

Consumer Pulse Survey

Filipino Consumer Sentiment Unfazed: Consumer Behavior on E-Wallets Remains Positive Despite Issues Encountered in 1st half of 2023

- Summary Report -

Nomura Research Institute (NRI) Singapore Pte. Ltd.
Manila Branch

October 2023



01

Survey Background

02

Key Findings and Analysis

03

About NRI

01

Survey Background

02

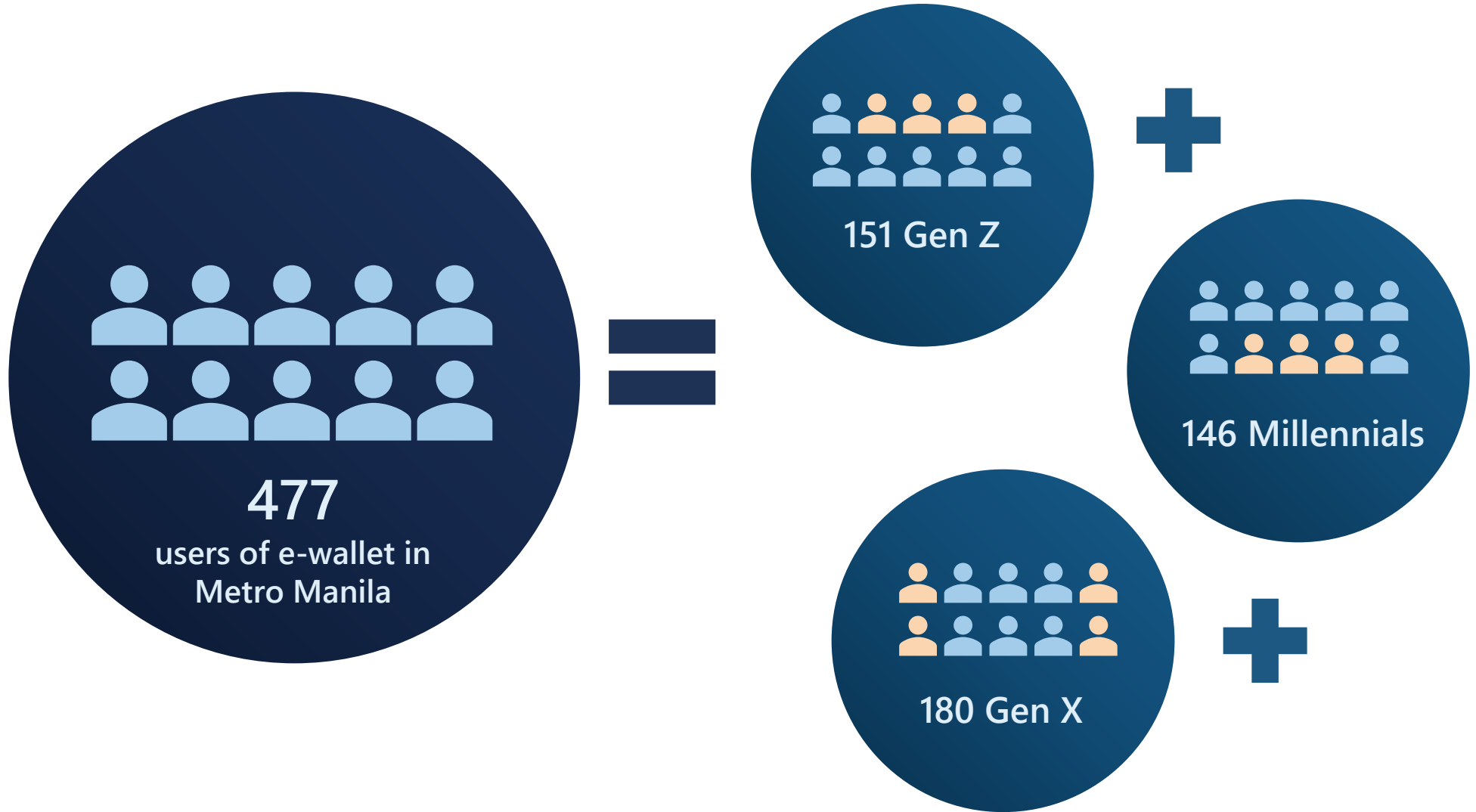
Key Findings and Analysis

03

About NRI

Survey Background

NRI conducted online survey from September 10 to October 9 and collected a total of 477 responses from e-wallet users of various age groups in Metro Manila



