



Flexible Payment Preferences and its Impact on Online Shoppers' Buying Behavior

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ABSTRACT

This study is designed to look into how Filipino online shoppers' payment preferences impact their buying decisions.

Researchers used a quantitative approach wherein data were gathered through different online platforms, including social media communities as well as e-commerce forums that are quite popular among local consumers. The researchers then analyzed the data using different statistical tools like frequency distribution, percentage analysis, weighted mean, and Binomial Logistic Regression to further understand the demographic patterns and impact of flexible payment options on the online shoppers' buying behavior.

The results show that flexible payment preferences significantly influence how consumers make purchasing decisions. Many shoppers check if their preferred payment methods are available before proceeding with their purchase, valuing the ease and financial flexibility these options provide. While digital payments offer convenience, concerns about security, fraud, and budgeting remain. The study also found that income level affects payment preferences; those with higher incomes are more likely to use digital wallets or card payments rather than paying through cash on delivery. However, age did not appear to significantly influence Filipino shoppers' payment preference.

With the help of these findings, e-commerce businesses will have insights on how ways how they can improve their payment systems. By understanding what drives Filipino consumer choices, businesses can enhance customer satisfaction and build trust, especially by addressing safety concerns that are tied to digital transactions.

Keywords: *flexible payments, digital wallets, online shopping behaviors, payment preferences, e-commerce*

JEL Classification Codes: D12, G21, L81, O33

INTRODUCTION

During this modern time, observe how people buy their clothes, food, and other needs and wants; it is far different from how people purchased goods and services back then. With just a click on their mobile phone or computer, people can readily check and purchase different items they need. That is how we can easily visualize E-commerce, which is now one of the most popular business landscapes in the Philippines and has gained further popularity, especially during the pandemic times. E-commerce greatly helped in transforming how various businesses normally operate. This business framework helps even small local sellers to reach a broader market, providing Filipino consumers with easier access to a variety of products and services using just their phones or computers

Since most people now have a mobile phone, this is also the reason why E-commerce keeps on progressing. More Filipinos are now able to shop online anytime and anywhere they are because of E-commerce. E-commerce, with its payment system that is backed by modern and advanced technology, was also able to give consumers several ways by which they can pay the goods and services online. The continuous improvements in the digital payment systems have made shopping easier and more efficient for both customers and businesses.

Most of the online businesses or stores here in the Philippines have also started offering more flexible payment options. Aside from traditional cash-based and one-time payments, many are now offering cashless payments with installment plans, subscription services, "buy now, pay later" options, and other financing methods. These flexible payment options help make products more affordable, especially for customers who prefer to spread out their spending. Through flexible payments, businesses can easily attract more buyers, reduce abandoned carts, and encourage repeat orders or purchases.

This study is designed to find out if the age and income of Filipino shoppers have a significant impact when they choose their preferred payment method. And also to know which payment methods are mostly preferred by Filipino online shoppers. Lastly, the study will further analyze whether the perceived availability, usage, benefits, and risks of flexible payments influence online shoppers' buying behavior.

Theoretical Framework

The Technology Acceptance Model and the Unified theory of Acceptance and Use of Technology has been used by the researchers in this study to identify the likelihood of acceptance and adoption of new technologies and features. These models will also help to understand how Filipino online shoppers make decisions in choosing among different payment methods.

Using the Technology Acceptance Model (TAM) it suggests that if people find a payment method easy to use and helpful, they're more likely to use it. In this study, that idea is reflected in how shoppers view the availability and benefits of different payment options. UTAUT on the other hand, suggests that the key point lies in the idea of the possible effort that needs to be exerted by the people, enough to think and consider that they need to use a technology. In this study, that model highlights the possibility that the ease and convenience that the user may perceive when using their preferred payment method be the key factor for them to utilize and adopt it.

The Perceived Risk Theory, on the other hand, points out that people tend to be more careful if they think something might go wrong, meaning they are somehow concerned with safety or security. For online shoppers in the Philippines, this could mean being concerned about issues like online scams, hidden charges, or failed transactions. These risks can strongly influence whether or not someone chooses to use a particular payment option.

