

Factors Affecting the Effectiveness of Online Payment Transactions Using Gcash

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Abstract

Gcash is the popular mobile wallet and financial services app in the Philippines, comes with several potential problems that users should be aware of. The purpose of this study is to look at the factors affecting the effectiveness of online payment transactions using Gcash, with a particular emphasis on understanding the increased security, convenience, and efficiency that digital payments provide. Using a correlational descriptive design and drawing on Fred Davis's Technology Acceptance Model (TAM), the study methodically analyzed data using a variety of statistical tools such as frequency and percentage, weighted mean, t-test, f-test, and correlational analysis. The survey included 100 St. Michael's College students as respondents using the likert-scale instrument, and it revealed that Gcash is mostly used for online payments because to its well-known security features, which appeal to the student demographic. It is found that Gcash is viewed as a convenient and secure payment mechanism, underlining its importance, particularly among students. The recommendations emphasize the need of promoting the benefits of Gcash through social media advertising and influencer marketing, with a focus on transparent and safe transactions to create trust in consumers. The study further encourages future researchers to do comparative research, using this work as a starting point for investigating comparable topics in the field of digital payment systems.

Keywords: *Gcash, Mobile Payment Transactions, Perceived Usefulness.*

Introduction

This study ascertains to investigate the factors affecting the effectiveness of online payment transactions using Gcash. Gcash is the popular mobile wallet and financial services app in the Philippines, comes with several potential problems that users should be aware of. The app relies heavily on network and internet connectivity, making it vulnerable to service interruptions in areas with poor signal coverage as with any financial applications, security issues are another thing to think about. Users may be at risk from unauthorized access or breaches of security, which emphasizes the value of using strong password strategies and activating two-factor authentication. People's lifestyles have changed, becoming more comfortable and convenient because of digitalization and technological improvements. We need convenience since it's in our nature as individuals, so we're always looking for ways to make life easier and faster. Financial services have consistently been evolving from cash to card to digital transactions, specifically GCash.

The form of cashless transactions in the Philippines is not as high in developed countries. These days, the Filipinos have embraced the adoption of cashless transactions, and one of the pushing factors was the effect of the current crisis. Thus, these technologies stemming from digitization and the internet have become integral components of the financial market sector, facilitating cross-border transactions, peer to peer money transfers, bill payments, and various other financial services through internet and digital platforms.

This study can aid in understanding how digital payments offer increased security in addition to convenience and efficiency. Mobile payments are gaining popularity among businesses as a modern business strategy. Leading players in the mobile market provide a variety of solutions facilitating mobile payments. Given the widespread use of mobile devices and users' needs for convenient and timely payment, mobile payment is expected to become a crucial channel for conducting financial transactions, (Global Scientific Journal, 2021). This study was conducted during the 2nd semester Academic Year 2023-2024.

Literature Review

The Composition and Regulations of Gcash is the extent, but also the way in which Filipinos have adopted mobile have been key enablers of mobile money success (GSMA,2019), which is a main source of data that analyzes the state of finance of our country, conducted a research that states that the country is the texting capital of the world and Filipino mobile users are highly SMS literate, which made the proposition of conducting financial transactions on a handset somewhat more intuitive. The Philippines, as a country that highly uses cash as their payment, had been forced to accelerate to use cashless transactions to prevent physical contact with other people (Lucas, D. 2020).

Moreover, the study of Kemaman (2020) found that the most important aspect influencing market adoption of cashless payments is 'perceived Ease of Use', followed by Perceived Usefulness.' The study found that cashless society in Kemaman was viable in view of the fact that it was easy to use and learn. According to (Cudis, C. 2019) in his article " *Gcash Strengthens Dominance in PH* ", Gcash, being the leader in the mobile wallet segment, aims to continuously innovate and improve the user experience through added-value services and features. They also stated that mostly people who use mobile wallets prefer Gcash among others because it charges low or no service fees for digital transactions.

Research Questions

This study aimed to determine the factors affecting the effectiveness of online payment transactions using Gcash and tries to answer the following questions:

1. What are the degree of the respondent's perception on the Effectiveness of Online Payment Transactions Using Gcash of in terms of:
 - 1.1 Perceived ease of use;
 - 1.2 Perceived usefulness;
2. What are the conclusions, and recommendations can be drawn from the study?