01

Survey Background

02

Key Findings and Analysis

03

About NRI

Key Findings

Filipino consumers remain positive on e-wallets despite issues encountered but seek convenience and security enhancements in 1st half of 2023

Despite issues encountered, Filipino consumers continue to trust and expressed intention to continue using e-wallet platforms.

E-wallets have become indispensable for everyday (low-value) transactions.

Consumers are looking for more convenience, accessibility, and incentives.

Consumers look forward to further developments, particularly stronger security measures in e-wallet

Key Findings & Analysis

Despite issues encountered, Filipino consumers continue to trust and expressed intention to continue using e-wallet platforms.

E-wallets have become indispensable for everyday (low-value) transactions.

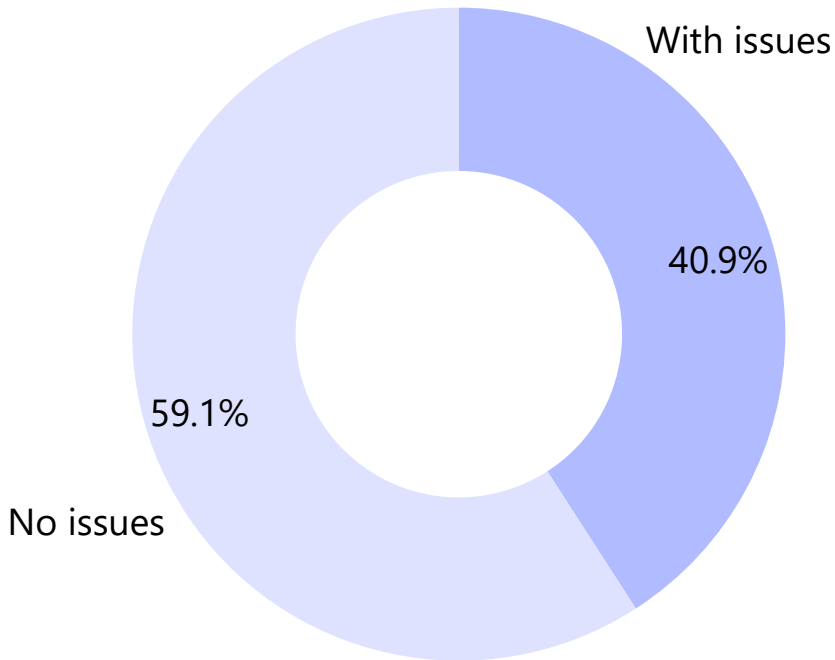
Consumers are looking for more convenience, accessibility, and incentives.

Consumers look forward to further developments, particularly stronger security measures in e-wallet

Analysis | Issues Encountered While Using E-Wallet

41% of respondents encountered issues (integration, technical, security) while using e-wallet in the last six (6) months, with technical issues having the highest incidence