Conceptual Framework

The conceptual framework was developed by the researchers to analyze the perceived characteristics of payment methods and their impact on online shoppers' buying behavior. The proposed model highlights the independent variables, which are the perceived availability, usage, benefits, and risks of payment methods. It also incorporates moderating variables, specifically customers' age and income, that can influence the relationship between buying behavior and the types of payment methods used. The dependent variables in this framework are the buying behavior of online shoppers and the specific payment methods they choose to utilize.

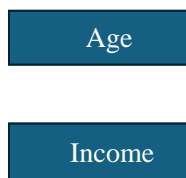


Figure 1. Research Paradigm

Research Questions

This study aims to answer the following:

1. Does age and income significantly influence respondents' payment preferences?
2. What payment methods are mostly preferred by the respondents to use?
3. Do the following factors concerning flexible payment options significantly impact the respondents' purchasing behavior?

3.1 Perceived Availability

3.2 Perceived Usage

3.3 Perceived Benefits

3.4 Perceived Risks

Statement of Hypothesis

H1. Customers' age and income significantly impact the respondents' type of payment method to use.

H2a. Flexible Payment's Perceived Availability significantly impacts online shoppers' buying behavior.

H2b. Flexible Payment's Perceived Usage significantly impacts online shoppers' buying behavior.

H2c. Flexible Payment's Perceived Benefits significantly impact online shoppers' buying behavior.

H2d. Flexible Payment's Perceived Risks significantly impact online shoppers' buying behavior.

REVIEW OF RELATED LITERATURE

The rise of flexible payment options, particularly in e-commerce, has greatly influenced consumer behavior in the Philippines. This review synthesizes existing research on how various payment methods like digital wallets, credit installments, and Buy Now, Pay Later (BNPL) options, impact online shoppers' purchasing habits.

Flexible Payment Options in E-Commerce

The popularity of online shopping platforms in the Philippines has been accompanied by a growing demand for flexible payment methods. Payment methods such as GCash, PayMaya, and various credit installment schemes have gained widespread acceptance, offering consumers more control over their purchasing power. According to DTI (2022), digital payments have been a factor that helped accelerate the growth of E-commerce. These payment methods helped to broaden merchant digitization and increase financial inclusion and revenues, ultimately helping to promote convenient, transparent, and secure transactions.

Observing the current situation of the Philippines right now, many of Filipinos are still not using credit cards for payment compared to other countries, and that situation paved the way for mobile wallets and other digital payment options to be more popular among Filipino consumers. According to Statista (2024), these new digital payment services have given Filipinos access to financial tools that were once only available through banks before. Right now, more and more Filipinos are starting to try and use digital payments because they are fast, simple, and convenient.

The country also supports digital trade through policies that create a friendly environment for e-commerce growth; with these policies in place, e-commerce will somehow have a better chance to grow fast. In support of this shift, the Bangko Sentral ng Pilipinas introduced the Digital Payments Transformation Roadmap, which aims to improve digital financial services and address the growing demand for cashless transactions. Because of this, more Filipinos are now using online banking and digital wallet apps, helping boost the e-commerce sector further (Quimba & Calizo, 2018).

Research also shows that offering alternative payment methods increases customer satisfaction. When online shoppers have different payment options, they are more likely to complete their purchase. This reduces cart abandonment, especially when customers can choose the payment method that fits their current financial situation (PYMNTS, 2024).

Buy Now, Pay Later (BNPL) and Its Growing Popularity

The rise of BNPL services has been transformative for Filipino consumers, particularly for younger generations who are looking for more easier ways to manage their finances. Services like Atome and BillEase allow consumers to spread payments over several months, providing a more flexible purchasing experience. In a study conducted by PayPal (2021), around 37% of the consumers who used BNPL are Gen Z, which means they are more likely to use the service compared to other generations. Knowing that these young people will be the high-income shoppers of tomorrow, it will be strategic to consider and take note of their purchasing habits and monitor the evolution of BNPL.

In their study, Di Maggio, Williams, and Katz (2022) find that access to Buy Now, Pay Later (BNPL) services leads to a significant increase in consumer spending, a shift that traditional life cycle models with liquidity constraints cannot fully explain. The authors suggest that, because BNPL offers only short-term liquidity, such heightened consumption could be due to consumers heavily discounting future financial implications, which traditional models would consider excessively high.

