A COMPARATIVE ANALYSIS OF DIGITAL WALLET AND TRADITIONAL BANKING AS PERCEIVED BY MILLENNIALS IN SELECTED AREAS IN CAVITE

THESIS

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ABSTRACT

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The study was conducted from August to December 2022 in the selected areas of Cavite, namely: Bacoor City, Dasmariñas City, General Trias City, Imus City and Silang. Mainly, the study was to identify the comparative analysis of digital wallet and traditional banking as perceived by millennials. Specifically, the study has also aimed to: (1) determine the demographic profile of millennials; (2) to know the perception of millennials towards digital wallet and traditional banking; (3) determine the level of service of digital wallet and traditional banking; (4) to know the relationship of demographic profile to the perception of millennials towards digital wallet and traditional banking; (5) to know the relationship of demographic profile to the level of service of digital wallet and traditional banking.

Descriptive and correlation method of research were used. Primary data were collected through survey questionnaires with 250 selected millennials in selected areas in Cavite. Frequency counts, percentages, range, mean, weighted mean were used for the profile of the participants. Majority of the participants was millennials with age range 25-29 years old, female, bachelor degree, never married, with monthly income of 25,000-30,000.

Using Likert scale, the comparative analysis of digital wallet and traditional banking as perceived by millennials were measured. Millennials agree to the level of service of digital wallet and traditional banking. The level of service was measured by four factors such as perceived usefulness, perceived ease of use, perceived risks and perceived benefits by millennials.

Through the use of Chi-square test, it was found that perceptions of millennials towards digital wallet was not significantly correlated while the perception of millennials towards traditional banking and demographic profile of the participants on Cavite in terms of income were highly significantly correlated while the level of service towards traditional banking is not significantly correlated. Lastly, it was confirmed that there is a highly significant relationship in terms of income in traditional banking.

The recommendation for future research would be a country where the Government itself is promoting online and digital wallet transactions and even taking various incentives for doing the same. It's high time that the banks reconsider their way of working and digital. Since the people was opting the digital wallet transactions in a wide rate, it might prove a difficult situation for the bans to survive in the market with their present sort of operations.

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INTRODUCTION

The Philippines has one of the most dynamic economies in Asia, with GDP growth of 6.8 percent expected in 2017 and 6.9% in 2018. Banks in the country are well established from a liquidity standpoint, and the central bank (BSP) fully adopted the Basel III Liquidity Coverage Ratio in 2016. According to a study by consultancy Asian Banker Research, while the growth of retail banking income in the Philippines is expected to slow to about 12-13 percent (from about 17%) over the next few years, it will still be the second-fastest in the region after Vietnam. In the Philippines, the majority of consumers prefer to pay bills over the counter, whereas in other countries, consumers prefer to use banks' websites.

Banking is defined as the business activity of accepting and safeguarding money owned by other individuals and entities, and then lending out this money in order to conduct economic activities such as making a profit or simply covering operating expenses. According to Gulzar (2018), banking is considered the backbone of economic growth of any country because it provides financial aid to the government and the private sector. Banks have a special role in the Philippine economy as the