

# Gcash Utilization Assessment among Cafes in Santa Cruz, Laguna: A Basis for a Cash Management Program

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## Abstract

This study focused on the assessment of Gcash utilization among cafes in Santa Cruz, Laguna. It specifically examined the challenges in utilizing Gcash transactions on business operations, focusing on internal challenges such as recording error, employee fraud, and misuse of funds, as well as external challenges such as transaction fee, security risk, and technical error. Moreover, this study examined the effect of challenges in utilizing Gcash transactions on cash flow, particularly in terms of inflow and outflow, and determined the significant difference between the business profiles of 60 cafes in Santa Cruz, Laguna. To address gaps in current studies regarding the assessment of Gcash utilization, the study employed a quantitative method approach guided by the Diffusion of Innovation Theory and the Unified Theory of Acceptance and Use of Technology. Quantitative data were analyzed using frequency and percentage, weighted mean, standard deviation, and T-tests. The results revealed that there is no significant difference between the business profile and the challenges in utilizing Gcash transactions among cafes, as gathered through a self-designed survey questionnaire. Based on these findings, recommendations were made focusing on the need for a proposed cash management program, collaboration with Gcash service providers, and further research within the context of this study.

Keywords: Gcash; Internal Challenges; External Challenges; Recording Error; Employee Fraud; Misuse of Funds; Transaction Fee; Security Risk; Technical Error; Cash Flow

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## 1. Introduction

The rapid adoption of digital payment platforms, including Gcash, has significantly transformed financial transactions for small businesses, particularly cafes. Gcash's popularity stems from its convenience and efficiency, enabling users to transfer funds, pay bills, and complete purchases via mobile devices (Bangko Sentral ng Pilipinas, 2022). This trend accelerated during the COVID-19 pandemic, as businesses sought safer, contactless payment methods to ensure continuity (Metrobank, 2021). While Gcash provides numerous benefits, such as streamlining payment processes and minimizing cash handling, its integration into small businesses has introduced challenges, including delayed fund transfers, transaction fees, and technical disruptions, which can impact cash flow and operational efficiency (Moore & Benbasat, 1991; Zhang et al., 2022).

Despite its advantages, Gcash's adoption among cafes highlights critical challenges related to cash flow management, cybersecurity, and digital literacy. Issues such as system downtimes, financial constraints, and resource limitations hinder effective implementation (Zhang et al., 2022). Security risks, including fraud and unauthorized transactions, further complicate its integration, especially for businesses that lack robust

cybersecurity measures (SCIRP, 2022). Additionally, cafes in less technologically advanced regions face difficulties due to limited internet access and digital literacy, which exacerbate the challenges of transitioning to cashless systems (Harju et al., 2023). These hurdles underscore the complexity of adopting Gcash while maintaining financial stability and operational effectiveness.

Existing studies on cashless transactions often focus on broader applications or larger industries, leaving cafes underrepresented despite their vital role in the small business sector. Addressing this gap, the study assessed Gcash utilization among cafes, examine internal and external challenges, and evaluate its impact on cash flow management. Insights from this research will serve as the foundation for a tailored cash management program, enabling cafes to optimize Gcash usage, enhance operational efficiency, and achieve financial sustainability in an increasingly digital economy (Clark & Dobson, 2021).

## **2. Theoretical Background**

This study integrates the Diffusion of Innovation (DOI) theory and the Unified Theory of Acceptance and Use of Technology (UTAUT) to analyze Gcash adoption among cafes. DOI identifies five characteristics—Relative Advantage, Compatibility, Complexity, Trialability, and Observability—that influence how innovations like Gcash are perceived, focusing on their alignment with business models and ease of use. UTAUT complements this by examining behavioural constructs, such as Performance Expectancy and Effort Expectancy, that shape intentions and usage behaviour. Together, these frameworks provide a comprehensive view of how cafes evaluate and implement Gcash, emphasizing the interplay between innovation characteristics and user behaviour.

## **3. Research Problems**

This study aimed to answer the following: (a) cafes' business profile, (b) the extent to which business operations are affected by the challenges in utilizing Gcash transactions, (c) the extent to which challenges in utilizing Gcash transaction affect the cash flow, (d) significant differences between the business profiles and the challenges in utilizing Gcash transactions.

## **4. Data and Methods**

This study employed a quantitative research methodology to evaluate the challenges associated with Gcash transactions among cafes in Santa Cruz, Laguna. Data were collected from 60 cafe personnel through a self-designed survey questionnaire that underwent pilot testing to ensure reliability. The collected data were then subjected to statistical analysis to uncover trends and assess the impacts of Gcash utilization on cafe operations.