This payment model has also been a great way to encourage impulse purchases, as it lowers the immediate financial burden on consumers. Convenience remains one of the top considerations of consumers as online stores offering BNPL are seen as the most in-demand payment option with installments, according to Abadilla(2022).

Perceived Availability of Payment Methods

Perceived availability refers to how aware consumers are of the payment options offered and how easily they can access them when they are shopping online. In the Technology Acceptance Model (TAM), Davis (1989) explains that awareness of technology plays a big role in how people decide to use it. In the case of e-commerce, the availability of various payment choices like credit cards, e-wallets, or "buy now, pay later" services can strongly influence whether a shopper decides to make a purchase (Yang & Forney, 2013). When people feel that the payment options match their needs, they are

more likely to go through with the transaction (Chang et al., 2015). On the other hand, if their preferred method is not available, then it may lead to frustration and cart abandonment (Hernandez et al., 2009).

In Southeast Asia, including the Philippines, local payment options such as mobile wallets and over-the-counter methods have made online shopping easier and more reliable (Nguyen et al., 2020). When customers see familiar and trusted payment methods, they feel more confident in completing their orders. This highlights how important it is for e-commerce businesses to offer flexible and well-known or familiar payment options, as it directly affects how consumers behave and make buying decisions.

Perceived Usage of Payment Methods

Perceived usage refers to how easy and practical a payment method is to use. According to the Unified Theory of Acceptance and Use of Technology (UTAUT), Venkatesh et al. (2003) explain that “effort expectancy,” or how simple a system seems, is a big factor in whether people choose to use it. For payment systems, for example, features like easy-to-navigate interfaces, fast transactions, and compatibility with different devices help build user trust and satisfaction (Kim et al., 2010). When a system is easy to use, people are more likely to keep using it (Gerrard & Cunningham, 2003).

Research shows that the way people view the ease of using a payment method can strongly affect their purchasing decisions as they shop online. For example, Wang et al. (2023) found that consumers are more willing to use digital or cashless payments if they see them as safe, valuable, and hassle-free especially during times when health and safety, like social distancing, are a concern. Similarly, Zhou (2024) noted that when shoppers believe a payment option is convenient and easy to use, they are more likely to complete their purchases. Teoh et al. (2013) emphasized that users are more open to using e-payments if they feel confident and capable, showing that ease of use and self-efficacy matter. In Indonesia, Lakeman, Walter, and Cleff (2021) discovered that people trust online stores more when payment options are clearly communicated and seen as reliable. Meanwhile, Hassan and Lee (2023) observed that African consumers were more inclined to shop online when familiar, local payment methods were available. Altogether, these findings suggest that the perceived usability of payment methods—whether it's about convenience, trust, or cultural fit—plays a vital role in encouraging people to adopt and continue using digital payment systems.

Perceived Benefits of Payment Methods

Perceived benefits is linked with the advantages that consumers associate with a payment method, such as convenience, security, and financial flexibility. In the Technology Acceptance Model (TAM), Davis (1989) explains that these perceived benefits or usefulness are a key reason why people choose to adopt and accept a certain technology. According to Luo et al. (2010), features like rewards, cashback, or delayed payment options can make a payment method more appealing to online shoppers. Likewise, financial perks like discounts or the ability to pay in installments can encourage people to complete their purchases (Gefen et al., 2003). These benefits often help consumers manage their spending more effectively, which in turn builds trust and encourages them to keep using the same platform (Chen & Barnes, 2007).

In everyday use, many shoppers usually go for payment options that will save them time, offer a sense of security, or just make transactions easier. For instance, Hulu, Manulang, and Gultom (2024) found that in Indonesia, people were more likely to use digital wallets when they saw them as convenient and efficient. This highlights how important perceived benefits are in shaping the way people choose and stick with certain payment methods. Similarly, Wang et al. (2023) discovered that during times of physical distancing, people were more open to using cashless payments if they believed those methods offered real value and made them feel safe. In another study, Shetu, Islam, and Promi (2022) noted that young consumers in Bangladesh were more likely to keep using digital wallets when they found them useful and easy to navigate. All these studies point to the same idea: when people feel that a payment method offers practical advantages then whether it's saving time, improving security, or simplifying transactions, they are more likely to go and stick with it.

