCash kapag wala pong internet connection o data.” They can not make transactions on the available services of GCash or Maya if they do not have internet access. The participants are sometimes hesitant to use the mobile wallets because all information like email address, a scan of valid ID as well as photo is required to activate your account, not all can provide the required information to be able to create an account. “Di po ako maalam sa computer kaya di ko po alam mga hinahanap bago ako magkaroon pinapagawa ko na lang po sa mga anak ko.”

##### ➤ Data Protection

The data protection is one of the biggest risk particularly among mobile networks though this is regulated by the Act 10173 or the Data Privacy Act of 2012 (DPA) but there are still hackers who are clever in getting payment information on transmission of payment because mobile wallets are in the form of encryption. “Ang problema po kung mawala po ang cellphone ko, anduon po ang GCash ko po kahit my one time pin po pagmagaling po ang maghack makukuha po lahat ng information ko. This is the common problem the participants shared.

##### ➤ Sync Mobile Banking

GCash and Maya require debit cards sync in the app to ensure fast cash in and convenience as well the the users will enjoy the other payments categories available, the concern of the participants is “Paano po kung mahack nila ang personal account ko di wala na po maiiwan sa banko ko po.”

##### ➤ Real Time Posting of Payments

The purpose of accessing a mobile wallet is for your convenience and for the interest of time, however the participants encountered non-real time posting of payment. “Gaya po nung nagbayad po ako ng electric bill namin successful naman sa notification pero nung dumating ang sunod na billing may outstanding balance pa rin po sya.” The mobile wallets here the Philippines are powered by Instapay and PesoNet a third-party service, if said parties were not able to post real time the payments as well as the wire transfers, the mobile wallets do not normally inform the users. The user needs to validate and coordinate with the third-party if the transactions were posted or not, hence, refund will be processed.

##### ➤ Impulsive Online Shopper

Online shopping has been a trend now specially on the tip of your fingers you can do shopping. “Nagiging habit na tuloy ang kakashoping online dahil mabilis at mas madali mamili.” Thus, all of the participants become an impulsive buyer.

*B. Extent of Utilization of Mobile Wallet*

Table 3: Utilization Results of Mobile Wallet

Utilization	Mean	Descriptive Interpretation
Food Purchase	3.92	Always
Online Shopping	3.82	Always
Utilities bill	3.54	Always
Telephone bill	3.26	Always
Credit Cards bill	2.26	Rarely
Government agencies that require payment services	2.76	Sometimes
Tuition fee	2.50	Sometimes
Hospital bill	1.74	Never
<b>Overall Mean</b>	<b>2.98</b>	<b>Sometimes</b>

The assessment summary on the utilization of mobile wallets is presented in Table 3.

As seen on the table, the results show that food purchase, online shopping, utilities bill, telephone bills which are all characterized as “always” have a means ranging from 3.26 to 3.92. Of the four (4) areas of utilization, food purchase has the highest category mean of 3.92. Government agencies that require payment services has a category mean of 2.76 and Tuition fee has a category mean of 2.50 which is both descriptively interpreted as “sometimes”, while credit card bill payment has a category mean of 2.26 which is descriptively interpreted as “rarely”. Whereas hospital bill with a category means of 1.74 with a descriptive interpretation of “never”. The overall mean of 2.98 is generally regarded as “sometimes”. This implies that the utilization of the mobile wallet is likely successful in Tuguegarao City.

*C. The Following Recommendations Made by the Participants:*

- Other establishments such hospitals, universities, restaurants, and bookstores should consider mobile wallets for payment of bills.
- Mobiles wallets should also be available in wearable devices and appliances that are internet ready.
- Mobile wallets may consider syncing with credit cards.
- Mobile wallets developers may also consider users with special needs to keep track with updates and development of technology on cashless transactions.

**IV. CONCLUSION**

Based on the results of this study, the following conclusions were drawn.

The result of the study show that the utilization of mobile wallet is likely successful in Tuguegarao City. Moreover, business establishment slowly adapts the implementation of cashless transactions.

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