The Use of Financial Management Practices in Social Media Businesses in the Philippines

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ABSTRACT

Financial management is an important aspect of the financial industry. This is because it deals with the management of investments and savings for people who have a high level of wealth. The Philippines has a growing number of wealthy individuals (Statista Research Department, 2022), which means that there are many opportunities for social media businesses to cater to these individuals. This paper will evaluate the current financial management practices in social media businesses in the Philippines based on their demographic profile and their perception of using the social media businesses. It will also seek out for the effectiveness, conveniences and satisfactory of social media users related to financial aspects. Furthermore, it will try to find the perceptions of every respondent in financial management planning and cost-effective analysis. This study used a descriptive quantitative research design. The descriptive method of research, according to Creswell (1994), is used to gather information about the current situation. As per Creswell (2012, p. 274), the purpose of the descriptive method is to find a detailed explanation and description about the object of the research systematically. The purpose of descriptive studies is to describe individuals, events, or conditions as they exist in nature. The study focused on Social Media users for business in the Philippines. At least 100 respondents were targeted in this study. Purposive sampling was used in determining the respondents. According to Crossman (2019), this is a method of selecting respondents based on their understanding and the objective of the analysis. Therefore, the participants were selected because on their background in irrigation projects. The researcher used both indirect and direct methods to gather the data needed for the study. Selection of respondents, questionnaire design and distribution of questionnaires are included in the survey application. In order to determine the results of the research study, the researchers administered survey questionnaires to the respondents.

Keywords
Financial Management, Cost-effective Analysis, Social Media

Introduction

Financial management is an important aspect of the financial industry. This is because it deals with the management of investments and savings for people who have a high level of wealth. The Philippines has a

growing number of wealthy individuals (Statista Research Department, 2022), which means that there are many opportunities for social media businesses to cater to these individuals.

One way in which social media businesses can provide services to this type of customer is by providing financial education and advice on how to manage their finances. These businesses can also provide access to financial services such as loans or credit cards that are tailored towards the needs of wealthier customers.

The Philippines is a developing country in Asia, with a population of more than 100 million people. The country has been experiencing an economic boom in recent years (Cordero, 2022), but there are still many social media problems that the government needs to address

This paper will discuss how social media is used as a tool for financial management in the Philippines. It will mainly discuss how companies use social media to promote their products and services, which can be seen as an investment in the company's financial management. It will also discuss how these individuals or companies have to manage their finances and all of the risks that come with this kind of business, such as not having enough money to invest.

This paper will evaluate the current financial management practices in social media businesses in the Philippines based on their demographic profile and their perception of using the social media businesses. It will also seek out for the effectiveness, conveniences and satisfactory of social media users related to financial aspects. Furthermore, it will try to find the perceptions of every respondent in financial management planning and cost-effective analysis.

Methodology

This study used a descriptive quantitative research design. The descriptive method of research, according to Creswell (1994), is used to gather information about the current situation. As per Creswell (2012, p. 274), the purpose of the descriptive method is to find a detailed explanation and description about the object of the research systematically. The purpose of descriptive studies is to describe individuals, events, or conditions as they exist in nature. The study focused on Social Media users for business in the Philippines. At least 989 respondents were targeted in this study. Purposive sampling was used in determining the respondents. According to Crossman (2019), this is a method of selecting respondents based on their understanding and the objective of the analysis. Therefore, the participants were selected because on their background in irrigation projects. The researcher used both indirect and direct methods to gather the data needed for the study. Selection of respondents, questionnaire design and distribution of questionnaires are included in the survey application. To determine the results of the research study, the researchers administered survey questionnaires to the respondents. As cited in Cohen et al. (2007), a questionnaire is a widely used and useful instrument for collecting survey information, providing structured, often numerical data, being able to be administered without the presence of the researcher, and often being comparatively straightforward to analyze.

Results and Discussions

The findings of the study are discussed in this chapter. The sequence of results follows the sequence of the specific problem posted in chapter one.

A. Demographic Profile of Respondents
Based on the data provided by the researchers, the researcher determines that the respondent's gender of the study consists of a female with a percentage of 41.9%, male respondents at 55.80% and on the other part, and respondents who do not provide their gender has a percentage of 2.3%. This concludes that the study's respondents based on their gender comprised of Male participants.

Gender	Frequency	Percentage

Female	41	41.90%
Male	56	55.80%
Prefer Not to Say	3	2.30%
Total	100	100.00%

In terms of the respondents' civil status, the researcher determines that most of the respondents of the study are single with a percentage of 79.10%, while in terms of Married, the percentage of it has total of 20.90%. For Widowed and divorced, the overall respondents do not provide their answers. This means that most of the respondents are single.

Civil Status	Frequency	Percentage
Single	79	79.10%
Married	21	20.90%
Total	100	100.00%

For the Educational background of the respondents, the study reveals that the respondents consist of high school graduates 0.1%, Senior High school graduates 7%, College undergraduates of 39.50%, Bachelor's degrees 48.80%, Master's Degree having of 2%, and lastly, to Doctorate Degree of having a percentage of 2.30%. This means that most of the respondents of the study are college undergraduates.

Educational Background	Frequency	Percentage
High School Graduate	1	0.10%
Senior High School Graduate	7	7%
College Undergraduate	40	39.50%
Bachelor's Degree	48	48.80%
Master's Degree	2	2.30%
Doctorate Degree	2	2.30%
total	100	100%

B. **Perception of respondents in using the social media businesses**

For the perception of respondents in using social media account business, the researcher first determines the most used online platforms by the respondents. Based on the data provided by the researchers, it shows that Facebook has a percentage of 74.40%, Instagram has a percentage of 7%, Tiktok on other hand has a percentage of 9.30%, and lastly, Pinterest, YouTube, LinkedIn, and others have a percentage of 2.3%. This data shows that most of the respondents use Facebook as a medium for a social media business.