Theoretical Framework

Fred Davis' (1989) Technology Acceptance Model (TAM) the theory served as the foundation for this study. TAM is based on the premise that a user's intention to use technology is influenced by 2 primary factors: Perceived ease of use, and Perceived usefulness. The theory of TAM by posits that actual technology use is directly determined by an individual's intentions to use the technology. As the individual's intentions to use the technology increase, they are more likely to actually use the technology. **Perceived usefulness** is defined as the extent to which a person feels that engaging a specific technology will be imperative. As an individual's perceived utility of a technology improves, so do their plans to use it. **Perceived ease of use** is defined as an individual's belief that using a specific technology would be easy. As an individual's perceived ease of use with a particular technology grows, so do their intentions to make use of it.

Methods

This chapter deals with the study's research method. It covers the research design, locale of the study, respondents of the study, sample questionnaire to be used, research instruments, data gathering procedure, and statistical treatment of the data.

Research Design

In this study, the research method used was the descriptive research. Descriptive research is conclusive in nature, as opposed to exploratory. This means that descriptive research gathers quantifiable information that can be used for statistical inference on your target audience through data analysis (Monkey, 2022).

Prior to the data gathering, the researcher prepared a letter of request to St. Michael's students in selected colleges who are likely to use Gcash application. The researcher personally hands over the letter to the school administration and informed them the benefits that they can get out of the result of the study.

The researchers used purposive sampling procedure for the participants of this study, with a total sample size consisted of 100 SMC students including CBAA, CASS, COC, CON and CED. The statistical tool used in this study was frequency, percentage, mean & standard deviation, and t-test. The data collected was tabulated and interpreted in order to arrive the right interpretation.

After the respondents completed the questionnaire, the researcher gathered, evaluated, and analyzed the data. The researcher then assured the respondents of the confidentiality of the results. For confidentiality, the following students were not mentioned.

Respondents of the Study

The targeted respondents for this study were St. Michael's students in selected colleges who is likely to use Gcash application. The total sample size consisted of 100 SMC students including College of Business Administration and Accountancy, College of Arts and Sciences, College of Criminology, College of Nursing and College of Education.

Analysis and Discussion

Table 1: Factors Affecting the effectiveness of online payment transactions using Gcash in terms of Perceived Ease of Use

Indicator	Mean	SD	Qualitative Interpretation
Online payment technology such as Gcash are manageable.	4.23	.863	Strongly Agree
Online payment options are easy to understand.	4.53	.594	Strongly Agree
Online payment system are basic to accommodate audiences of different ages.	4.16	.918	Agree
Online payments such as Gcash are fast when it comes to online transactions.	4.45	.702	Strongly Agree
Online payment such as Gcash is user-friendly online payment application.	4.44	.686	Strongly Agree
Customer support and assistance provided by Gcash is satisfactory.	4.23	.908	Strongly Agree
Online payment transactions such as Gcash made online payment is convenient and efficient.	4.52	.627	Strongly Agree
It's easy for me to navigate different sections and features provided by Gcash Application.	4.47	.627	Strongly Agree
I feel confident in seeking help or resolving issues faced while using online payments.	4.38	.814	Strongly Agree
Gcash made it simple and less hassle when making online payment transactions.	4.49	.611	Strongly Agree
Over-all Mean	4.39	.361	Strongly Agree

Descriptive Equivalent: 1.00 – 1.79 Strongly Disagree; 1.80 – 2.59 Disagree; 2.60 – 3.39 Neutral; 3.40 – 4.19 Agree; 4.20 – 5.00 Strongly Agree

Table 1 shows that the highest mean of respondents strongly agrees with Online payment options are easy to understand 4.53, while the lowest mean is 4.16, which is "Online payment systems are basic to accommodate audiences of different ages." The overall mean is 4.39, which is interpreted as strongly agree.

Discussion

The highest mean score result was 4.53, indicating that “*Online payment options are easy to understand.*” This implies that Online payment Such as Gcash is easier to manage and store your money and other financial data. Online payment systems have significantly increased a company's scope and sales potential, allowing both large and small businesses to use the same payment methods, (Thangamuthu, 2019).

