

Digital Wallet System: Analyzing the Impact of Cashless “New World” Economy on the Consumer Engagement and Online Spending Behavior

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ABSTRACT:

The influence of the digital wallet system in society and community is evident in the current generation. It offers convenience and other benefits to consumers leading to a significant increase in its adoption and popularity. Its influence on the engagement of consumers online can also be observed in the market industry. The current upward trend in the usage of the digital wallets is a consequence of the demand in perks and convenience in the e-commerce industries. The study aims to know how digital wallet system has been influencing the consumers in terms of their online engagements and spending behavior. The study was conducted in Mandaluyong city with 185 respondents who have been using digital wallet on their purchasing activities. It was observed that the younger consumers showed a high level of engagement and male consumers were influenced by the digital wallet system in their spending behavior. Only sex and age were associated with consumer engagement while the only associated with online spending behavior was the monthly family income. This emphasized the need for continuous education and awareness that support digital wallet systems among consumers to develop engagement and spending behavior in the digital age. These results indicate the need for a continuous utilization of the system and advertising to different groups of age and income levels.

Keywords: digital wallet, consumer engagement, online spending behavior

INTRODUCTION

There has been a habit known as online shopping that impacted the lives of common people. Many consumers are worried about the type of payment method used, and as such the satisfaction level of online shopping customers is average (Rahman et al., 2018). The majority of the shoppers sourced their information from the internet, more so social media and their preferred products were clothing accessories, which they often paid via cash on delivery. These were: Consumers raised voices of concern regarding the security of payment options that are usually included in online businesses and stores and; Consumers also highlighted their levels of satisfaction with other aspects of online shopping indicating that they are still wanting when it comes to satisfaction. The global and local markets have modernized into accepting cashless transactions between consumers in return for their products and services. Transactions on daily usage can be accomplished with cash or via electronic payment methods. The current digitalization of finances has had multiple impacts, including online banking and digital wallets (which include the concept of mobile wallets). This system has become relevant and significant to consumers day to day engagement in different sectors and lines of business. Most people in the Philippines are already adopting digital wallets to keep track of their finances and make payments using advanced technology. The advent of digitalization via the Internet has sped the transition of globalization and payment systems from manual to online transactions. As a result, people are increasingly reliant on electronic money (e-money) to conduct transactions (Yang et al., 2021). The introduction of digital wallet systems marked the start of a new era: a cashless world in which physical bills and coins will be a thing of the past. In recent years, the global economy has undergone significant changes as a result of technological advances, particularly in the financial sector. One of the most significant developments is the rise and spread of digital wallet systems.

Digital wallets, also known as e-wallets, represent a shift toward a cashless economy by allowing consumers to store, manage, and spend using a variety of devices, mainly smartphones. It is a software-based device that safely keeps users' passwords and payment details for a variety of websites and payment methods. The use of the digital wallet system can be done through online purchasing and also there are apps or websites such as GCash, Paymaya, GoTyme, etc that an online consumer can use for quick transactions. Meanwhile, in consumer engagement, there are emotional connections, personalization, consistency, brand identity, user experience, accessibility, and social responsibility that can influence the use of digital wallets. There are also factors in online spending behavior such as product research, payment method, online security, discount and promotion, customer reviews and ratings, and mobile shopping that can impact consumers when they use a digital wallet. The increasing popularity of digital wallets promotes a cashless society, which is changing the economic environment. This change has significant effects on consumer participation and online spending habits.

The goal of this research is to look into the influence of digital wallet systems on consumer engagement and online spending behavior, with an eye toward the bigger picture for the new cashless world economy. As an extension of the introduction, one could analyze to what extent the trend of going digital has changed the face of transactions and brought new opportunities and threats for both firms and customers. Mobile wallet solutions have been embraced for easy use,

security, and compatibility with other service providers. Furthermore, the COVID-19 outbreak accelerated this change because contactless payments are critical for hygiene, which would have resulted in more use of digitized transactions. More broadly, digital wallets are one of the essential components of the ongoing financial technology or fintech disruption that is evolving financial services worldwide. They can provide unpaid people with products of financial services and hence help to handle the problem of financial exclusion. Thanks to technological development and having the background of financial transactions quite similar to a wallet, it can be also a part of the trend of globalization where the borders are not important for the transactions. The original purpose of digital wallets was solely related to payment methods that occurred and now wallets provide more functionality, including investments, savings accounts, and crypto-transactions. These have assisted the consumer reliance on e-wallets and at the same time have transformed them from just being payment interfaces to portfolio and financial management devices. Therefore, as these innovations progress, knowledge of consumer behavior changes becomes valuable. The availability of the ability to track spending in real-time can lead to the growth of financial literacy only for some users because the convenience of non-cash payments can also make some users more inclined to impulse purchases. Leaving aside the vision of an entirely cashless society that digital wallets are in the process of establishing, there are issues of data protection and security to consider. This is particularly important when it is realized that digital wallets carry sensitive personal and financial information. Furthermore, it argued that through the use of digital wallets, a change in consumer behavior is being driven, as consumers expect speedier, more efficient, and more secure purchases.