Respondents with issues encountered in the last (6) months

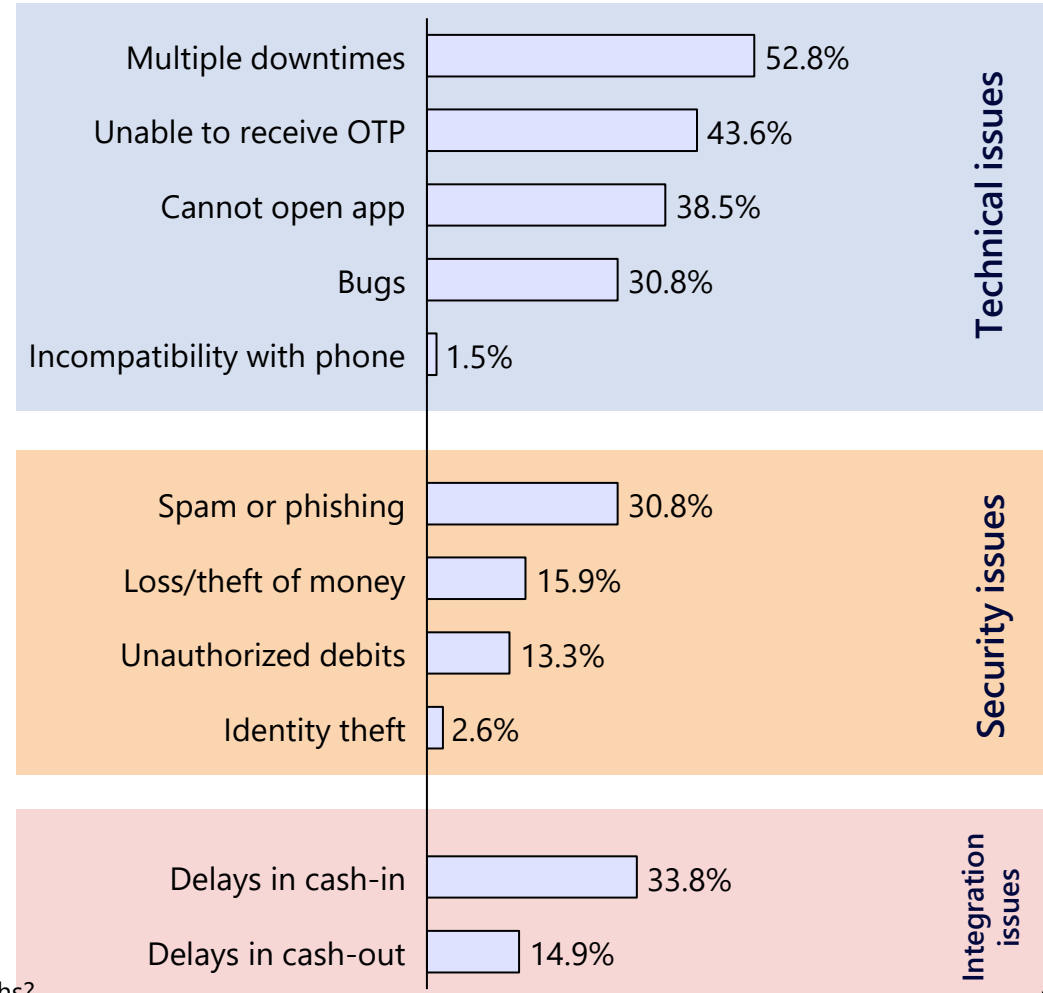


Note: 195 respondents have cited experiencing various issues while using e-wallet in the last six (6) months. Respondents were allowed to indicate multiple answers in the issues encountered. Thus, the total will not tally to 100%.

Question 3: Have you encountered any issues using e-wallet in the last six months?