Perceived Risks of Payment Methods

Perceived risks refer to the potential negative outcomes people associate with using certain payment methods, such as concerns about security, hidden charges, or the possibility of overspending. According to Bauer's Perceived Risk Theory (1960), consumers often weigh the risks against the benefits when deciding whether to make a purchase. When it comes to online shopping, worries about data privacy and the risk of unauthorized access to sensitive financial information are major factors that hinder people from using certain payment methods (Featherman & Pavlou, 2003).

Additionally, new or less familiar payment methods are often seen as riskier, which can lower the likelihood that consumers will accept and use them (Im et al., 2008). To overcome these concerns, businesses need to put in place strong security measures like encryption and be clear about the terms of use, as these help build trust and reduce perceived risks for the consumers (Kleijnen et al., 2004).

Consumer Behavior and Payment Preferences

Flexible payment options significantly impact Filipino consumer behavior, particularly regarding purchase decisions and brand loyalty. According to data from the Baymard Institute, approximately 13% of shoppers abandon their cart when an online store doesn't offer enough payment methods, showing that a poor checkout experience can make or break a sale. In the study of Deufel & Kemper (2018), most of the reasons for getting frustrated while shopping online are related to payments, like for example, when the favorite payment option is not available or the payment service is inefficient or poor. Customer satisfaction increases the potential of a customer-oriented organization. Therefore, achieving competitive advantage by identifying customer needs effectively and faster than the competition ensures customer retention through providing better services and products

One of the major types of payment methods is utilizing different mobile payment solutions, as a study by Pancho(2022) showed a statistically significant relationship between mobile payment solutions and payment services in performance analysis concerning users' satisfaction with a high positive correlation. Mobile payment is fast and reliable, facilitates high-value transactions, and provides a convenient payment method for merchandise and services, making it one of the efficient payment preferences in the Philippines.

The transparency of payment methods plays a significant role in shaping consumer behavior, with extensive research highlighting its impact (e.g., Soman, 2003; Prelec & Simester, 2001; Feinberg, 1986; Falk et al., 2016). Compared to cash, card payments are less transparent, increasing consumer spending—a phenomenon known as the "card premium" (Soman, 2001; Soman & Cheema, 2002; Prelec & Simester, 2001). Similarly, Falk et al. (2016) identify a "mobile premium," showing that consumers are more inclined to spend higher amounts when using mobile payments than cash, suggesting that more flexible, less transparent payment options can influence spending behaviors.

Greene, Perry, and Stavins (2024) analyzed data from a 2023 consumer payments diary and found that income, age, and education levels significantly impact the types of payment instruments consumers choose and use, including both traditional options and newer innovations like mobile apps and cryptocurrency.

RESEARCH METHODOLOGY

Research Design

A quantitative research design was utilized by the researchers to justify the questions and purpose of the study to know the impact of flexible payment options with online shoppers' buying behavior.

A quantitative research is a methodical approach to gathering and interpreting data from many sources. To arrive at conclusions, quantitative research uses computational, statistical, and mathematical methods. It is definitive in its intent since it seeks results that can be extrapolated to a larger population to quantify the issue and understand how widespread it is.

Respondents of the Study Population and Sample Size

Although there are numerous studies on the relation of different payment methods and their impact on customer satisfaction and behavior, there are limited studies that are specifically focused on the Philippines' e-commerce industry. This study aims to fill that gap by looking at how different payment options impact consumer behavior in the Philippine e-commerce market. The research identified the most popular payment methods among Filipino online shoppers and examined how these affect their online shopping behavior. It also looked at how age and income influenced consumer payment preferences.

A survey questionnaire was used to collect data from Filipino online shoppers. Convenience sampling was employed to select respondents who were readily accessible and willing to participate in the study. This method is appropriate due to time and resource constraints in gathering data from a wide geographical area. 120 respondents were recruited through online platforms, social media groups, or e-commerce forums frequently visited by Filipino online shoppers. Participants aged 18 to 60 and have personal experience with online shopping or purchasing.

