

INFLUENCE OF CASHLESS TRANSACTIONS ON PEOPLE'S SPENDING BEHAVIOUR IN COTABATO CITY

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Abstract

This study explored the influence of cashless transactions on spending behavior in Cotabato City, Philippines. The research examined the perceived usefulness, ease of use, security, and advantages of cashless transactions, along with their impact on social influence, socioeconomic status, transaction efficiency, and cultural norms related to spending behavior. The utilized quantitative research design, data was collected through a structured survey questionnaire distributed to residents of Cotabato City. The study aimed to provide valuable insights for businesses, policymakers, and researchers into the adoption and impact of cashless transactions on spending behavior in Cotabato City. The findings of this study is expected to contribute to the existing body of knowledge on cashless transactions and spending behavior, particularly in the context of a developing city like Cotabato.

Keywords: cashless transaction, spending behavior, perceive usefulness, perceive security, cultural norms

INTRODUCTION

Spending behavior is influenced by a variety of factors – including personal factors such as income, wealth, and financial goals, as well as external factors such as the economy, cultural norms, and marketing (Hernandez, 2017). The spending norms of cultures, regions and religions form individual habits that align with those expectations. You may be encouraged to live frugally and humbly without excessive spending, make donations, support your aging family members or host large cultural and family celebrations (Solomon, 2019).The limitation of this study was the existence of study for People's Spending Behavior by Kumar (2021). The relationship between the cashless transactions and spending behavior is

dynamic and complex. While the adoption and usage of cashless payment methods may offer numerous advantages, it is imperative to examine how these perceived benefits translate into actual spending behavior (Ali, 2019). Moreover, this study acknowledges that spending behavior is not solely influenced by technological factors but also by social influence, socio-economic status, transaction efficiency, and cultural norms, as identified in the dependent variables (Khan, 2019). The other research gap and limitation of this study was use of non-random sampling was not utilized during the data gathering.

The rise of cashless transactions has transformed the way people engage in financial transactions worldwide. With the increasing adoption of technology and the convenience it offers, cashless payment systems have gained significant popularity in recent years. These systems enable individuals to make payments electronically, using methods such as mobile wallets, contactless cards, and online payment platforms (Mazzon, 2019).

The spending behavior of individuals is a critical aspect of economic activities in any locality. It impacts personal finances, business revenues, and overall economic growth. The shift from traditional cash transactions to cashless payment methods introduces a new dynamic in consumer behavior (Rego, 2018).

While cash transactions have long been associated with tangible monetary transactions and psychological associations with spending, cashless transactions offer a different set of features and considerations (Xu, 2019).

The primary problematic issue addressed in this study was understanding how these independent variables related to cashless transactions according to Scott (2021) (perceived usefulness, perceived ease of use, perceived security, and perceived advantage) influence the dependent variables associated with spending behavior (social influence, socio-economic status, transaction efficiency, and cultural norms) among the residents of Cotabato City.

The importance of this manuscript was not only for the local economy and future researchers but also for financial inclusion, consumer

education, business strategy, crisis resilience, policy development, cultural understanding, and academic advancement (Bahri, 2020). It addresses pressing issues in today's financial landscape and has the potential to inform decisions that benefit both individuals and the broader community (Rahman, 2023).

This study extends to future researchers by providing a solid foundation, a reference point for tracking changes, and a framework for exploring related topics. It opens up avenues for research, policy evaluation, and practical applications in an ever-evolving field, ensuring that the research's impact continues to be relevant and valuable in the years to come (Yap, 2021).

The study focused on quantitative analysis. A research gap exists in conducting qualitative research to gain a richer understanding of individuals' motivations, experiences, and challenges related to cashless transactions and spending behavior (Yang, 2021).

Cashless transactions, represents the use of cashless payment systems, including mobile wallets, contactless cards, and online payment platforms. Spending behavior, represents how individuals allocate their financial resources and make purchasing decisions. It encompasses factors such as the frequency of transactions, the amount spent, and the types of purchases made (Ware, 2019).