The lowest mean score result was 4.16, that indicates “*Online payment system are basic to accommodate audiences of different ages.*” Respondents largely believe that the Mobile Payment System is suitable for various age groups. Digital payment systems are quickly emerging as a potential means of payment due to their ease, speed, and efficiency, with young and educated customers leading the way, (Journal, I. 2022).

Finally, the results show that the perceived ease of use over-all mean is 4.39, indicating that online payment systems like Gcash are useful in a variety of ways, providing convenience and benefits to respondents. According to Lucas (2020). Online payments such as G-Cash and Paymaya have previously been accessible as alternative methods of payment at restaurants and physical businesses to avoid physical encounters and ensure faster transactions. To summarize, cashless transactions have proven extremely

beneficial in terms of transaction efficiency. Not only does this lessen the danger of cash theft, but it also speeds up transactions by allowing payments to be received immediately.

Table 2: Factors Affecting the effectiveness of online payment transactions using Gcash in terms of Perceived Usefulness

Indicator	Mean	SD	Qualitative Interpretation
Using Gcash payment saves time and is suitable for me.	4.44	.656	Strongly Agree
Payments are made easier even with more than one transaction.	4.39	.751	Strongly Agree
Most of the payment transaction are using Gcash.	4.48	.674	Strongly Agree
It sustain my needs when paying my foods, utilities and etc. through online transaction using Gcash.	4.42	.699	Strongly Agree
Gcash make it easy to send and receive money from other people.	4.55	.592	Strongly Agree
Gcash has improved the efficiency when it comes to financial transactions.	4.47	.611	Strongly Agree
It's easy for me to navigate different sections and features provided by Gcash Application.	4.29	.701	Strongly Agree
Gcash application has a user-friendly interface.	4.56	.608	Strongly Agree
Using gcash is compatible with most other apps and that makes me transfer cash much faster.	4.52	.643	Strongly Agree
Over-all Mean	4.46	.323	Strongly Agree

Descriptive Equivalent: 1.00 – 1.79 Strongly Disagree; 1.80 – 2.59 Disagree; 2.60 – 3.39 Neutral; 3.40 – 4.19 Agree; 4.20 – 5.00 Strongly Agree

Table 2 reveals that the highest mean is 4.56, indicating that the Gcash system has a user-friendly design. It is easy for me to navigate different sections, and the features provided by the Gcash Application have the lowest mean, which is 4.29. Also, the overall mean is 4.46, which is strongly agree.

Discussion

“Gcash application has a user-friendly interface” is the highest mean. This means GCash is where most of the transactions that involve money are now going cashless. In the Philippines, a lot of people utilize digital payments and money transfers such as GCash. In terms of acceptability and usefulness, it turned out to be very useful and is needed by the majority, (Enojas et al, 2023).

“It's easy for me to navigate different sections and features provided by Gcash Application.” has the lowest mean. As a popular mobile wallet ecosystem, GCash has been gaining a lot of traction and adoption by customers. It is a great way to manage your day to day expenses in the Philippines as you can do so much with GCash – paying bills, making purchases, sending money to others, and much more, (RemitFinder, 2023).

Lastly, the outcome reveals that the perceived ease of use over-all mean is 4.47, which indicates that the users strongly agree that the online payment system is easy to use and provides clear information. According to (Cudis, C. 2019) in his article " *Gcash Strengthens Dominance in PH* ", Gcash, being the leader in the mobile wallet segment, aims to continuously innovate and improve the user experience through added-value services and features. They also stated that mostly people who use mobile wallets prefer Gcash among others because it charges minimal or no service costs for digital transactions.

Conclusion

In conclusion to the summary, perceived usefulness is more used by the respondents, which indicates the highest mean among all the Factors Affecting the effectiveness of online payment transactions using Gcash. In addition, perceived usefulness has a significant role in the online payment transactions that users are more prepared to acquire technology when they believe it will give tangible benefits and improve their effectiveness in achieving their goals or tasks. Therefore, this support on the theory of Technology Acceptance Model (TAM) that implies perceived usefulness influences users' attitudes and preferences to use a technology. Gcash online payment and security system is one of the most known and convenient payment method available most specially for students here in the Philippines.

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