Social Media Platforms	Frequency	Percentage
Facebook	74	74.40%
Instagram	7	7%
TikTok	9	9.30%
Pinterest	2	2.30%
YouTube	2	2.30%
LinkedIn	3	2.30%
Others	3	2.40%

	Total	100	100.00%

On the other hand, the researcher of the study also included how often the participants use the social media business and we assess that based on the provided data, the researchers often use their social media platform for their business every day with a percentage of 86%, other respondents answer thrice per week with a percentage of 9.30%, and lastly, twice per week and once per week has a percentage of 2.30%. This means that most of the respondents use their social media business every day.

How Often	Frequency	Percentage
Everyday	86	86%
Thrice per week	10	9.30%
Twice per week	2	2.30%
Once per week	2	2.30%
Total	100	100%

C. Effectiveness, Conveniences and Satisfactory of the respondents

The effectiveness, convenience, and satisfactory of respondents to our study, reveal that when it comes to the statement "Social media platform is where most of the customers go in search of financial information" has a weighted mean of 5.33 and its indication of the said mean is "Strongly Agree". The second part of the survey reveals that "Social media can help identify important financial moments in clients' and prospects' lives" has been interpreted by the research and reveals that the weighted mean of it is 5.09 and its interpretation is "Strongly Agree". The third sentence states that "Social media Highlight brand purpose and build community trust" has a weighted mean score of 5.04 which interprets that it is "Strongly Agree". In terms of financial services which can gain key industry and customer insights when using social media business, it's weighted mean has a score of 5.49 and its interpretation is "Strongly Agree". For the use of social media to learn about your potential customers and gauge what they want from you, the researcher interprets that the weighted mean score is 5.58 and its interpretation is "Strongly Agree". And lastly, in terms of social media tools allowing you to coordinate your customer service across all channels, the researcher interprets the data, and its weighted mean is 5.48 and its interpretation is "Strongly Agree".

On the overall aspect of interpretation when it comes to the Effectiveness, Convenience, and Satisfactory of the respondents when using social media business, the researcher concludes that most of the respondents "strongly agree" on this aspect of the social media business.

Statement	Weighted mean	Mean square	SD	Interpretation
Social media platform is where most of the customers goes in search of financial information.	5.33	29.03	21.76	Strongly Agree
Social media can help identify important financial moments in clients' and prospects' lives.	5.09	26.53	23.39	Strongly Agree
Social media Highlight brand purpose and build community trust	5.04	26.52	17.09	Strongly Agree

Using social media for financial services can gain key industry and customer insights	5.49	30.55	25.19	Strongly Agree
The use of social media to learn about your potential customers and gauge what they want from you.	5.58	31.56	28.04	Strongly Agree
Social media tools allow you to coordinate your customer service across all channels.	5.48	30.46	24.93	Strongly Agree

On its interpretation based on terminologies and perceptions of the respondents to the study, the researcher shows that, when it comes to cost, is weighted mean has a value of 4.71 which is interpreted as "Normal Understanding" on the second part of interpretation, the budgeting's weighted mean has a value of 4.8 and its interpretation is "Normal Understanding". For internal control, the researcher interprets that the weighted mean of it is 4.66 and its verbal interpretation is "Normal Understanding" in terms of the terminology of Working Capital Management, its weighted mean is 4.86 and its verbal interpretation is "Normal Understanding". In its last part, the verbal interpretation of "Long-term financing" is "Normal Understanding" based on its weighted mean of 4.69.

The study concludes that most of the respondents have a normal understanding or have a basic understanding when it comes to the terminology and perception of the social media business itself.

Terminologies and Perceptions	Weighted mean	Mean square	SD	Interpretation
Costing	4.71	22.81	23.11	Normal Understanding
Budgeting	4.8	23.54	26.55	Normal Understanding
Internal Control	4.66	22.5	16.57	Normal Understanding
Working Capital Management	4.86	24.24	23.65	Normal Understanding
Long term Financing	4.69	22.77	16.63	Normal Understanding

Summary of Findings

The researcher behind this study entitled **The Use of Financial Management Practices in Social Media Businesses in the Philippines** conclude the following statements:

1. Based on the data provided by the researchers, the researcher determines that the study's respondents based on their gender comprised of Male participants. In terms of the respondents' civil status, most of the respondents are single. For the Educational background of the respondents, the study reveals that most of the respondents of the study are college undergraduates.

2. For the perception of respondents in using social media account business, the researcher first determines the most used online platforms by the respondents. Based on the data provided by the researchers, it shows that Facebook has a percentage of 74.40%, Instagram has a percentage of 7%, Tiktok on other hand has a percentage of 9.30%, and lastly, Pinterest, YouTube, LinkedIn, and others have a percentage of 2.3%.

3. On the other hand, the researcher of the study also included how often the participants use the social media business and we assess that based on the provided data, the researchers often use their social media platform for their business every day with a percentage of 86%, other respondents answer thrice

per week with a percentage of 9.30%, and lastly, twice per week and once per week has a percentage of 2.30%.

4. The study reveals that the medium used by the respondents in social media business is Facebook. Based on the data provided by the researchers, it shows that Facebook has a percentage of 74.40%, Instagram has a percentage of 7%, Tiktok on other hand has a percentage of 9.30%, and lastly, Pinterest, YouTube, LinkedIn, and others have a percentage of 2.3%.

5. The researcher of the study concludes that the respondents used their social media business every day. Based on the data, it shows that the respondents often use their social media platform for their business every day with a percentage of 86%, other respondents answer thrice per week with a percentage of 9.30%, and lastly, twice per week and once per week has a percentage of 2.30%.

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Acknowledgement

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