METHOD

In this study, a quantitative research design used to gather informations and data. The quantitative approach captured a deeper understanding of the phenomenon under investigation (Yang, 2021). The quantitative study focused on collecting numerical data to examine the relationships between cashless transactions and spending behavior, as well as the mediating or moderating factors (Osborne, 2019).

This research design was well-suited for generating findings that can be generalized to a larger population (Lew, 2021). In the case of this study, researchers collected data from a sample of respondents in Cotabato City and drew conclusions about the broader population's spending behavior, particularly as it relates to cashless transactions.

Quantitative research often required less time for data collection and analysis compared to qualitative methods. Given the need to gather data from a relatively large sample, efficiency is crucial in this study.

Cotabato City was the locale of the study, a city located in the Philippines. Cotabato City is the regional center of the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM). It served as the hub of economic, cultural, and administrative activities in the region. Cotabato City offers an ideal setting for investigating the influence of cashless transactions on people's spending behavior due to its urban nature and dynamic economic environment. The city is home to a range of commercial establishments, including retail stores, restaurants, online sellers and service providers. It represents a mix of traditional and modern financial practices, making it relevant to examine the impact of emerging cashless payment methods. Conducting the study in Cotabato City allowed the examination of spending behavior within a specific cultural and socioeconomic context. The local population's attitudes, preferences, and experiences regarding cashless transactions may be influenced by the city's unique characteristics, such as its demographic composition, income levels, and educational background. The respondents of the study were 150 selected individuals who are Government Employees, Private Employees, and Students residing in Cotabato City, Philippines, who were engaged in cashless transactions and currently employed from the Ministry of Social Services-BARMM and Development, Ministry of Health-BARMM, Office of the Chief Minister BARMM employees, Palawan Pawnshop, selected online sellers, and Cotabato State University students. The respondents for the study were residents of Cotabato City, Philippines, aged 18 years or above. They were categorized into two groups based on their payment behavior: cashless users and NonCashless users, the cashless users who regularly utilize cashless payment methods such as credit/debit cards, mobile wallets, or online banking and Non-cashless users, who primarily use cash for their transactions and have limited or no experience with cashless payment methods. Participation in the study requires providing informed consent, completing the survey questionnaire, and ensuring the accuracy of responses. The sample size was determined based on statistical power analysis, considering the complexity of the study variables and the need for an adequate representation of the entire population. The sample was ideally consist of a sufficient number of respondents to provide reliable and meaningful data for analysis.

RESULTS AND DISCUSSION

Table 1
 Mean Rating of Perceived usefulness
 N= 150

Item Interpretation	Mean
1. Using cashless transactions helps me track my expenses effectively	4.04 Convenient
2. Cashless transactions make it easier for me to make payments	4.13 Convenient
3. I find cashless transactions useful for managing my finances	4.12 Convenient
Total Mean	4.09
Convenient	

Legend:

- | | |
|----------------------------------|-----------------------------|
| 4.21-5.00- Highly Convenient | 1.81-2.60- Less Convenient |
| 3.41-4.20- Convenient | 1.00-1.80- Least Convenient |
| 2.61-3.40- Moderately Convenient | |

The table 1 presents the mean rating of perceived usefulness of cashless transactions, with a total mean of 4.09, indicating a convenient perception of usefulness among respondents. The items in the table

correspond to specific statements related to the perceived usefulness of cashless transactions, such as tracking expenses, making payments, and managing finances.

The findings of the study is consonant with the findings of Ramayah et al. (2017) found that one of the primary reasons for the adoption of cashless transactions is the convenience and efficiency they offer. Users appreciate the ability to make payments quickly and easily, without the need to carry physical cash (Ramayah et al., 2017).

In addition, the study of Jun and Gao (2018) supports the idea that cashless transactions facilitate expense tracking. They found that digital payment systems often provide users with detailed transaction histories, making it easier for them to monitor and manage their finances (Jun & Gao, 2018).