To this end, companies that fail to meet such expectations may face a challenge when competing within rather complex and evolving markets. All in all, it could be said that digital wallets are not only redesigning consumer experience but also changing the financial world globally. Due to these wallets, there has been a shift towards a cashless society and this paper recommends it as an important area of research due to its current and future effects on consumers' interaction and spending.

LITERATURE REVIEW

Consumer Engagement

Consumers can be defined as persons who purchase goods and services in the market. Personal consumption and the consumer market encompass all the sectors and product delivery. Households differ greatly in their age, income, and education characteristics. Mobility patterns, and tastes (Musumali, 2019). According to the concept of Consumer behavior, the consumers are the end users of the products or services being available in the market and these are the people who spend their money in the market for satisfaction. Personal and consumer market is defined as the activities of all individuals carrying out the exchange of goods and services in the economy. This market consists of many households that are widely spread and different by age, income, education, etc., factors that also shape consumers' behavior. Even more, mobility, and preferences related to style, technology, or food also contribute to the variety of consumer behavior. Thus, business organizations need to be intransigent in their approaches to product delivery and marketing hence

being able to address the needs of the diverse and dynamic consumers in their markets. Currently, the characteristic feature of the development of many enterprises is their transform digitalization to add the efficiency and effectiveness of their business line. Activities and within the financial technology industry, the digital wallet. Was designed to be an omnichannel through which it manages payments and other activities, (Sutticherchart and Rakthin, 2023). It also helps to optimize processes and at the same time enables businesses to meet the changing demand of consumers hence stimulating growth and innovation in the Field of fintech. It is seen that the use of such digital solutions is indicative of the tendencies toward increased interconnectedness, flexibility, and data-centricity as a must for the business environment of the present day's high-tempo global markets.

Digital Wallet System

Kapoor *et al.* (2020) have advocated those digital wallets provide performance during the crisis. High profile in the shift of the system of payment from cash to payment through digital techniques. Specifically, digital wallets provide users with an opportunity to make transactions securely and conveniently. And while many such changes are simply cyclical flukes, the realities of separating the sexes have permanently altered society's perceptions of transfers of money. Digital wallets are a convenient, safe way to pay and provide an opportunity for integration of several services making it a likely candidate to become the number one payment solution in the future. The move from cash to digital is not only an indication of transformation in technology, but it is also a call that has been occasioned by changes in civilization. Statista (2024) forecasted that there were 58 million active users in the Philippines and this includes the number of active users retrieved from 14 carriers' digital wallets the figure also represents users that used the application for logging in in the last thirty-one days. Earlier than the year 2022 it was identified that the active digital wallet users were 63 million in the Philippines for the year 2021. This is even though the number could grow by 40 percent or to roughly 81 million in 2025 from active mobile wallet users in the Philippines. This could be attributed to the advanced financial liberalization, higher mobile phone adoption rate in the country, and the fact that the use of digital wallets makes numerous daily transactions more convenient following the heightened adoption of cashless solutions. Stated that, as more carriers and platforms improve their relevance, the Philippine digital wallet market is set to grow bigger and change the face of transactions in the country. By increasing activity with the customer through multiple-touche or continually reaching out to the customer through social networks, email marketing, creating targeted experiences, and setting up community issues, companies might deepen the emotional bond and provide evidence of the company's commitment to a value proposition beyond transactional occurrences. Essentials of engaging customer activities entail identifying the needs, preferences, and objectives of the target market and adjusting for the desired course. By being attentive listeners, ensuring that the customers' complaints are solved without delay, and seeking to know how they can better serve the customer, businesses may strengthen the affectionate connection and create long-term customer relationships for themselves.