Research Instrument

The researchers used questionnaires as the primary data collection method to address the research problem. The questionnaire contained two parts, the first part contained questions to gather necessary information on respondents' demographic information and its effect on their payment preferences and the second part contained sets of questions that helped to identify the impacts of flexible payment preferences on online shoppers' buying behavior when it comes to its perceived availability, usage, benefits, and risk.

Data gathering procedure

Data was gathered through the distribution of the questionnaires. A digital questionnaire was created using Google Forms and shared on different social media platforms, targeting e-commerce and digital payment communities. Responses were reviewed to ensure they met the inclusion criteria.

After determining the validity and relevance of the methods, the collected data was analyzed and interpreted in accordance with the descriptive method. Variables will be tested using inferential statistical techniques.

Statistical Treatment of Data

The following statistical tools are to be used in the study:

1. Demographic Profile

Frequency and Percentage. This was used to determine the frequency and percentage that exist for the demographic profile like age and income of respondents.

Percentage = frequency /total number of respondents.

2. Assessment of the Impact of Flexible Payment Options on Online Shopper's Buying Behavior.

Weighted Mean. This was used to interpret the data gathered from the respondents to determine the impact of flexible payment options on online shopper's buying when it comes to its perceived availability, usage, and risks.

$$\text{Weighted Mean} = 5X_1 + 4X_2 + 3X_3 + 2X_4 + 1X_5 / \text{total number of } n \text{ respondents}$$

3. Significant Impact of Age and Income on Preferred Payment Method

Binomial Logistic Regression. This was used to determine if the respondents' age and income significantly impacted their preferred payment method. A binomial logistic regression (or logistic regression for short) was used since the predicted outcome variable was dichotomous (significant or not significant).

RESULTS AND DISCUSSION

Researchers prepared a questionnaire to target respondents, online shoppers. The focus is to know the impact of online shoppers' payment preferences to their buying behavior. Questions with regards to flexible payment 's perceived availability, usage, and risk were asked to the respondents. Results and interpretation are shown in the data below.

Table 1. Demographic Profile and Respondents

| | Descriptive | f | % |
|------------------------------|------------------------|----|--------|
| Age | 18 to 24 years old | 16 | 13.33% |
| | 25 to 34 years old | 86 | 71.67% |
| | 35 to 44 years old | 15 | 12.50% |
| | 45 to 54 years old | 1 | 0.83% |
| | 55 to 60 years old | 2 | 1.67% |
| Monthly Income | Below Php10,000 | 12 | 10.00% |
| | Php10,000 - Php20,000 | 14 | 11.67% |
| | Php20,001 - Php50,000 | 43 | 35.83% |
| | Php50,001 - Php100,000 | 37 | 30.83% |
| | Above Php100,000 | 10 | 8.33% |
| | Did not say | 4 | 3.33% |
| Frequency of Online Shopping | Once a month | 22 | 18.33% |
| | 2-3 times a month | 61 | 50.83% |
| | Several times a week | 16 | 13.33% |
| | Weekly | 17 | 14.17% |
| | Daily | 1 | 0.83% |
| | Others | 3 | 2.50% |

Table 1 presents the demographic profiles of the respondents. As seen on the table, the respondents are largely composed of 25 to 34 years old (71.67%), followed by those aged 18 to 24 years old (13.33%) and 35 to 44 years old (12.50%), while only a small percentage belonged to older age groups. In terms of monthly income, most respondents earned between Php20,001 and Php50,000 (35.83%) or Php50,001 and Php100,000 (30.83%), while a smaller portion reported incomes below Php10,000 (10.00%) or above Php100,000 (8.33%). Regarding payment preferences, e-wallets (75.83%) and credit/debit cards (69.17%) were the most commonly used methods, followed by cash on delivery (58.33%) and bank transfers (33.33%), whereas buy now, pay later (25.00%) was the least preferred. In terms of online shopping frequency, most respondents shopped online 2-3 times a month (50.83%), with fewer individuals doing so weekly (14.17%) or daily (0.83%). These findings suggest that the respondents are predominantly young adults with moderate to high income, favoring digital payment methods and engaging in online shopping multiple times per month.