The security benefits of cashless transactions are welldocumented. According to a report by the Federal Reserve Bank of Boston (2016), digital payments are considered safer than cash because they leave a clear digital trail, reducing the risk of theft or loss.

It is affirmed that studies have shown that consumers generally have a positive attitude towards cashless transactions. Research by Statista (2021) found that the global use of digital payment methods has been

steadily increasing, indicating a growing acceptance and adoption of cashless transactions among consumers (Statista, 2021).

Table 2
 Mean Rating of Perceived ease of use
 N= 150

Item Interpretation	Mean
1. Using cashless transactions is straightforward and easy 4.01 Convenient	
2. I feel confident using cashless payment methods 3.90 Convenient	
3. Learning to use cashless transactions is simple 4.11 Convenient	
Total Mean Convenient	4.01

Legend:

- 4.21-5.00- Highly Convenient
- 3.41-4.20- Convenient
- 2.61-3.40- Moderately Convenient
- 1.81-2.60- Less Convenient
- 1.00-1.80- Least Convenient

The table 2 presents the mean rating level of perceived ease of use of cashless transactions, with a total mean of 4.01, indicating a convenient perception of ease of use among respondents. The items in the table correspond to specific statements related to the perceived ease of use of

cashless transactions, such as straightforwardness, confidence in use, and simplicity of learning.

The moderately extensive perception of ease of use among respondents suggests that they find cashless transactions to be relatively easy and straightforward. The findings of the study is consonant with the findings of Venkatesh et al. (2013) suggests that the perceived ease of use of technology is influenced by its design.

It is affirmed that the positive perception of ease of use of cashless transactions is consistent with global trends in digital payment adoption. Research by McKinsey & Company (2020) found that digital payment methods are increasingly preferred by consumers due to their convenience and ease of use (McKinsey & Company, 2020).

Overall, the results suggest that respondents perceive cashless transactions to be easy and straightforward to use. This positive perception is important as it indicates a high level of acceptance and adoption of cashless payment methods.

Table 3
Mean Rating of Perceived Security
N= 150

Item Interpretation	Mean
1. I trust that my financial information is secure when cashless transactions.	3.59 Convenient using
2. Cashless transactions are as secure as traditional cash payments.	3.60 Convenient
3. I am concerned about the security of my financial information when using transactions.	3.81 Convenient cashless
Total Mean Convenient	3.67

Legend:

- 4.21-5.00- Highly Convenient
- 3.41-4.20- Convenient
- 2.61-3.40- Moderately Convenient
- 1.81-2.60- Less Convenient
- 1.00-1.80- Least Convenient

The table 3 presents the mean rating level of perceived security of cashless transactions, with a total mean of 3.67, indicating a convenient perception of security among respondents. The items in the table correspond to specific statements related to the perceived security of cashless transactions, such as trust in financial information security, comparison of security between cashless and cash payments, and concerns about financial information security.

The findings of the study is consonant with the findings of Cabanillas et al. (2016) found that consumers perceive cashless transactions to be as secure as traditional cash payments. This perception is influenced by factors such as the encryption of financial information and the presence of security features in cashless payment methods (Cabanillas et al., 2016).

It is affirmed that enhancing the security of cashless transactions is crucial for increasing consumer confidence. Studies have shown that security breaches and fraud can erode consumer trust in cashless payment methods (Ward & Reiners, 2019). Improving security measures and addressing consumer concerns can help build trust and confidence in cashless transactions.