Online Engagement

Yang (2022) said that social commerce has obtained high attention from consumers and buyers over the years because of the advancement of social media and information technology. Social networking has greatly advanced the development of social media platforms. It can be described that the differences between entertainment and marketing businesses are shrinking through the features that Facebook, Instagram, and TikTok have provided to allow companies to immediately promote their products or services to users. These platforms may start to grow to the extent that there will be an online interaction, by which the firm introduces its new product to consumers. AI models enable sellers to target promotional messages based on customers' browsing history or their choices of behaviors. In today's world, many people are using technology is on the rise, or in other words the number of people who are now using it. A communication method is a technology used to interact with other people. Since it has been developed, there are many things that users can apply for such as online shopping, games, and others Over personalization, a lot of effects can be observed on online buying and customer attraction, as supported by research. The consumer desire is aimed at having easier access when comes to online engagement. This is how they can change other people and get influenced by other people. Customer concern has been significantly affected by interactivity online which has improved brand awareness, improved expectation levels and has, in turn, created an informed consumer base back. With the ability to use search engines, social media tools, or any other internet tool to find information that is required with the constant availability of data on the Internet consumers are closer than ever before with all the information they have at the tips of their fingers. They may now anticipate higher levels of performance from brands and are likely to be more knowledgeable when buying. Decision-making as a result (Benyoucef and Huang, 2015).

Online Spending Behavior

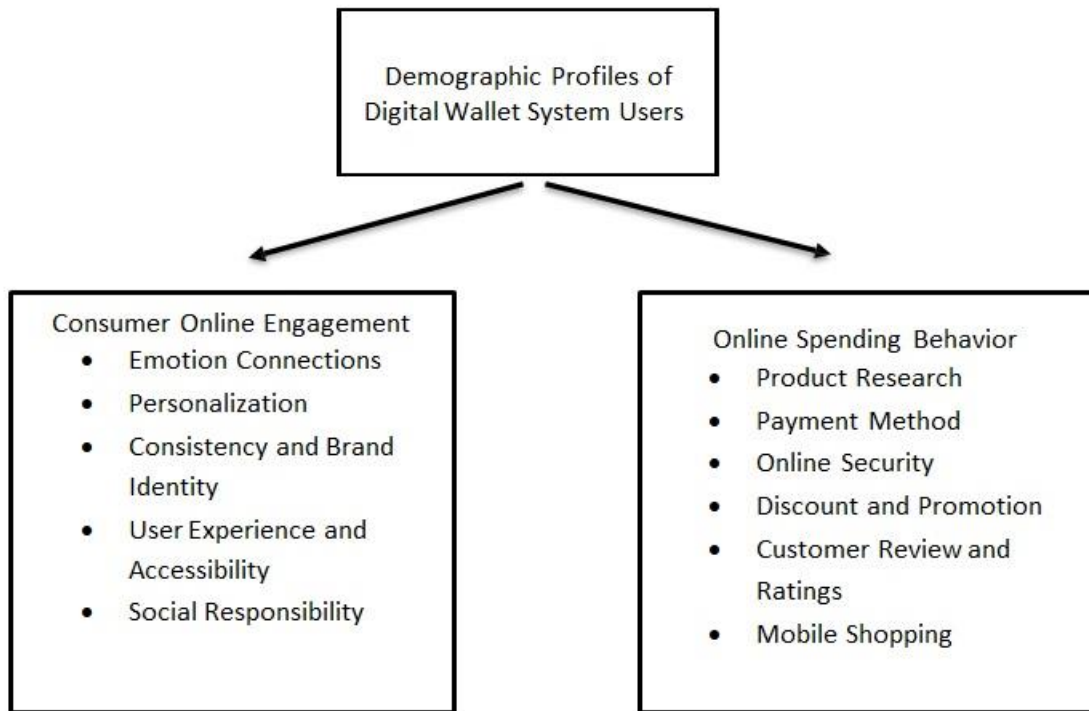
The way customers would have used the available funds, money from debit or credit cards for a need or want is called spending behavior, (Kumar et al., 2022). They went on to say that, there is an erratic and unpredictable flow of spending degrees among consumers and that is dependent on people's race, religion, family status, ethnicity, and geographical location. Consumers' behavior over time is influenced by changes in the environment, individual and general, and new trends. Such knowledge may enable firms to design better-targeted promotional campaigns together with tailoring goods or service offerings to address these varied drivers of consumer actions. Obagbuwa and Kwenda (2020) suggest that a person who has low discipline regarding regular spending is a poor spender. On the other hand, other people have good financial management but spend so much of their income on items that can be considered as capital; like education and shelter. Velecina et al., (2017) observed that consumers from across the world have upgraded their spending from necessity to conspicuous and hedonic needs due to the change in the world, advanced through innovation and economy. A consumption experience exists for households in the Philippines in which there is an increase in the intake. Digitalization, and specifically social media, enhances conspicuous consumption's impact acting as the driving force people crave to follow trends and represent success on the Internet. However, this shift towards hedonic needs points to economic

development and at the same time rekindles issues to do with sustainability as well as sobriety in the face of an increasingly credit-conscious consumerism. Mobile banking, online payment systems, digital wallets, and other basic financial services become more employed in both developed and developing nations, (Wang and Huang, 2023). That has dramatically affected the manner consumers buy goods over the Internet from the comfort of their homes without having to bother with cash. Therefore, since the opportunity to purchase the World Wide Web became available, it led to the growth of the Internet assortment that helped the e-commerce industry to grow and progress between the countries.