Research Question #1: Does age and income significantly influence respondents' payment preferences**Table 2. Significant Impact of Age and Income on the Respondents' Preferred Payment Method**

| Payment Method | Predictor | B | SE | Exp(B) | Sig | Conclusion |
|---------------------------|-----------|-------|------|--------|-------|-----------------|
| Credit/Debit Card | Age | -0.54 | 0.38 | 0.58 | 0.152 | NOT Significant |
| | Income | 1.17 | 0.25 | 3.23 | 0.000 | Significant |
| Bank Transfer | Age | 0.63 | 0.33 | 1.87 | 0.057 | NOT Significant |
| | Income | 0.07 | 0.18 | 1.07 | 0.688 | NOT Significant |
| Cash on Delivery (COD) | Age | 0.13 | 0.31 | 1.14 | 0.681 | NOT Significant |
| | Income | -0.35 | 0.18 | 0.70 | 0.047 | Significant |
| E-Wallets | Age | 0.26 | 0.37 | 1.29 | 0.495 | NOT Significant |
| | Income | 0.07 | 0.19 | 1.07 | 0.727 | NOT Significant |
| Buy Now, Pay Later (BNPL) | Age | -0.02 | 0.34 | 0.98 | 0.954 | NOT Significant |
| | Income | 0.07 | 0.19 | 1.08 | 0.697 | NOT Significant |

Table 2 summarizes the results of analyses which tested if age and income significantly impact the respondents' preferred payment method. Using a series of Binary Logistic Regressions, the results indicate that income was a significant predictor for both Credit/Debit Card usage ($B = 1.17$, $SE = 0.25$, $Exp(B) = 3.23$, $p < .001$) and Cash on Delivery ($B = -0.35$, $SE = 0.18$, $Exp(B) = 0.70$, $p < .05$), suggesting that higher-income individuals were more likely to use credit/debit cards but less likely to opt for COD. Age, however, was not a significant predictor for any payment method. Additionally, neither age nor income significantly influenced the likelihood of using Bank Transfers, E-Wallets, or Buy Now, Pay Later (BNPL) options. These findings suggest that income plays a crucial role in determining payment method preference, particularly favoring digital and card-based transactions over COD, while age does not appear to significantly impact payment choices.

Research Question #2: What payment methods are mostly preferred by the respondents to use?**Table 3. Preferred Payment Method**

| | Descriptive | f | % |
|---------------------------|----------------------------------|----|--------|
| Preferred Payment Methods | Credit/Debit Card | 83 | 69.17% |
| | Bank Transfer | 40 | 33.33% |
| | Cash on Delivery (COD) | 70 | 58.33% |
| | E-Wallets (e.g., GCash, PayMaya) | 91 | 75.83% |
| | Buy Now, Pay Later (BNPL) | 30 | 25.00% |

Table 3 shows the preferred payment method of the respondents. Regarding payment preferences, e-wallets (75.83%) and credit/debit cards (69.17%) were the most commonly used methods, followed by cash on delivery (58.33%) and bank transfers (33.33%), whereas buy now, pay later (25.00%) was the least preferred.

Research Question #3.1: Does perceived availability of flexible payment options significantly impact the respondents' purchasing behavior?

Table 4. Flexible Payment's Perceived Availability as an Influencing Factor on the Respondents' Purchasing Behavior

| | Weighted Mean | Interpretation |
|---|---------------|----------------|
| 1. A wide range of flexible payment methods is available on the online platforms I frequently use. | 4.25 | Strongly Agree |
| 2. Flexible payment options are accessible regardless of the item or service I wish to purchase online. | 4.03 | Agree |
| 3. I can easily find flexible payment options that suit my financial needs when shopping online. | 4.17 | Agree |
| 4. Online retailers prioritize offering diverse payment methods to accommodate their customers. | 4.08 | Agree |
| 5. Online stores provide clear information about the payment options they offer. | 4.10 | Agree |
| Overall Mean Score | 4.12 | Agree |

Table 4 presents the availability of payment options as an influencing factor on the respondents' payment preferences. Weighted mean scores indicate that respondents strongly agreed that a wide range of flexible payment methods is available on the online platforms they frequently use ($M = 4.25$). Additionally, they agreed that they can easily find flexible payment options that suit their financial needs when shopping online ($M = 4.17$), that online stores provide clear information about the payment options they offer ($M = 4.10$), that online retailers prioritize offering diverse payment methods to accommodate their customers ($M = 4.08$), and that flexible payment options are accessible regardless of the item or service they wish to purchase online ($M = 4.03$). An overall mean score of 4.12 suggests that respondents acknowledged the role of diverse or flexible payment options availability in shaping their purchasing behavior.