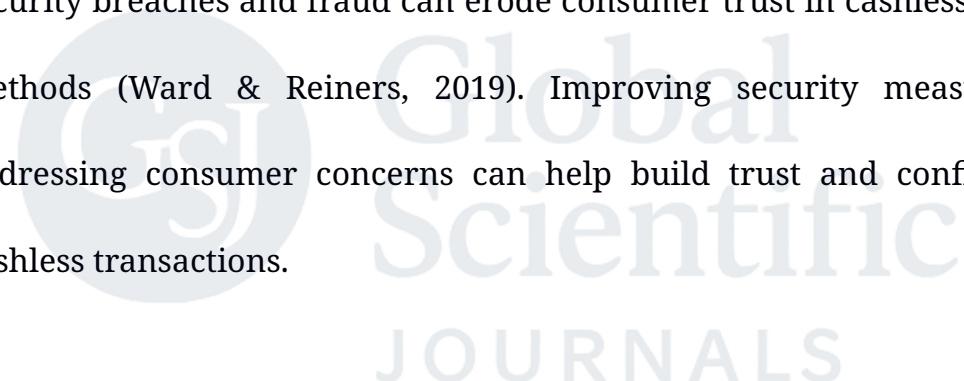


Table 4
 Mean Rating of Perceived Advantage
 N= 150

Item Interpretation		Mean
1. Cashless transactions provide me with convenience in my financial transactions	3.95	Convenient
2. I receive benefits or rewards when using cashless payment methods	3.82	Convenient
3. Paying cashless online has more discounts than cash	3.73	Convenient
Total Mean Convenient		3.83

Legend:

- | | |
|----------------------------------|-----------------------------|
| 4.21-5.00- Highly Convenient | 1.81-2.60- Less Convenient |
| 3.41-4.20- Convenient | 1.00-1.80- Least Convenient |
| 2.61-3.40- Moderately Convenient | |

The table 4 shows the mean rating level of the perceived advantages of cashless transactions, with a total mean of 3.83, indicating a convenient perception of advantages among respondents. The items in the table correspond to specific statements related to the perceived advantages of cashless transactions, including convenience, benefits or rewards, and discounts.

value the benefits and rewards offered by cashless payment methods. Cash-back, discounts, and loyalty points are perceived as valuable incentives that encourage the use of cashless transactions (Chen et al., 2019).

This suggests that they value the incentives offered by cashless transactions, such as cash-back, discounts, or loyalty points. This perception of benefits and rewards further reinforces the attractiveness of cashless transactions among consumers.

Table 5
 Mean Rating Level of Social Influence
 N= 150

Item Interpretation		Mean
1. The influence of your officemates is affecting your Convenient purchasing decisions	3.46	Moderately
2. The influence of your friends is affecting your Convenient purchasing decisions	3.48	Moderately
3. The influence of your family		

Mean	3.58	Total
Convenient		Moderately

Legend:

- 4.21-5.00- Highly Convenient
- 3.41-4.20- Convenient
- 2.61-3.40- Moderately Convenient
- 1.81-2.60- Less Convenient
- 1.00-1.80- Least Convenient

Table 5 presents the mean rating level of social influence on purchasing decisions among consumers in Cotabato City, with a total mean of 3.58, indicating a moderately extensive convenient. The items in the table correspond to specific statements related to the influence of different social groups (officemates, friends, and family) on purchasing decisions.

Understanding the influence of social groups on purchasing decisions can help businesses tailor their marketing strategies to target these influential circles. The findings is supported by Lee and Youn (2009) found that consumers are more likely to purchase products that are recommended by their social network, highlighting the importance of social influence in marketing (Lee & Youn, 2009).

Overall, the moderately extensive influence of social groups on purchasing decisions underscores the importance of social relationships in consumer behavior. Businesses can use this information to tailor marketing strategies that appeal to these influential social circles, while policymakers

Table 6

Mean Rating Level of Socio-Economic Status

N= 150

Item Interpretation	Mean
1. I see myself using cashless payment methods (e.g., credit/debit mobile wallets) to boost your purchasing power Convenient cards,	3.79
2. I can earn points and rewards using cashless transaction Convenient	3.80
3. Using cashless transaction feels more advantage than cash Convenient	3.83
Total Mean Convenient	3.83

Legend:

4.21-5.00- Highly Convenient

1.81-2.60- Less Convenient

3.41-4.20- Convenient

1.00-1.80- Least Convenient

2.61-3.40- Moderately Convenient

Table 6 presents the mean rating level of socio-economic status influencing the use of cashless transactions among consumers in Cotabato City, with a total mean of 3.83, indicating a convenient findings. The items in the table correspond to specific statements related to how socio-economic status impacts the use of cashless payment methods.