METHODOLOGY:

Research Framework

The Research Framework is illustrated in Figure 1. The framework indicates the consumer's level of online spending behavior and engagement in the digital wallet system.



Respondents

All the respondents were the local residents of Mandaluyong City who were in the age group of 18-60 years old who are currently utilizing the Digital Wallet System.

The data of this study were collected through virtual and physical questionnaires; The questionnaires were distributed to different barangays in Mandaluyong City. This Research Method ensures all of the respondents were digital wallet utilizers. This study utilized a

quantitative research method due to the large amount for sample size. The researchers used a purposive sampling method to select participants from the different barangays of the city. This method of sampling technique is found to be relevant as it allows the research to only select the residents who use and utilize digital wallets. According to Campbell et al, (2020), purposive sampling is a sampling method that has a reason for better matching of the sample to the objectives of the research, thus providing credibility, transferability, dependability, and confirmability.

MEASURES

This research study includes two dimensions, Consumer Engagement and Online Spending Behavior. The consumer engagement consists of five parameters and the remaining six parameters are from online spending behavior. The responses of the respondents to the questionnaires were measured using the five-point Likert scale with 1 indicating Strongly Agree (Low Engagement) and 5 indicating Strongly Agree (Exceptional Engagement).

The Cronbach's alpha coefficient for this scale was 0.790 a higher score on this scale signifies a greater (engagement in digital wallets). The two dimensions and its 11 parameters are well examined by the group of experts to determine if the statements are related to the study's problem. And based on the recommendations from the experts, the original questionnaire for this dimension fees were changed. Based on the replies of the respondents, the validity of this instrument was determined, with the cronbach alpha (0.790) which indicates that this instrument can be used to study the impact of the 11 parameters on consumers' engagement, and online spending behavior

STATISTICAL ANALYSIS

The study utilized Jamovi for data analysis, including Percentage, Weighted mean, Chi-square test for Independence, and Cramer's V. The Percentage was applied to analyze the demographic characteristic of the respondents, While the weighted mean (Bluman, 2013) this statistical test was used to display the typical response from users of digital wallets on spending behavior to each of the instrument's inquiries. It was specifically used to calculate the average response from respondents to consumer engagement and online spending behavior. The Chi-square test for Independence (Bluman, 2013) is applied when there are two. categorical variables from a single population, to determine whether there is a significant relationship between the consumers' demographic profile and their consumer engagement. It was used to determine whether the digital wallet user's behavior was correlated with their success in consumer engagement. Cramer's V (Kearney, 2017) this was applied to facilitates the interpretation of nominal variable association estimates with the index ranges from 0 to +1. A higher value of V indicates a stronger association and is usually reported in addition to estimates, as an effect size index.

RESULTS

The data analysis in this chapter is beneficial since it is thorough and methodological. A complete understanding of the findings is provided by the results' tabular presentation as well as the

quantitative and qualitative remarks that accompany it. The analysis is guaranteed to be relevant and educational because of its agreement with the research questions. The chapter provides useful data by exploring the correlations between variables, which advances our understanding of the goals of the study.

Table 1
Descriptive statistics of respondents (n=185)

Demographic Profile		Frequency	Percentage
Sex	Male	78	42
	Female	107	58
Age	18-24	96	52
	25 - 29	33	18
	30 - 35	27	15
	36 - 44	17	9
	45 - 54	10	5
	55 - 60	2	1
	less than 10,957	18	10
Income	10,957 – 21,914	46	25
	21,914 – 43,828	50	27
	43,828 – 76,669	32	17
	76,669 – 131,484	21	11
	131,483 – 219,140	6	3
219,140 and above	12	7	

Table 1 shows an immense gender disparity among digital wallet users in Mandaluyong City, with females far outnumbering males. This conclusion is consistent with overall national trends in the Philippines. The high proportion of female participants in our survey shows that women are more inclined to adopt and use digital wallet technology for financial transactions. This gender-specific usage pattern holds the potential to influence the creation of digital wallet services and designs that are suited to female consumers' distinct demands and preferences.