Research Question #3.2: Does perceived usage of flexible payment options significantly impact the respondents' purchasing behavior?

Table 5. Flexible Payment's Perceived Usage as an Influencing Factor on the Respondents' Purchasing Behavior

| | Weighted Mean | Interpretation |
|---|---------------|----------------|
| 1. I use flexible payment methods because they are convenient for my online shopping needs. | 4.26 | Strongly Agree |
| 2. I prefer online stores that offer flexible payment methods over those that do not. | 4.21 | Strongly Agree |
| 3. I actively consider the available payment options before making a purchase online. | 4.12 | Agree |
| 4. I rely on flexible payment options when purchasing high-value items online. | 4.03 | Agree |
| 5. I have used multiple flexible payment methods (e.g., e-wallets, installment plans, cash-on-delivery) for my online purchases in the past six months. | 4.32 | Strongly Agree |
| Overall Mean Score | 4.19 | Agree |

Table 5 presents usage as an influencing factor on the respondents' payment preferences. The weighted mean scores indicate that respondents strongly agreed that they have used multiple flexible payment methods, such as e-wallets, installment plans, and cash-on-delivery, for their online purchases in the past six months ($M = 4.32$). Additionally, they strongly agreed that they use flexible payment methods because they are convenient for their online shopping needs ($M = 4.26$) and that they prefer online stores that offer flexible payment methods over those that do not ($M = 4.21$). Furthermore, respondents agreed that they actively consider available payment options before making a purchase online ($M = 4.12$) and that they rely on flexible payment options when purchasing high-value items ($M = 4.03$). An overall mean score of 4.19 suggests that respondents recognized the role of usage convenience brought by flexible payment options in shaping their purchasing behavior, highlighting the importance of accessibility, variety, and flexibility in online transactions.

Research Question #3.3: Does perceived benefits of flexible payment options significantly impact the respondents' purchasing behavior?

Table 6. Flexible Payment's Perceived Benefits as an Influencing Factor on the Respondents' Purchasing behavior

| | Weighted Mean | Interpretation |
|---|---------------|----------------|
| 1. Flexible payment methods allow me to buy items I would otherwise not afford immediately. | 3.98 | Agree |
| 2. The availability of flexible payment options increases my satisfaction with online shopping. | 4.08 | Agree |
| 3. Using flexible payment methods enables me to stay within my budget while shopping online. | 3.83 | Agree |
| 4. Flexible payment options make online shopping faster and more efficient. | 4.26 | Strongly Agree |
| 5. The availability of flexible payment methods encourages me to purchase more online. | 3.73 | Agree |
| Overall Mean Score | 3.97 | Agree |

Table 6 presents the benefits of flexible payment methods as an influencing factor on the respondents' payment preferences. The weighted mean scores indicate that respondents strongly agreed that flexible payment options make online shopping faster and more efficient ($M = 4.26$). Additionally, they agreed that the availability of flexible payment options increases their satisfaction with online shopping ($M = 4.08$) and allows them to buy items they would otherwise not afford immediately ($M = 3.98$). Furthermore, respondents agreed that using flexible payment methods enables them to stay within their budget while shopping online ($M = 3.83$) and that the availability of such options encourages them to purchase more online ($M = 3.73$). An overall mean score of 3.97 suggests that respondents acknowledged the benefits of flexible payment methods, emphasizing their role in enhancing shopping efficiency, financial management, and overall consumer satisfaction.

Research Question #3.4: Does perceived risks of flexible payment options significantly impact the respondents' purchasing behavior?