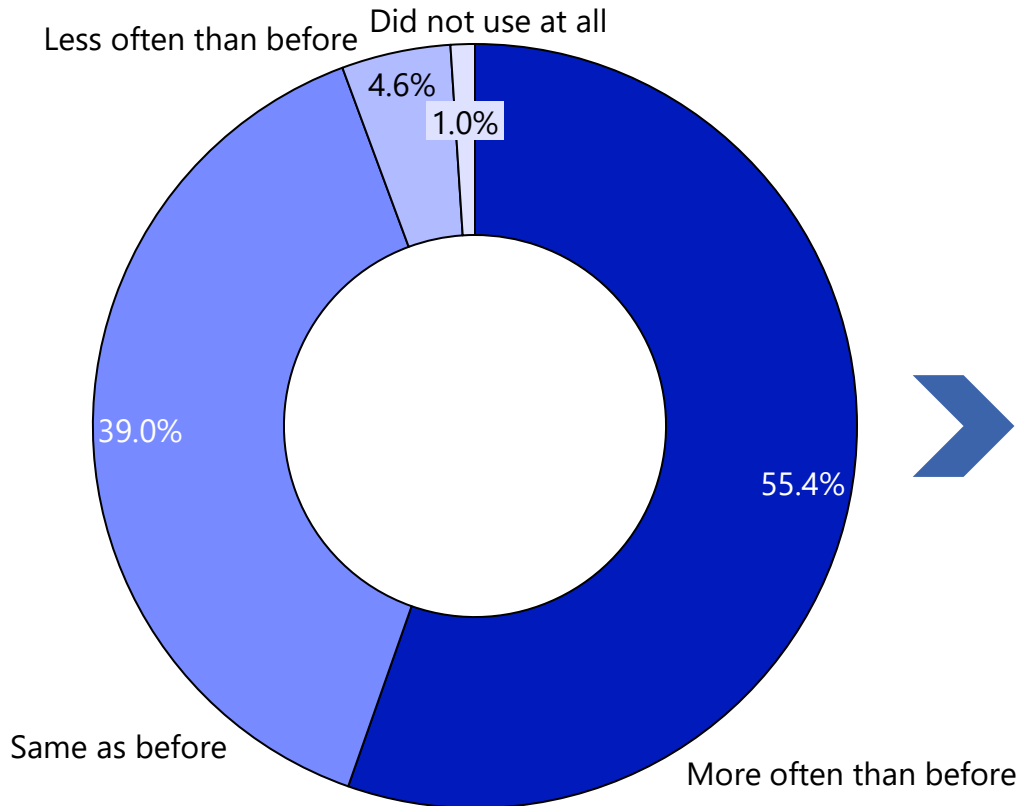
Question 4: What issues have you encountered in the last six months? Select all that apply.

Issues encountered in the last six (6) months

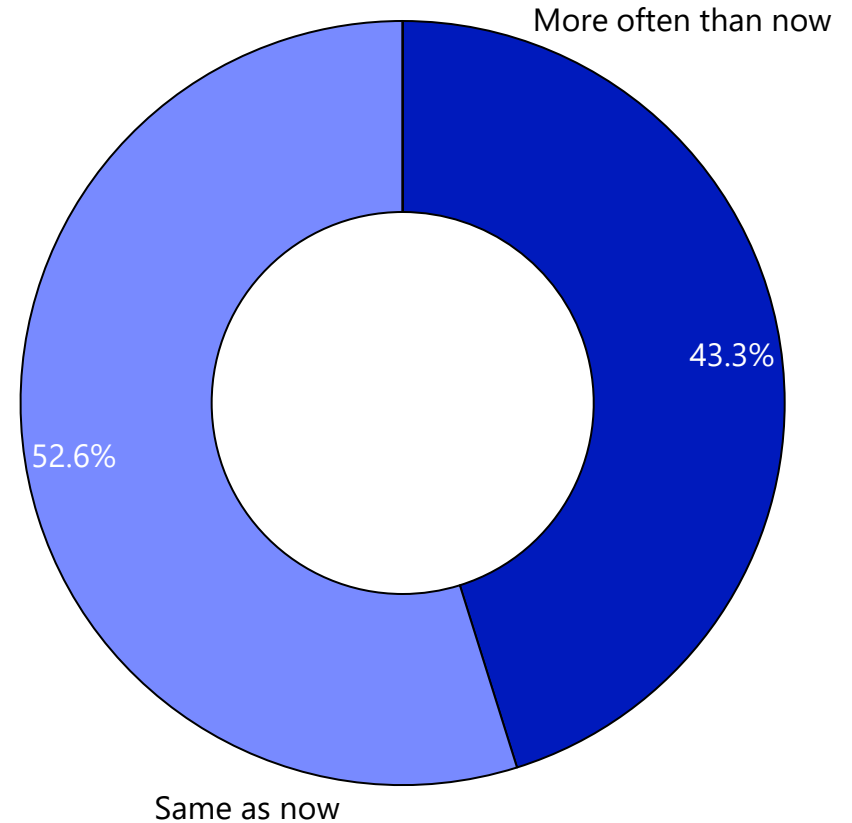


Despite the issues encountered, respondents have remained positive in their intention to use e-wallets in the next six (6) months