On the other hand, it reveals a significant concentration of digital wallet users among young adults, particularly those aged 18-24, who comprise over half of our respondents. This age demographic is closely aligned with the focus of our study on the "new economy," where younger generations are increasingly adopting digital payment methods. The predominance of young adults in our sample suggests that digital wallets are a popular choice among this demographic, underscoring their role in shaping the future of cashless transactions.

It can also be noticed that the results provide insights into the monthly family income distribution of respondents. Despite the minimum wage increase in the Philippines, a significant portion of respondents reported family incomes below the national average, suggesting that additional family

members contribute to household finances. The majority of respondents earned between ₱10,957 and ₱43,828 per month, indicating a moderate level of income. A smaller percentage reported higher incomes, potentially due to multiple earners or overseas employment. These findings suggest that while the minimum wage has risen, a considerable number of families continue to rely on multiple sources of income to meet their financial needs.

Table 2
Assessed level of consumer’s online engagement

Consumer Engagement	Weighted Mean	Interpretation
Emotion Connections	3.86	High Engagement
Personalization	3.91	High Engagement
Consistency and Brand Identity	3.73	High Engagement
User Experience and Accessibility	3.87	High Engagement
Social Responsibility	3.66	High Engagement

The table 2 shows the result for the assessed level in digital wallet system of consumers on their engagement. The result shows that all of the factors of consumer engagement such as emotion connections ($\bar{x} = 3.86$), personalization ($\bar{x} = 3.91$), consistency and brand identity ($\bar{x} = 3.73$), user experience and accessibility ($\bar{x} = 3.87$), and social responsibility ($\bar{x} = 3.66$) got mean scores that indicate an agreement to the influence of digital wallet on their various engagements towards products and brands. This implies that there is a high engagement among the respondents which pertains to certain causes such as frequent usage and multiple transactions and the system is being utilize more than physical bills on payment.

Table 3
Assessed level of consumer’s online spending behavior

Online Spending Behavior	Weighted Mean	Interpretation
Product Research	4.11	High Engagement
Payment Method	3.82	High Engagement
Online Security	3.67	High Engagement
Discount and Promotion	3.79	High Engagement
Customer Review and Ratings	4.28	High Engagement
Mobile Shopping	3.79	High Engagement

The table 3 shows the assessed level in digital wallet of consumers on their online spending behavior. It can be noticed that all of the factors such as product research (\bar{x} =4.11), payment method (\bar{x} =3.82), online security (\bar{x} =3.67), discount and promotion (3.79), customer review and ratings (4.28), and mobile shopping (\bar{x} =3.79) got mean scores that indicate an agreement to the influence of digital wallet on their spending habits. This result also implies that that are high engagements on consumers spending activities. This may be an indication that due to the power of digital accessibility to the e-commerce industry, consumers have adopted the digital wallet to complete their transactions and activities without the need to visit the physical stores.

Table 4
Relationship between consumer engagement and their demographic profiles

Demographic Profile	Consumer Engagement	χ^2 Value	Cramer's V	Strength of Relationship	P-value	Decision	Interpretation
Sex	Emotion Connections	134	0.381	Very Strong	0.001	Reject Ho	Significant
	Personalization	210	0.476	Very Strong	0.001	Reject Ho	Significant
	Consistency and Brand Identity	141	0.390	Very Strong	0.001	Reject Ho	Significant
	User Experience and Accessibility	97	0.324	Very Strong	0.018	Reject Ho	Significant
	Social Responsibility	71.0	0.277	Very Strong	0.611	Failed to Reject Ho	Significant
Age	Emotion Connections	134	0.381	Very Strong	0.001	Reject Ho	Significant
	Personalization	210	0.476	Very Strong	0.001	Reject Ho	Significant
	Consistency and Brand Identity	141	0.390	Very Strong	0.001	Reject Ho	Significant
	User Experience and Accessibility	97	0.324	Very Strong	0.018	Reject Ho	Significant
	Social Responsibility	71.0	0.277	Very Strong	0.611	Failed to Reject Ho	Not Significant
Family Monthly Income	Emotion Connections	109	0.314	Very Strong	0.081	Failed to Reject Ho	Not Significant
	Personalization	99.0	0.299	Very Strong	0.126	Failed to Reject Ho	Not Significant
	Consistency and Brand Identity	67.7	0.247	Very Strong	0.902	Failed to Reject Ho	Not Significant
	User Experience and Accessibility	92.6	0.289	Very Strong	0.245	Failed to Reject Ho	Not Significant
	Social Responsibility	102	0.303	Very Strong	0.190	Failed to Reject Ho	Not Significant

