G) GCash INSIDER

BUY NOW

THRIVING IN THE NEW STATE OF SPENDING

Delve into the latest trends in Filipino spending behaviors as they go about their every days, rainy days, and brighter one days. (G) GCash INSIDER: Thriving in the New State of Spending

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THE CHANGES IN FILIPINO SPENDING HABITS

Look back and see how the developments of the past five years have shaped new spending realities among consumers.

SAVVY, SHREWD SPENDING

Gain insight into how your customers stretch their shrinking peso by reorganizing priorities and reassessing what value means to them.

SPENDING FOR THE BODY & SOUL

Discover why, even in a season of belt-tightening, customers remain committed to expenses – especially those that benefit their well-being.

SETTING UP AGAINST UNCERTAINTY

Find out how your customers are future-proofing their plans by exploring every emerging financial lifeline available to them.

SUCCEEDING IN THE SHIFTING LANDSCAPE

Team up with GCash For Business: Partner Solutions and leverage these learnings so you can build on your success.

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THE FILIPINO CONSUMERS' SPENDING HABITS DRASTICALLY CHANGED IN THE PAST 5 YEARS

The profound impact of the pandemic on the Filipino Consumer changed how they behave – including how they handle their finances.

2020: Start of the pandemic lockdowns	Economy and spending power were down due to closed shops & people being cautious with their money.	Because of these events, 3 truths emerged: 1. SAVVY, SHREWD SPENDING
2021: Rollercoaster of reopening and closures	The strain of the pandemic was felt in the rising unemployment and some businesses shutting down for good.	 Being smarter with spending is now a natural habit for the Filipinos as they have grown more cautious. 2. SPENDING FOR THE BODY & SOUL
2022: Gradual reopening after pandemic	Instead of a full force bounce back, it was an awkward feel-it-out process, but spending was slowly rebounding.	Even as they try to trim their spending,Filipinos are not sacrificing their well-being.3. SETTING UP AGAINST UNCERTAINT
2023: Inflation spikes, even as they regain full mobility		They are learning how to be more financially prepare against unforeseen challenges.
2024: Inflation eases; dawn of democratized shopping	What emerged from the pandemic is consumer democracy – more choices on when, where, and how to buy.	

CHAPTER 1

SAVVY, SHREWD SPENDING

Money is not the same as it used to be. The peso can't pack a punch like before, prompting people to be more discerning and strategic with how they spend.

FACING A SHRINKING BUDGET, FILIPINOS COPE BY SHIFTING THEIR SPENDING PRIORITIES

Amid rising prices and limited funds, Filipinos are now exercising even more caution as they reconsider their spending, focusing on necessities and value as economic challenges reshape their plans.

BEING PRACTICAL, THEY PRIORITIZE NEEDS OVER WANTS





Loan repayments are up, showing Filipinos rely on borrowing to meet their financial needs.



Bill payments remained steady, reflecting their commitment to a basic standard of living.



Internet is no longer just a luxury but is now a necessary expense as an emerging need.



For mass market, one of the first things they trim is food spending.

BEING SMART WITH THEIR MONEY, THEY HAVE GROWN INTO VALUE-CONSCIOUS CONSUMERS

Filipinos are gravitating toward brands that balance quality and cost, with a strong focus on value — especially among affluent consumers who actively seek deals.

VALUE AND SAVINGS ARE THE TOP REASONS WHY PEOPLE PREFER TO BUY ONLINE



INCREASE IN NUMBERS DURING PROMO PERIODS







Consumers spend more during promo periods as they buy more and bigger, drawn in by the chance to maximize value.



Promos do not dramatically drive up shopper count, but it's useful in increasing basket size.



SALE •

Promo hunters are even higher among affluents.

Source: In-House Quantitative Study

LASTLY, THEY SEE SUSTAINABILITY AS AN ADDED VALUE THAT'S WORTH PAYING EXTRA FOR

Sustainability is becoming a crucial factor for consumers, who now look beyond quality to understand the values behind a product. Increasingly, they are interested in the "why" behind a brand's commitment to sustainability.

86% of Filipino consumers view sustainability as highly important, driving greater participation in sustainable actions - whether through initiatives like GForest or by spending more on eco-friendly brands.