The findings is supported by Wu et al. (2018) found that consumers are motivated to use cashless transactions because they can earn points, rewards, or cashback. This aligns with the idea that socioeconomic status can influence the use of cashless payment methods, as consumers from higher socio-economic backgrounds may be more motivated by these incentives (Wu et al., 2018).

It is affirmed that the understanding the influence of socioeconomic status on the use of cashless transactions is important for businesses and policymakers. A study by Lee et al. (2017) suggests that consumers' financial circumstances and incentives play a significant role in their

adoption of cashless payment methods, highlighting the need to tailor strategies to different socio-economic groups (Lee et al., 2017).

The findings of the study is consonant with the findings of Lian et al. (2014) indicates that consumers perceive cashless transactions to be more advantageous than using cash. This perception is influenced by factors such as convenience, security, and the ability to track expenses, all of which can be particularly appealing to consumers with higher socio-economic status (Lian et al., 2014).

Overall, the moderately extensive convenience of socio-economic status on the use of cashless transactions highlights the importance of considering consumers' financial circumstances and incentives when promoting and implementing cashless payment methods.

Table 7
 Mean Rating Level of Transaction Efficiency
 N= 150

Item Interpretation	Mean
1. In managing my finances, cashless transactions is efficient	3.96
2. It is easy to check the transaction history of my	Convenient

purchases	4.14	Convenient
3. I easily can transfer funds to my different bank accounts	4.14	Convenient
Total Mean Convenient		4.08

Legend:

- 4.21-5.00- Highly Convenient
- 3.41-4.20- Convenient
- 2.61-3.40- Moderately Convenient
- 1.81-2.60- Less Convenient
- 1.00-1.80- Least Convenient

Table 7 presents the mean rating level of transaction efficiency associated with cashless transactions among consumers in Cotabato City, with a total mean of 4.08, indicating a convenient perception of efficiency. The items in the table correspond to specific statements related to the efficiency of cashless transactions in managing finances and transferring funds.

The findings of the study is consonant with the findings of Cabanillas et al. (2016) suggests that consumers perceive cashless transactions to be efficient in managing their finances. Digital payment methods offer features such as real-time transaction tracking and budgeting tools, which can enhance financial management practices (Cabanillas et al., 2016).

Overall, the convenient findings of transaction efficiency associated

with cashless transactions underscores the convenience and effectiveness of digital payment methods in managing financial transactions. This perception of efficiency can influence consumers' decisions to adopt cashless payment methods and suggests a positive outlook on the benefits of these transactions in enhancing financial management practices.



Table 8
Mean Rating Level of Cultural Norms
N= 150

Item Interpretation	Mean
1. Cultural norms and practices can influence my spending behavior	3.97 Convenient
2. I can easily adapt/engage with digitalization	4.10 Convenient
3. I bring cash and cards at the same time when I visit Malls and Restaurants	4.16 Convenient
Total Mean Convenient	4.00

Legend:

- | | |
|----------------------------------|-----------------------------|
| 4.21-5.00- Highly Convenient | 1.81-2.60- Less Convenient |
| 3.41-4.20- Convenient | 1.00-1.80- Least Convenient |
| 2.61-3.40- Moderately Convenient | |

Table 8 presents the mean rating level of cultural norms influencing the use of cashless transactions among consumers in Cotabato City, with a total mean of 4.00, indicating a convenient. The items in the table correspond to specific statements related to how cultural norms impact the adoption and use of cashless payment methods.

The mean ratings for all three items (1, 2, 3) are relatively high,

ranging from 3.97 to 4.16, suggesting that respondents perceive cultural norms as moderately extensively influencing their use of cashless transactions. Item 1 suggests that respondents believe cultural norms and practices can influence their spending behavior, indicating that societal expectations and traditions play a role in shaping consumer behavior.