Frequency of recent e-wallet use of respondents with issues encountered
Use of e-wallet in the last six (6) months

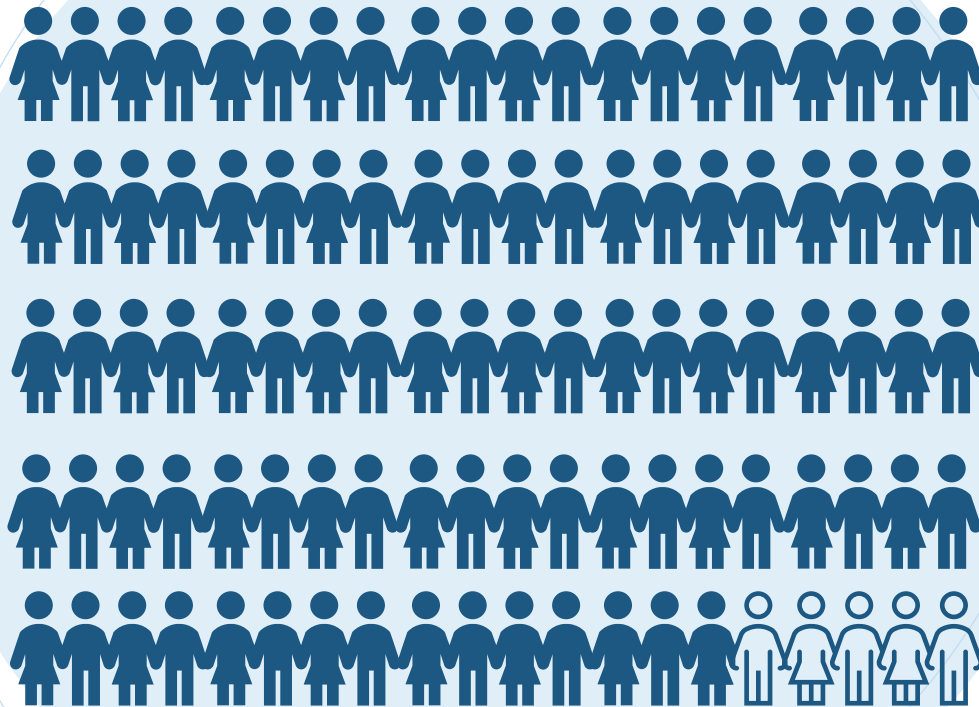


Planned frequency of use of e-wallet in the next six (6) months of respondents with issues encountered
Use of e-wallet in the next six (6) months



Further, 95% of respondents who encountered issues still trust e-wallet as a digital financial platform

% of respondents that encountered issues and still trust e-wallet as digital financial platform



The use of e-wallet has already become integral to consumers' lives, motivated by wider adoption of e-commerce and digital financial platforms in the Philippines. Large driven out of necessity and convenience, Filipinos continue to trust and use e-wallet.

Key Findings & Analysis

Despite issues encountered, Filipino consumers continue to trust and expressed intention to continue using e-wallet platforms.

E-wallets have become indispensable for everyday (low-value) transactions.

Consumers are looking for more convenience, accessibility, and incentives.

Consumers look forward to further developments, particularly stronger security measures in e-wallet

Filipinos have embraced the use of e-wallets for everyday transactions, both online and offline

The top three (3) use cases of e-wallets mostly revolve around sending money online and as alternative to carrying (i.e., withdrawing physical) cash for everyday purchases. We hypothesize that this behavior is influenced by Filipino's adoption of e-commerce coupled by behaviors developed during the pandemic (e.g., limited physical interactions).

As most e-wallet platforms are also connected with major banks, users also use it to transfer money between bank accounts and to pay credit cards/loans. This is similar with sending money online. Instead of physically visiting banks, consumers use e-wallets to complete these transactions.

Least popular uses of e-wallets are for keeping emergency fund and long-term savings. This may be due to lack of interest as well as wallet limits in most platforms.