Table 7. Flexible Payment's Perceived Risks as an Influencing Factor on the Respondents' Payment Preferences

| | Weighted Mean | Interpretation |
|--|---------------|----------------|
| 1. I worry that my personal or financial information could be compromised when using flexible payment methods. | 3.87 | Agree |
| 2. I believe flexible payment methods have a higher risk of fraudulent transactions compared to traditional payment methods. | 3.73 | Agree |
| 3. I hesitate to use flexible payment options due to concerns about hidden fees or charges. | 3.30 | Neutral |
| 4. Flexible payment options could lead me to overspend or incur debt. | 3.39 | Neutral |
| 5. I feel uncertain about the reliability of some flexible payment providers for online transactions. | 3.53 | Agree |
| Overall Mean Score | 3.56 | Agree |

Table 7 presents the risks associated with flexible payment methods as an influencing factor on the respondents' payment preferences. The weighted mean scores indicate that respondents agreed that they worry about their personal or financial information being compromised when using some flexible payment methods ($M = 3.87$). Additionally, they agreed that flexible payment methods have a higher risk of fraudulent transactions compared to traditional payment methods ($M = 3.73$) and expressed uncertainty about the reliability of some flexible payment providers for online transactions ($M = 3.53$). Furthermore, respondents were neutral about concerns that flexible payment options could lead them to overspend or incur debt ($M = 3.39$) and that they hesitate to use such options due to concerns about hidden fees or charges ($M = 3.30$). An overall mean score of 3.56 suggests that while respondents recognize the convenience of flexible payment methods, they also acknowledge the associated risks, particularly regarding security, fraud, and financial management.

CONCLUSION

The study was able to answer several research questions and come up with some informative findings. First, between age and income, income is the one that has a significant impact on determining payment preferences. Higher-income individuals are more likely to use credit or debit cards, while lower-income individuals prefer cash on delivery. This indicates that financial capacity influences whether an online shopper prefers cashless transactions or traditional cash-based payment methods.

Now, looking at the most preferred payment methods, respondents favored using multiple flexible options such as E-Wallets, installment plans, and COD. The convenience and accessibility of these choices were major reasons why Filipino online shoppers prefer those payment options. Online stores that offer various payment methods were being highly considered by the respondents, which then highlights the importance of providing flexible payment solutions to attract more Filipino consumers in the e-commerce market.

The study also found that the availability of the shoppers' preferred payment method is one of the main factors that influence purchasing decisions. Results highlighted that having flexible payment options available makes the online shopping experience better. In this study, the researchers were also able to see how the consumer values the usage and benefits of different flexible payment methods being offered, considering their different current personal financial situations. The benefits of flexible payments, like helping manage finances, improving efficiency, and increasing customer satisfaction, were widely recognized. However, despite having these advantages, there were still concerns about risks that seem to affect the confidence of the shoppers when using some of the payment options being offered.

In general, the study confirms that flexible payment methods have a significant impact on consumer behavior by offering convenience and financial flexibility but at the same time, it also highlights the need for businesses to improve payment option accessibility, strengthen security measures, and educate consumers on how to use digital payments safely to gain online shoppers' full trust and confidence when using some payment methods being offered by their chosen online store.

RECOMMENDATIONS

Based on the findings of this study, the following recommendations are proposed:

For E-Commerce Businesses:

Online stores should try to offer different ways to pay so they can meet the needs of more customers. It's also important for them to clearly explain how each payment method works, including any extra fees, security features, and important rules, so shoppers can make good choices. To build trust, businesses should make sure payments are secure by using things like multi-factor authentication, encryption, and safe payment systems. Since many people use flexible payment methods for expensive items, businesses should offer good installment plans and "buy now, pay later" options, while still making sure they lend responsibly.

For Financial Institutions and Payment Service Providers:

Banks and payment companies may focus on the key security features of their online payment systems, in that way somehow it can help improve the consumers' confidence in using various digital payment means. They can also consider laying out some training on how to safely and securely use different digital payment channels.

For Policymakers and Regulators:

Strong policies and laws that aim to protect Filipino online shoppers can also be items that the Philippine Government can look into. Policies and law can also help to manage and encourage healthy competition among payment providers, which can lead to better services, lower fees, and more trust from the public.

For Future Researchers:

Future studies could look into other possible factors that affect Filipino purchasing behavior when using online platforms or shops. They can also look into why age doesn't greatly impact the respondents' preferred payment method. They can also further check on why does BNPL (buy now pay later) payment option is not that preferred by Filipino shoppers.

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