97%

WILLING TO SPEND MORE FOR SUSTAINABLE BRANDS

THEY HAVE HONEST, NOBLE REASONS FOR PARTICIPATING IN SUSTAINABLE ACTIVITIES



I want to make a positive impact to the environment

58%

I want to help conserve natural resources



I want to help address climate change



Source: GCash Proprietary Data

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SAVVY, SHREWD SPENDING

The Filipino's purchasing decisions are no longer rooted on price alone. Aside from cost, they assess if the quality lives up not just to the price tag, but to their basic expectations as well. And in the event that all things are equal, added value becomes the deciding factor in choosing what to purchase. That is how consumers define "sulit" nowadays, and that will be the basis of whether they pay or pass. **COST** "How much is it? Is this the best price?"

QUALITY

"Is it able to meet my basic expectations? Do other users say good things about it?"

SULIT

ADDED VALUE

"Does this help the community? What does this brand stand for?"

CHAPTER 2

SPENDING FOR THE BODY & SOUL

Even with all the belt-tightening measures, the Filipino Consumer is not scrimping on quality of life. They prioritize themselves by investing in their well-being.

FILIPINOS ARE PRACTICING SELF-CARE, DRIVEN BY A BROADER UNDERSTANDING OF WELLNESS

The perception of wellness has evolved to a more holistic one, from just physiological to total well-being.

BEING WELL MEANS FULFILLING BOTH PHYSICAL AND PSYCHOLOGICAL NEEDS



FILIPINOS ARE CONSCIOUS ABOUT WELL-BEING AND SELF-CARE



more GCash users now value their well-being vs. pre-<u>pand</u>emic

- IMPORTANCE OF SELF-CARE
 - Very Important

89%

- ImportantCan't say
- Cant say
- Not important

HEALTH PRODUCTS REMAIN A SIZABLE PART OF THE BUDGET

Spend per transaction: Physical Health & Wellness Merchants



The pandemic pushed Filipinos to prioritize health, driving an increase in monthly spending on health products and services. Caring for themselves and their loved ones now plays a key role in their budgets.

FILIPINOS CARE FOR THEIR BODY, FINE TUNING IT AND PROTECTING IT

Filipinos are embracing fitness with hobbies like biking, running, and pickleball. This focus on health extends to continued use of vitamins and medicines to boost immunity, as many prioritize wellness even after the peak of the virus.



Source: Philippine B2C Fintech Behavior by NielsenIQ

Source: GCash Proprietary Data

DIGITAL CONTENT HAS BECOME THEIR GO-TO FOR ACCESSIBLE EMOTIONAL RELIEF

The shift to digital content surged in 2020, fueled by lockdown restrictions, ABS-CBN's shutdown, rising content creators, and the Korean wave. Hence, digital media has become a vital support for Filipinos' emotional and mental well-being.

PENETRATION OF STREAMING PLATFORMS CONTINUES TO GROW

Streaming platform user count YoY growth rate



Netflix as most popular & used streaming platform among users



нво со **11**%

COMPARED TO OTHER SOURCES OF ENTERTAINMENT, STREAMING PROVIDES BEST VALUE FOR MONEY



Online streaming provides the most bang for the buck since its Php300 price tag already covers the whole family. While Netflix is the most popular platform today, others have growth potential due to the high volume of online video streamers in the Philippines.

Source: In-house Quantitative Study

ONLINE SHOPPING IS MORE THAN A TREND, IT'S A GO-TO HAPPY PILL

Online shopping is here to stay, offering instant gratification that drives the demand for retail therapy and feeds into the Filipino's *"deserve ko 'to"* mindset.

ONLINE SHOPPING INTENSIFIED DURING AND POST PANDEMIC

58% Shopped online more often in 2022 vs. pre-COVID period

42% Shopped online more often in 2022 vs. 2021

AVERAGE SHOPPING SPEND HAS REBOUNDED AFTER INFLATION SLUMP



Weathering the peak of the inflation, consumers are now all the way back and spending almost as much as they did before – further proof that they find retail therapy rewarding.



CHRISTMAS MONTH SHOPPING INCREASES VS. NORMAL MONTHS:

3x Penetration **+15%** per transaction value

Spending soars during the Christmas season, with 3 times more people shopping, eager to use their hard-earned bonus to buy gifts for others or even for themselves.