To support the findings the influence of cultural norms on the use of cashless transactions is important for promoting and implementing these payment methods. It negated to the study of Beugelsdijk and Welzel (2018) suggests that cultural factors play a significant role in shaping consumer behavior and attitudes towards technology, highlighting the need to consider cultural norms in marketing and policy-making (Beugelsdijk & Welzel, 2018).

It is affirmed that the convenient influence of cultural norms on the use of cashless transactions highlights the importance of considering cultural factors in promoting and implementing cashless payment methods.

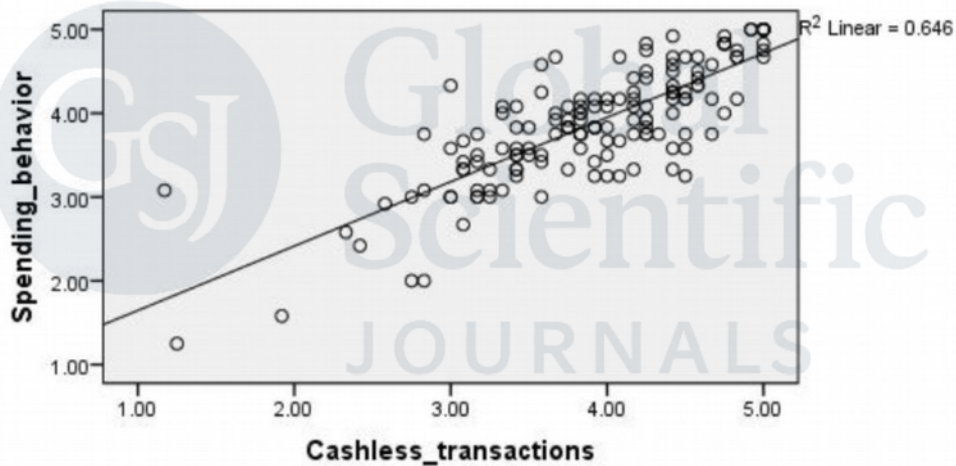
Table 9

Correlation Matrix between Cashless Transactions and Spending

Behavior

Item	Cashless Transactions	Spending Behavior
Pearson Correlation	1	.804**
N	150	150
Pearson Correlation	.804**	1
N	150	150

** . Correlation is significant at the 0.01 level (2-tailed)



The correlation matrix shows the relationship between cashless transactions and spending behavior among respondents in Cotabato City. The Pearson correlation coefficient of 0.804** indicates a strong positive correlation between cashless transactions and spending behavior.

indicating that this relationship is unlikely to have occurred by chance. This finding supports the hypothesis that there is a significant relationship between cashless transactions and spending behavior in Cotabato City. The sample size for both variables is 150, indicating a robust dataset. This correlation matrix provides valuable insights for policymakers, businesses, and consumers, highlighting the importance of understanding how the adoption of cashless transactions can influence spending behavior and, consequently, economic activities.

Studies have shown that the adoption of cashless transactions can have a significant impact on consumer spending behavior. Another study by Suri et al. (2017) showed that the convenience of cashless transactions led to higher spending levels among consumers. These findings support the results of this study, which suggest that cashless transactions influence spending behavior among consumers in Cotabato City.

One study that supports the findings of my research on the relationship between cashless transactions and spending behavior is a study by Li et al. (2020) titled "The Impact of Cashless Payments on Consumer Spending: Evidence from a Field Experiment." In this study, the researchers conducted a field experiment to investigate how

behavior. Li et al. (2020) found that participants who were encouraged to use cashless payment methods, such as credit cards or mobile payment apps, ended up spending more compared to those who used cash. The researchers attributed this increase in spending to the convenience and ease of use of cashless payment methods, which reduced the psychological pain of parting with money compared to using physical cash.