Use of E-Wallets According to Respondents



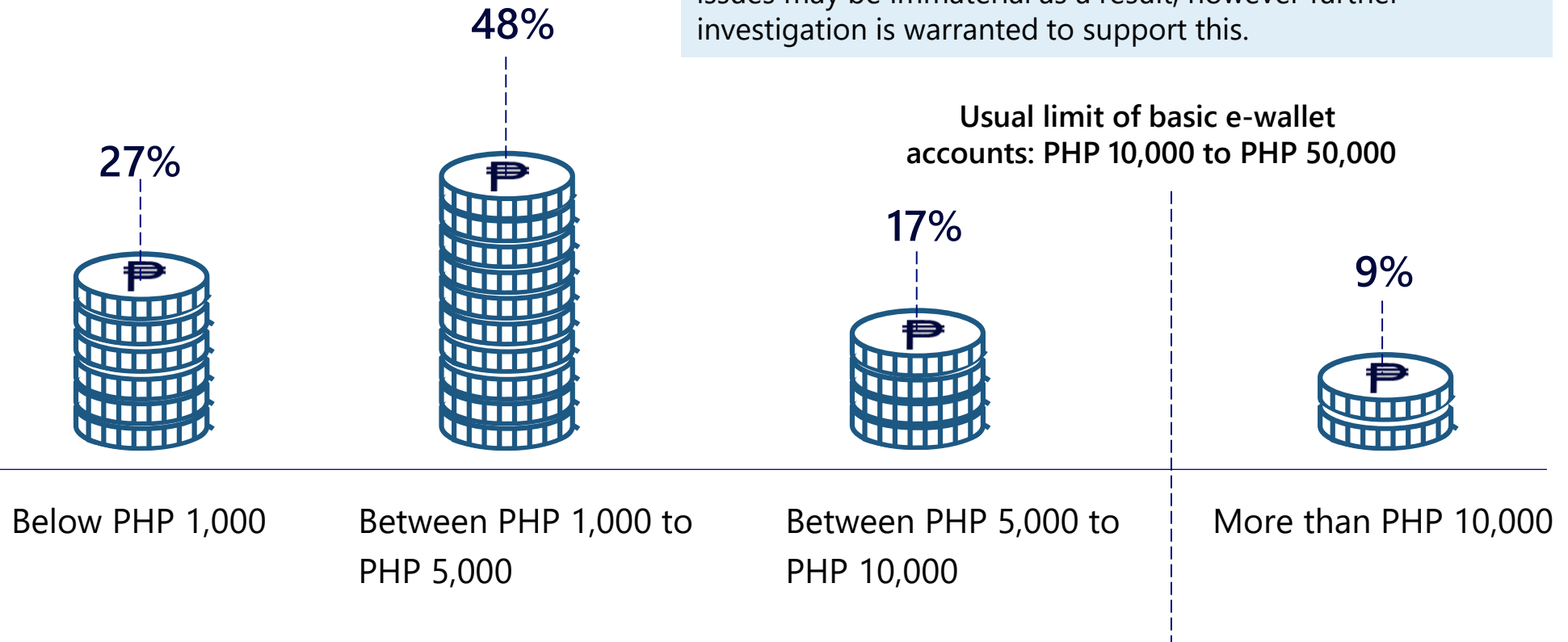
Question 1: What is your primary purpose for using e-wallets?

n = 477 respondents

Most e-wallet transactions remain low with usual exchanges averaging between PHP 1,000 to PHP 5,000 making financial losses from issues encountered, if any, potentially immaterial.

Usual value of transactions via e-wallet

Most of average transactions are still less than PHP 10,000. This can be attributed to (1) different preference for larger value transaction and (2) transaction limits imposed by e-wallet platforms. We hypothesize that financial impact of issues may be immaterial as a result, however further investigation is warranted to support this.