Source: Nielsen

DESPITE THE BUDGET CUTS, DINING OUT REMAINS ON THE MENU

Dining out serves as an emotional and social recharge for families and friends regardless of socio-economic class.

FOR OUTDOOR DINING, FREQUENCY IS MAINTAINED YEAR-ON-YEAR WITH TICKET SIZE DECREASING "Go out with friends, dine, and then "Syempre unang-una kung ano gusto Monthly Frequency ng bata na pagkain... food sa labas coffee while kuwentuhan. We do it Ticket Size 'yung mga fast food po." usually after stressful work weeks or if someone has happy or sad moments." 2021 - Mass Affluent - Mass Market no longer as frequent. 462 Monthly Frequency 383 363 358 **Ticket Size** 1.4 1.4 1.4 2021 2022 2023 2024

Across all SECs, dining out emerged as one of the top leisure activities. So that means, even on a limited budget, they make it a priority to share a special meal with their loved ones.

FOOD DELIVERY IS NO LONGER AS FREQUENT **BUT THE SPEND PER ORDER IS INCREASING**



With more people dining out, food deliveries are



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SPENDING FOR THE BODY & SOUL

Self-love now comes in many forms, encompassing various aspects of well-being. It can mean prioritizing physical wellness through regular exercise and taking vitamins to boost immunity. It can also involve emotional wellness, whether through online entertainment, retail therapy, or dining out with loved ones. Together, these practices contribute to a well-rounded and holistic approach to self-care.

HEALTHY BODY

Nutrition Physical activity Body regimens



WELL-BEING

FULL SOUL Entertainment Retail Therapy _____ Food

CHAPTER 3

SETTING UP AGAINST UNCERTAINTY

The trauma coming from a crisis has inspired Filipino Consumers to prepare financially in case another crisis comes along.

WITH EASY ACCESS AND HIGH INTEREST, DIGITAL BANKS ENABLE BETTER SAVING HABITS

The pandemic was an alarm clock for the Filipinos to wake up and understand the importance of financial preparedness, leading them to save through digital banking as a means of preparing for any uncertainty.



The value of digital bank deposits nearly doubled, rising from 35 billion pesos in 2022 to 69 billion pesos in 2023.



The growth is largely due to digital banks offering interest rates up to 5x higher than traditional banks.



By the end of 2023, there were already 6 million digital bank depositors, and this number is expected to keep rising.

HOWEVER, THE AMOUNT THAT QUALIFIES AS A SAFETY NET VARIES GREATLY DEPENDING ON LOCATION



TO DEPOSIT MORE AND WITHDRAW LESS 24% 274% 274% 2022 203 2024 MONTHLY SAVINGS: PHP 3K – PHP 7K "Di hamak na mataas ang interest sa savings sa e-wallet. Sa bangko, less than 1%, eh. Pero sa e-wallet, as high as 5%. So kahit mas maliit ang pera mo,

mas malaki pa rin ang balik sa 'yo."

- NCR e-wallet user

PINOYS ARE LEARNING

TO BRACE THEMSELVES AGAINST UNCERTAIN TIMES, FILIPINOS HAVE EXPLORED INSURANCE

Insurance is gaining recognition as an essential tool for protecting Filipinos against unexpected events. As financial security becomes a top priority, many now view it as a proactive step towards ensuring peace of mind.

TRANSACTION BREAKDOWN

INSURANCE

INSURANCE PRODUCTS IN GCASH ARE GROWING YEAR-ON-YEAR, DRIVEN BY ITS AFFORDABILITY

Insurance policy holders' growth rate



By embedding insurance into GCash transactions, such as Send Money, Bills Payment, and Online Payment, consumers can access coverage at a very low cost. This small price is well worth the peace of mind it provides. By making insurance more accessible, there is significant potential for growth in the market.



Source: GCash Proprietary Data

LOANS ARE AN EASY AND ACCESSIBLE FINANCIAL LIFELINE THAT FILIPINOS TURN TO

Credit is not just for personal emergencies anymore. Filipinos also use it for smaller expenses, such as daily essentials, purchasing wants, and even as capital for their business ventures.

MANY FILIPINOS FIND THEMSELVES IN DIRE STRAITS, LEADING TO AN INCREASE IN LOANERS.