The table 4 reveals a significant correlation between consumers' sex and their engagement with brands. According to our data, there is a significant correlation between consumers' emotional ties and brand engagement and their gender. This result emphasizes the significance of taking gender-specific aspects into account in marketing strategies, as indicated by a p-value of 0.001 and a Cramer's V of 0.652. Additionally, we discovered strong relationships between customer sex and other elements including user experience, accessibility, brand identity, and social responsibility. These moderate to high associations imply that gender has a significant impact on consumer behavior in a number of different ways. The mediating role of customer involvement in the relationship between customer-based brand equity and customer value dimensions was also investigated in our study. Our findings emphasize the significance of customer engagement in understanding consumer behavior, since it considerably moderates this link.

One the other hand, the table reveals a significant relationship between consumers' engagement and their age. All p-values were below 0.05, except for social responsibility, indicating a strong association. Additionally, Cramer's V values for all factors exceeded 0.250, suggesting very strong relationships. Emotions, personalization, consistency, and brand identity were found to be key factors influencing consumer engagement. These findings align with existing research, highlighting the importance of emotions in decision-making and the effectiveness of personalization in enhancing consumer engagement. Marketers are encouraged to adapt to consumer expectations by offering tailored products and content to drive higher conversion rates. Understanding the factors influencing consumer engagement in the digital landscape is crucial for businesses to create positive customer experiences.

The table also reveals a lack of significant relationships between consumers' engagement and their family's monthly income. All p-values were higher than 0.05, suggesting that income levels do not significantly influence consumer engagement with brands. This may indicate that consumers, regardless of their purchasing power, prioritize engagement differently. Despite higher incomes, many consumers may not readily purchase products, reflecting careful decision-making. The findings also suggest that consumers are becoming more vigilant in their spending habits, even with the convenience of digital wallets and e-commerce. There remains a gap between consumers' needs and wants, with many prioritizing essential needs over immediate desires. This highlights the importance of promotional and discount sales in encouraging consumer purchases while allowing for savings.

Table 5
 Relationship between consumer online spending behavior and their demographic profiles

Demographic Profile	Online Spending Behavior	χ^2 Value	Cramer's V	Strength of Relationship	p-value	Decision	Interpretation
Sex	Product Research	15.0	0.284	Very Strong	0.310	Failed to Reject Ho	Not Significant
	Payment Method	24.3	0.363	Very Strong	0.060	Failed to Reject Ho	Not Significant
	Online Security	13.1	0.267	Very Strong	0.515	Failed to Reject Ho	Not Significant
	Discount and Promotion	16.3	0.297	Very Strong	0.361	Failed to Reject Ho	Not Significant
	Customers' Review and Ratings	21.4	0.340	Very Strong	0.125	Failed to Reject Ho	Not Significant
	Mobile Shopping	13.1	0.268	Very Strong	0.581	Failed to Reject Ho	Not Significant
Age	Product Research	78.7	0.292	Very Strong	0.119	Failed to Reject Ho	Not Significant
	Payment Method	61.6	0.258	Very Strong	0.867	Failed to Reject Ho	Not Significant
	Online Security	62.5	0.260	Very Strong	0.726	Failed to Reject Ho	Not Significant
	Discount and Promotion	84.0	0.301	Very Strong	0.223	Failed to Reject Ho	Not Significant
	Customers' Review and Ratings	80.7	0.295	Very Strong	0.305	Failed to Reject Ho	Not Significant
	Mobile Shopping	80.1	0.294	Very Strong	0.323	Failed to Reject Ho	Not Significant
Family Monthly Income	Product Research	125	0.335	Very Strong	0.001	Reject Ho	Significant
	Payment Method	154	0.372	Very Strong	0.001	Reject Ho	Significant
	Online Security	115	0.322	Very Strong	0.015	Reject Ho	Significant
	Discount and Promotion	114	0.320	Very Strong	0.046	Reject Ho	Significant
	Customers' Review and Ratings	122	0.331	Very Strong	0.014	Reject Ho	Significant
	Mobile Shopping	143	0.359	Very Strong	0.001	Reject Ho	Significant

Table 5 shows no significant relationships between consumers' sex and their online spending behavior for factors including product research, payment method, online security, discounts and promotions, customer reviews and ratings, and mobile shopping. This suggests that sex may not be a primary driver of online spending behavior. Consumer needs and wants, individual variations, and peer influence may play a larger role.