Table 10
Mean Rating Level of Cashless Transactions
N= 150

Item Interpretation		Mean
1. Perceive usefulness	4.09	Convenient
2. Perceive ease of use	4.01	Convenient
3. Perceive Security		3.67
Convenient		
4. Perceive Advantage		3.83
Convenient		
Total Mean		3.90
Convenient		

Legend:

4.21-5.00- Highly Convenient

1.81-2.60- Less Convenient

3.41-4.20- Convenient

1.00-1.80- Least Convenient

2.61-3.40- Moderately Convenient

to cashless transactions in Cotabato City. It shows that the respondents agreed that they are aware of the concept of digital platforms and payments with a mean of 4.09. They also agreed that SABAL, 45

there are online scams and fraud with a mean of 3.67. The respondents strongly agree that there is a lot of convenience in using cashless transactions.

It is affirmed that mean 3.90 signifies that there is an influence of using cashless transactions on the spending behavior among consumers in Cotabato City. This study provides support for the idea that cashless transactions can influence consumer spending behavior. It suggests that the convenience and efficiency of cashless payment methods can lead to increased spending, highlighting the importance of understanding the impact of these payment methods on consumer behavior.

These findings align with existing research that suggests cashless transactions can influence consumer spending behavior. For example, Abdul Rahman et al. (2018) found that the convenience and ease of electronic payments can lead to increased spending. Similarly, Wibowo and Santoso (2019) observed a similar trend in Indonesia, where consumers

support the idea that the convenience and efficiency of cashless transactions can impact consumer spending behavior, emphasizing the need for further research in understanding these effects.



Table 11
 Mean Rating Level of the Spending Behavior
 N= 150

Item Interpretation	Mean
1. Social Influence Convenient	3.58
2. Socio-Economic Status Convenient	3.83
3. Transaction Efficiency Convenient	4.08
4. Cultural Norms Convenient	4.00
<div style="display: flex; justify-content: space-between;"> Total Mean Convenient 3.87 </div>	
<p>Legend:</p> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>4.21-5.00- Highly Convenient</p> <p>3.41-4.20- Convenient</p> <p>2.61-3.40- Moderately Convenient</p> </div> <div style="width: 45%;"> <p>1.81-2.60- Less Convenient</p> <p>1.00-1.80- Least Convenient</p> </div> </div>	

The table 11 illustrates the extent of purchasing decisions towards cashless transactions in Cotabato City. It shows that the respondents are strongly agree on the advantages of cashless payment transactions and important in our daily lives as consumer with a mean of 4.8. The overall mean of 3.87 implies that extent or use of digital payments has a huge impact in the spending behavior of the consumers in Cotabato City. Overall, the data indicates a positive attitude towards cashless transactions in

Summary of Findings

The study investigated the relationship between cashless transactions and spending behavior among consumers in Cotabato City. The findings reveal that consumers in Cotabato City are increasingly engaging in digital transactions, indicating a growing awareness and adaption of cashless payment methods. The respondent pool consisted predominantly of cashless users, comprising 95% of the total participants. This indicates a high prevalence of cashless payment adoption among residents of Cotabato City. Conversely, the remaining 5% of respondents were categorized as non-cashless users, representing individuals who primarily rely on cash for their transactions.

Furthermore, the study identified social influence, socio-economic status, transaction efficiency, and cultural norms as factors influencing purchasing decisions towards cashless transactions. These factors were found to moderately influence consumers' decisions to adopt cashless

correlation ($r = 0.804$) between cashless transactions and spending behavior, indicating that as the frequency or extent of cashless transactions increases, so does the level of spending behavior among consumers.

It is affirmed that Statista (2021) shows a global trend of increasing adoption of cashless payment methods, driven by factors such as convenience, security, and the growing availability of digital payment options (Statista, 2021).

To support the findings, McKinsey & Company (2019) found that Southeast Asia, including the Philippines, has seen significant growth in cashless transactions, with mobile payments and digital wallets becoming increasingly popular (McKinsey & Company, 2019).

Another study of Wang et al. (2018) found a positive correlation between the use of cashless payment methods and increased spending behavior. As consumers adopt cashless payment methods, they may spend more due to the convenience and ease of use of digital transactions (Wang et al., 2018).