Lending User Count YoY Growth Rate

'22-'23

85% ► 139%

'23-'24



LENDING IS ON THE RISE DUE TO FLEXIBLE OPTIONS

AND COMPETITIVE PRICING, ALLOWING FILIPINOS TO CHOOSE PRODUCTS THAT SUIT THEIR SPECIFIC NEEDS

LENDING PRODUCTS	LOANABLE AMOUNT
GLoan	Up to Php125k
GCredit	Up to Php50k
GGives	Up to Php18k
Sakto Loan	Php100 to Php300
Borrow Load	Select Php99 SKUs

SETTING UP AGAINST UNCERTAINTY

Financial preparedness has become a top priority for Filipinos, influencing their approach to transactions, savings, insurance, and credit.

They're strategically managing spending to balance essential needs with long-term security, building savings in digital banks, and embracing insurance for peace of mind.

Credit is also used more wisely, covering both immediate necessities and investments in personal or business growth.

A BRIGHTER FUTURE

Funds for long-term plans,

leisure and luxuries,

or emergencies



Insurance Softens financial impact of any crisis

Savings



Loans A lifeline during tough times

HOW CAN YOUR BUSINESS THRIVE?

Having identified Filipinos' three spending truths, marketers should adapt their strategies, tailor messaging and refine their approach to meet evolving consumer needs.

BRAND LOYALTY IS FADING DUE TO INFLATION

Since consumers are bombarded by so many offers, your brand must find and entice consumers, before they find a different brand.

THERE IS A RISE IN VALUE-CONSCIOUS CONSUMERS

Every peso counts as consumers stretch their budgets – deals, freebies, and added value can tip the balance in your favor.

SHOPPERS BUY FROM BRANDS ALIGNED WITH THEIR VALUES

They seek brands that share their values; offering them a chance to support their cause creates strong resonance.

ACTION POINT

Brands must be able to target customers effectively and match the most relevant products and offers



ACTION POINT

Brands must offer incentives & rewards to engage customers



ACTION POINT

Brands must find ways to connect with advocacy-driven consumers



SUCCEEDING IN THE SHIFTING LANDSCAPE

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Seeing the Filipinos' changing habits, there are many opportunities for your business to tap GCash For Business: Partner Solutions to capitalize on these truths and accelerate your growth.

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Create insightful connections with **AD SOLUTIONS**

By maximizing a variety of our targeting parameters, you can engage specific customers using our high-visibility formats. A Car Brand availed of this, resulting in much success.

CHALLENGE

A Car Brand wanted to increase electric vehicle adoption, but consumers were unaware of the benefits of electric cars.

OUR SOLUTION

Drove awareness for EV benefits with highimpact, targeted placements for greater visibility.

#200.00

RESULTS

- **50** sign-ups for test drives in less than a month
- 38% higher click-through rate vs. quarterly benchmark





Give the ultimate reward with **PROMO SOLUTIONS**

Foster customer loyalty or attract new customers with a variety of voucher types designed to meet diverse business objectives. See how a Coffee Brand used this to their advantage.

CHALLENGE

A Coffee Brand aimed to reinforce its position as the leader in their category.

OUR SOLUTION

Implemented a **3-in-1 Coffee Mix Cash campaign** wherein unique voucher codes were attached to instant coffee packets to reward customers.



RESULTS

The campaign saw double digit sales lift

- **76%** redemption rate
- **1.1 M** total unique users
- 7 average voucher redemptions per user



Plant the seeds for a better tomorrow with **GREEN SOLUTIONS**

Uphold sustainability while engaging in targeted marketing. With GForest, your brand can amplify the positive impact on the planet, as seen in the case study below.

20.7M Green Heroes	14.3K Hectares Covere
3.37M Planted Trees	11.2K Farmers Helped

CHALLENGE

A Digital Solutions Provider aimed to strengthen brand equity by showcasing their commitment to positive impact and sustainability.

OUR SOLUTION

Planted 10,000 coffee seedlings and deployed Pop Up ads in the GCash platform to engage users, encouraging them to support and share this advocacy.

RESULTS

- **37,764** total impressions in 3 months
- Peak click-through rate of 3.8% (exceeding benchmark of only 2.5%)





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