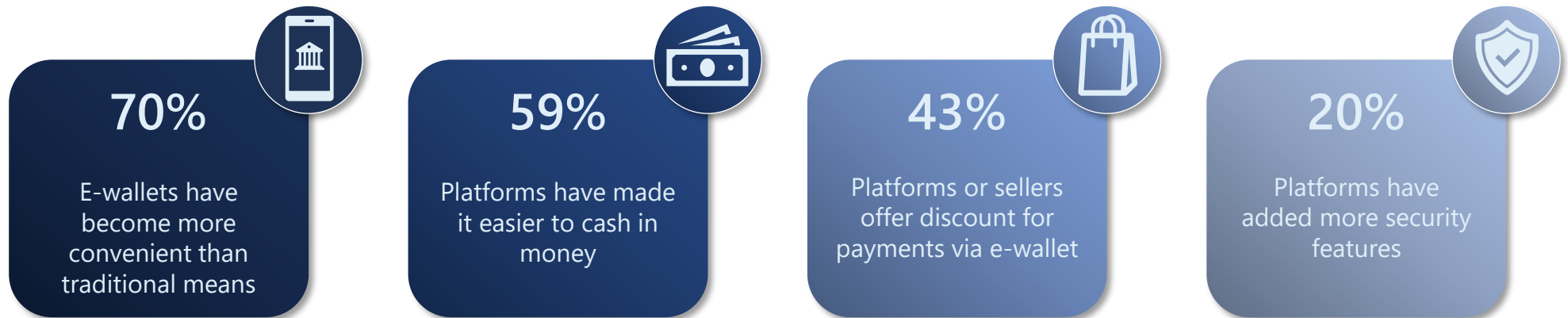


Question 2: How much is the usual value of transaction via e-wallet?

n = 477 respondents

Increased use of e-wallet has been mainly due to its appeal as an alternative to traditional payment methods, signifying consumer's growing penchant for convenience

Reasons for increased use of e-wallet in the last six (6) months



In addition to offering alternative to traditional payment method, the developments and updates to make integration and security more reliable have helped influence consumers to use e-wallet more than before. There is also a significant number of respondents answering to discounts as a factor to their increased usage of e-wallet applications.

Key Findings & Analysis

Despite issues encountered, Filipino consumers continue to trust and expressed intention to continue using e-wallet platforms.

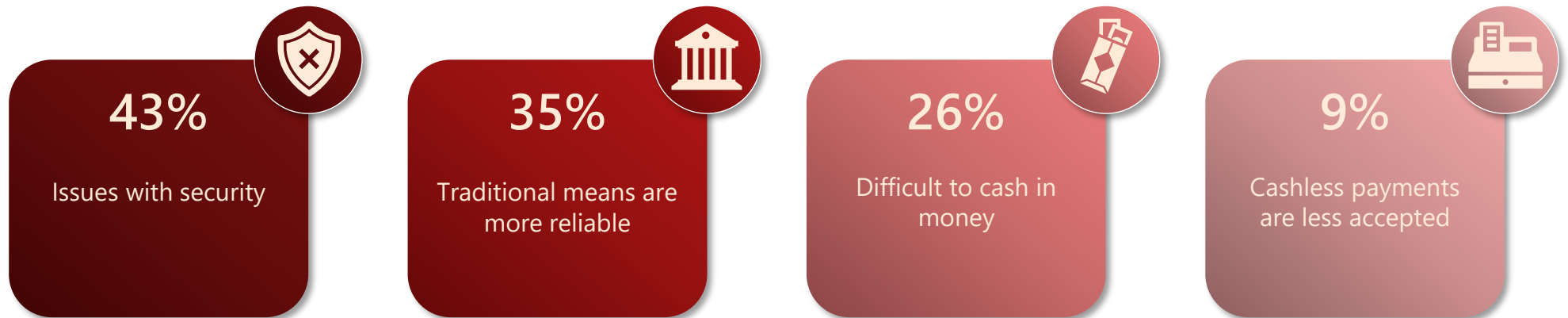
E-wallets have become indispensable for everyday (low-value) transactions.

Consumers are looking for more convenience, accessibility, and incentives.