Conclusions

The study suggested that the convenience and efficiency of cashless payment methods can lead to increased spending, highlighting the

consumer behavior. The findings provide valuable insights for policymakers, businesses, researchers, and consumers.

Based on the findings of this study, it concluded that consumers in Cotabato City are increasingly embracing cashless transactions, perceiving them as useful, moderately easy to use, and advantageous. However, there are concerns regarding the security of financial information in cashless transactions. Social influence, socio-economic status, transaction efficiency, and cultural norms were identified as factors influencing consumers' decisions towards cashless transactions, with transaction efficiency and cultural norms showing significant impacts on spending behavior. Importantly, the study revealed a significant positive relationship between cashless transactions and spending behavior, indicating that as consumers engage more in cashless transactions, their spending tends to increase.

This study contributes to the existing literature by providing theoretical and practical insights into the challenges and opportunities associated with digital payment technologies, thereby laying the groundwork for a more robust digital payment ecosystem in Cotabato City.

To support the conclusion, the study of Kim and Eastin (2011) suggests that the convenience and efficiency of cashless payment methods

more convenient, consumers may be more inclined to make

impulse purchases or spend more than they initially intended (Kim & Eastin, 2011).

It is affirmed that Harn and Lin (2014) highlights the importance of enhancing secure payment systems to address concerns about the security of financial information in cashless transactions. Secure payment systems can help build consumer trust and confidence in cashless payment methods (Harn & Lin, 2014).

Recommendations

In view of the findings of this study, the following were recommended based on the Statement of the problems, result, and conclusion: Firstly, to enhance the level of cashless transactions, it is recommended to strengthen secure payment systems. Given that consumers perceive cashless transactions as moderately secure, prioritizing and investing in advanced technologies and stringent security protocols can safeguard financial transactions and protect sensitive financial information. Additionally, promoting financial inclusion and literacy is crucial. Collaborative efforts with stakeholders to conduct

matters and promote responsible financial practices.

Secondly, executing propaganda and awareness programs in rural areas can further increase the adoption of cashless transactions. Targeted campaigns in rural areas surrounding Cotabato City, along with



materials in nearby municipalities, can effectively disseminate information and encourage adoption. Empowering Micro, Small, and Medium Enterprises (MSMEs) with digital payment training is also recommended. Providing training and support programs can equip them with the necessary knowledge and skills to embrace digital payments, contributing to the economic growth of the city.

In terms of spending behavior, digitizing government transactions with financial and digital literacy is recommended to improve transaction efficiency. Prioritizing the adoption of digital transactions in government offices and agencies can lead to cost savings, reduced bureaucracy, and increased transparency. Additionally, educating students on digital transactions is essential. Implementing educational programs to enlighten students about the advantages and disadvantages of digital transactions can help them make informed financial decisions in the future.

It is also recommended to conduct a further random sampling for the respondents to foresee the statistical significance. The non probability is not conclusive. Finally, considering the significant positive relationship between cashless transactions and spending behavior, efforts should be made to further promote the adoption of

cashless transactions among consumers in Cotabato City. This can be achieved through targeted campaigns, incentives, and educational programs aimed at highlighting the benefits of cashless transactions.

Abawajy et al. (2015) emphasizes the importance of strengthening secure payment systems to protect against fraud and ensure the security of financial transactions. Advanced technologies such as encryption and tokenization can be utilized to enhance the security of cashless transactions (Abawajy et al., 2015).

Amankwah-Amoah and Ifere (2020) suggests that targeted propaganda and awareness programs can be effective in promoting behavior change. By focusing on rural areas and using IEC materials, these programs can effectively reach and educate a wider audience about the benefits of cashless transactions (Amankwah-Amoah & Ifere, 2020).

Hatak et al. (2016) and World Bank (2019) emphasize the importance of empowering MSMEs with digital payment training. Providing training programs can help MSMEs understand and adopt digital payment methods, which can improve their efficiency and competitiveness in the market (Hatak et al., 2016; World Bank, 2019).

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