In other words, consumers of all sexes tend to behave similarly online when it comes to these spending behaviors. This highlights the importance of understanding consumer needs and wants, as well as the influence of peers, when developing marketing strategies.

Meanwhile, no significant relationships between consumers' age and their online spending behavior for factors including product research, payment method, online security, discounts and promotions, customer reviews and ratings, and mobile shopping. This suggests that age may not be a primary driver of online spending behavior. Individual differences in lifestyle, preferences, and financial management play a larger role. Technological advancements and societal changes have also influenced how consumers of different ages perceive and manage their finances, potentially leading to variations in spending habits. It is observed that older consumers may reduce their consumption, while younger adults may prioritize savings and responsible spending due to various circumstances.

On the other hand, it can be noticed that there are no significant relationships between consumers' online spending behavior and their family monthly income. All p-values were higher than 0.05, suggesting that income levels do not significantly influence spending behavior. However, Cramer's V values were above 0.250 for all factors, indicating strong relationships between family monthly income and online spending behavior. This suggests that while income may not directly influence spending decisions, it still plays a significant role in enabling consumers to purchase products and services. Having adequate financial resources allows consumers to meet their needs and wants and potentially improve their lifestyle through proper budgeting.

DISCUSSION

The rise in the number of consumers using digital wallets represents a significant opportunity for the continual innovation of digital wallet systems. The Philippines experienced a dramatic shift to digital payments during the coronavirus pandemic, and even after the quarantine, cashless transactions in the country became the norm. There are various reasons and elements that influence the current generation's use of digital wallets. Convenience is one feature that may influence people's perceptions of the digital wallet system. Female users may be more willing to use digital wallets than men because of the benefits that they have received. A digital wallet provides more than just the ability to make e-payments. Furthermore, while digital wallets have been around for more than a decade, they have only recently gained popularity. This could explain why the majority of users are young adults, as they make up the majority of tech users. There is a big variation in income among digital wallet users. Consumers earning more than Php 10,957 manage their finances using a digital wallet since it allows them to track their expenditures and savings. This behavior maybe an indication of financial literacy that a limited income needs an intelligent way of expensing.

The ongoing rise in digital wallet usage has benefited a variety of industries, particularly the e-commerce sector. Consumer engagement, for example, has been altered by the adoption of digital wallets. Consumers of various ages, needs, and preferences can improve their experiences. There is a high level of participation in their emotional ties, which are being developed through the use of digital wallets. The opportunity to pursue things having sentimental significance benefits consumers. Businesses and brands also offer personalized items to clients, which appeal to them because they are tailored to their values or needs. As businesses become more consistent and demonstrate their unique aspect of the business, people prefer to engage more, resulting in easy engagement and accessibility that boosts user experience. Finally, consumers are drawn to brands

that demonstrate social awareness and compassion for various issues as it also reflects their perspectives and beliefs over current events.

Market sales surged as a result of the availability of electronic payment through digital wallets. Consumers prefer to pay online because of the various discounts and promotions available. The internet has also made it easier to search for and assess products that are most suited to your needs. Aside from that, reviews and ratings reflect consumers' experiences and pleasure with the product. This way of giving feedbacks helped on providing other customers insights and expectations towards the products and the brand itself. The payment method in which consumers do not need to pay in cash provides convenience to the public. There is no need to bring physical bills as funds are already stored at electronic devices. These activities are impossible if digital wallets lack trusted security. Finally, the remote setup of purchasing, which can now be done on mobile devices, has boosted the potential of the e-commerce industry, providing a broader access to diverse brands and products in the market. Consumers are able to browse different products and compare their prices which provides easy access. This method has eradicated the problem in transportation due to the delivery option that is offered.

The degree to which customers connect or engage with a brand, service, or product—particularly when it comes to personalization—that is, modifying goods and services to suit particular tastes—is most likely the reason for the high association shown between the sex of the consumer and their level of involvement. This suggests that improvements to usability and accessibility have an impact on consumer engagement. The research examines the mediating role of customer involvement between customer-based brand equity and customer value dimensions, as well as the moderating influence of age. The findings indicate that customer engagement acts as a mediator in the relationship between customer-based brand equity and customer value dimensions. Age does not act as a moderator in the relationship between customer participation and customer value aspects. The study confirmed the important influence of unique routes for various age groups (Bapat & Hollebeek, 2023). The discussion may also touch on the subject of societal and cultural influences on gender-specific involvement patterns. Studies have shown that women are more likely than men to be engaged consumers due to their propensity to exhibit higher levels of emotional attachment and brand involvement. Women may also spread information more regularly through word-of-mouth and social media regarding their consumption experiences. On the other hand, other research indicates that men may be more inclined to engage in certain consumer behaviors, such as posting reviews or participating in online communities and forums related to specific hobbies or interests. Marketers can tailor their strategies and communication efforts to their target audience and effectively engage them by considering the differences in customer involvement between genders.