Consumers look forward to further developments, particularly stronger security measures in e-wallet

Issues with security has been the main concern for the 4% of the respondents that reduced their use of e-wallet in the last six (6) months

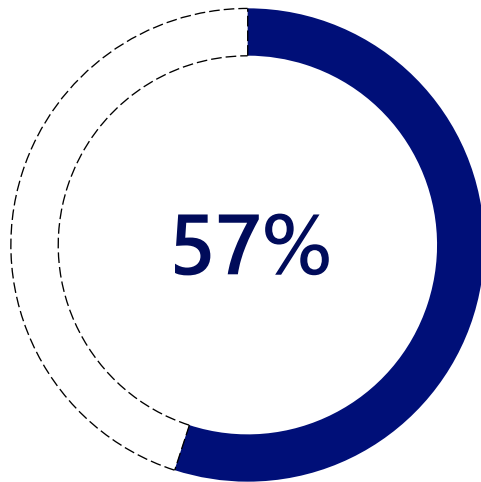
Reasons for decreased use of e-wallet in the last six (6) months



Despite developments, there are still a few that is concerned with their security while using e-wallet. Difficulty in integration and reliability are also key reasons why some has decided to use e-wallets less.

Consumers also find it difficult to file complaints and feel that the government lacks support to consumers of e-wallet

Question 10: Do you feel that the government has sufficient support for consumers using e-wallet?



57% of the respondents feel that government has **insufficient support** for consumers using e-wallet. These are the top 3 reasons why they felt as such.

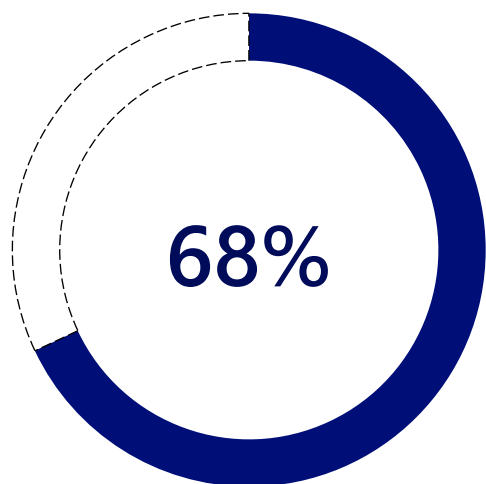
Question 12: Why not?

(For those who answered no in the first question.)

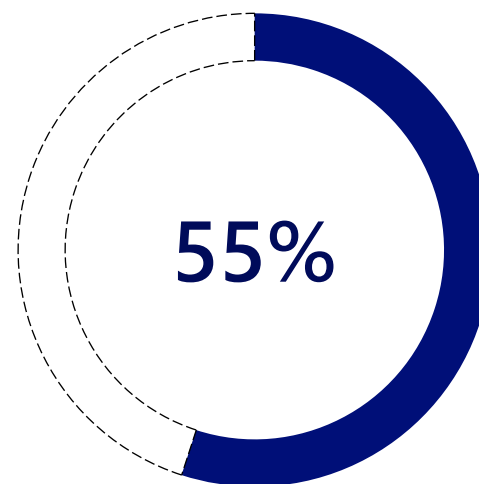


Users' sentiments on security and lack of support may explain their choice of features that they look forward to see in e-wallet platforms

Top 2 features that users anticipate from e-wallets



Insurance against loss/theft of money is the most answered feature that users want to see...



Followed by **stricter security policies and features**.

01

Survey Background

02

Key Findings and Analysis

03

About NRI

About NRI

Nomura Research Institute (NRI) was established in 1965 as Japan's first private think tank. Since then, NRI has been a leading research and consulting firm with more than 17,000 people worldwide. The Manila branch has been supporting country development as well as business development and transformation of various organizations in the Philippines, South East Asia, and Japan since 1997.

Contact Information (for inquiries about this report)

For the full version of the report and/or inquiries about the report, please contact us below:

Mail: consumer-survey-nrimanila@nrisg.com
Attn: Christine Solomon (Ms.)



**Envision the value,
Empower the change**