According to Sharma (2023) asserts that emotions have a significant role in influencing decisions and choices in social and professional contexts. Although this component might be viewed as subjective because every consumer has a range of emotions depending on their experiences in life, emotions play a significant role in the lives of consumers as they affect people in various situations through their moods and past experiences. In the digital industry, there is a definite trend demonstrating that customisation greatly increases customer engagement and conversion rates

(Abbas, 2024). It was discovered that by providing specialized and pertinent goods or material, marketers must adjust to the shifting needs and expectations of their target audience. Given the rising everyday usage of the internet, it is imperative to identify the elements that favorably influence a client in an online setting (Sinha & Fukey, 2020). As a result, modifying the entire product or service in line with the market to elicit a favorable customer experience is necessary despite that there is no universal design or usability on consumer involvement.

Consumers are smart in utilizing the money they have in the current generation. Despite the availability of the digital wallet system and the accessibility of e-commerce on the internet, consumers are becoming vigilant. There is still a gap between the importance of the consumers' needs and wants. Consumers, when available, reward themselves with the things they want that may help them to go through daily but it is still vital to prioritize essentials needs to cope with the day-to-day activities and responsibilities. The result also reminds us that there is always a time to buy, especially the promotional and discount sales from different brands and companies. This may also help the consumers to save more while still purchasing things they want and need. Consumers may later save the rest of their money for the future.

As consumers deal with their needs and wants, the category of the products they usually buy, in line with their sex, has been almost the same causing them not to influence their consumption. There is an individual variation that exists among consumers that may affect their spending behavior more than their sex as human beings. This could be the influence of peers which makes people find appealing as long as endorsed by a particular friend, regardless of affordability. The trends among a certain group of sex of people do not apply universally as consumers differ from one another. On the other hand, the ability of a consumer to purchase varies individually as everyone has differences in almost every aspect of their lifestyles. These unique preferences vary widely which causes people to maintain their lifestyles and others not. Technology advancements and changes in societal norms have also shifted the way consumers of different ages see their world and even their financial management. It may be observed that people of older ages have decreased their consumption. This also happens to younger adults due to certain circumstances such as the priority of savings and intelligent utilization of their resources which is vital to make the consumers more responsible in spending the money they earn. Consumers who have various money and resources can purchase, regardless of affordability and product categories available in the market. Money is a crucial factor for consumers to attain their needs and wants and having the ability to use it wisely which is also called proper budgeting can improve their lifestyle and spending behavior.

CONCLUSION

In summary, the digital wallet system has become a potent instrument that may aid customers in conveniently and easily managing their finances. It is crucial for us as customers to have a positive experience since it helps us make the best choices regarding the brands and products that are out there. Thus, in order to supply and improve customer engagement with the help of digital wallets, elements like emotional connections, personalization, consistency and brand identity, user experience and accessibility, and social responsibility all play a crucial role. This tool can be

employed when customers' technological dependence increases and their level of financial literacy rises in the modern day. Furthermore, spending money on a variety of goods or products might be risky, particularly in situations where consumers are made vulnerable by various marketing gimmicks and campaigns. Factors that are useful tools to promote consumer spending behavior online are product research, payment options, online security, discounts and promotions, customer reviews and ratings, and mobile shopping. These elements may be used to give customers a useful perspective on how to make wise spending decisions by using digital wallets.

RECOMMENDATIONS

Based on the findings and conclusions of this study, it is found to be valuable to business and merchants the use and utilize the digital wallet at all times to further assist consumers with their payments and transactions. To further increase the level of engagement towards the consumers, factors such as emotional connections, personalization, consistency, brand identity, user experience, and accessibility may be used to provide more exposure to the business products and services. Also, consumers may further check the other functions of the digital wallet aside from storing and saving money. This may help them to maximize the potential of the digital wallet in various fields, especially in the market setting. Lastly, financial institution may further conduct research about the feedback of the consumers and merchants towards the digital wallet system. This may help them solve the issues and problems that users are experiencing and provide them with the best experience as they use and utilize the system. This is also another way to develop and enhance more the application platform.

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