For data treatment, frequency and percentage were used to analyze the business profiles of the cafes. Mean and standard deviation were applied to determine the extent to which the challenges of utilizing Gcash transactions affect business operations and cash flow. Lastly, a t-test was performed to evaluate the significant relationship between the cafes' business profiles and the challenges encountered in Gcash utilization

## 5. Tables

The results revealed that there is no significant difference between the business profile and the challenges in utilizing Gcash transactions among cafes. Key findings are detailed below:

Table 1. Summary of the extent of the effect of challenges in utilizing Gcash transactions on business operations

Challenges	Weighted Mean	Standard Deviation	Interpretation
Recording Error	2.13	1.21	Rarely
Employee Fraud	1.31	0.96	Never
Misuse of Funds	1.24	0.86	Never
Transaction Fee	1.60	1.04	Never
Security Risk	1.56	1.08	Never
Technical Error	1.95	1.24	Rarely
<b>Overall</b>	<b>1.63</b>	<b>1.07</b>	<b>Never</b>

The overall weighted mean of 1.63, interpreted as "Never," indicates that the challenges associated with Gcash usage generally have no significant impact on business operations. Recording error (2.13) and technical error (1.95) were identified as the most frequent challenges, though they still occur rarely, while issues such as employee fraud, misuse of funds, transaction fees, and security risks were deemed negligible.

These findings align with studies by Singh et al. (2022) and Deloitte (2021), which highlight the resilience of businesses in adapting to cashless systems due to advancements in digital infrastructure and fraud detection technologies. However, Patel and Sharma (2020) noted that technical and recording errors remain recurring challenges, suggesting the need for system updates and employee training to further enhance the reliability of Gcash transactions.

Table 2. Summary of extent of the effect of challenges in utilizing Gcash transactions on the cash flow

Cash flow	Weighted mean	Standard deviation	Interpretation
Cash Inflow	1.83	1.15	Rarely
Cash Outflow	1.90	1.16	Rarely
<b>Overall</b>	<b>1.87</b>	<b>1.16</b>	<b>Rarely</b>

The data revealed that Gcash-related challenges have minimal impact on cash inflow (mean = 1.83, SD = 1.15) and cash outflow (mean = 1.90, SD = 1.16), with an overall interpretation of "Rarely." This indicates that disruptions to cash flow due to cashless systems are infrequent, though outgoing transactions experience slightly more issues than inflowing ones. These findings align with the World Bank (2022), which highlighted how digital payment systems enhance cash flow by enabling faster and more efficient transactions. Similarly,

Zhang and Lee (2021) and Finli (2022) emphasized that businesses using Gcash achieve greater financial predictability, accuracy, and improved management practices by reducing delays associated with manual cash handling.

Table 3. Significant difference between the business profile and the challenges in utilizing Gcash transactions among cafes

Criteria	Computed f- value	Critical value	p-value
Recording error	2.451	4.173	0.14
Employee fraud	1.946		0.17
Misuse of funds	1.738		0.26
Transaction fee	2.467		0.19
Security risk	2.462		0.12
Technical error	1.825		0.16
Criteria	Computed f- value	Critical value	p-value

The table revealed that the computed F-values (ranging from 1.738 to 2.467) were less than the F-critical value of  $\pm 4.173$ , with p-values exceeding 0.01 at the 0.05 significance level. Consequently, the null hypothesis—that there is no significant difference between the business profile and the challenges in utilizing Gcash transactions—was not rejected. This indicates that factors like daily customer count, number of employees, average monthly income, number of years in operation, number of days open per week, cafe operational structure, and percentage of usage of Gcash transactions do not significantly influence the challenges associated with adopting cashless systems.

These findings suggest that Gcash-related challenges, such as recording error, employee fraud, transaction fees, and technical errors, are universal across cafes regardless of specific business attributes. The study's framework, based on DOI and UTAUT theories, supports this universality, emphasizing that while ease of use and system compatibility influence adoption, these challenges persist across different profiles. Implementing a cash management program tailored to Gcash transactions could mitigate these issues by standardizing procedures, training employees, and improving financial oversight, ultimately promoting operational efficiency and customer trust in a cashless economy.

## 6. Conclusions

1. Cafes in Santa Cruz, Laguna are predominantly small-scale, self-owned, and operate with limited customer traffic, employees, and income.
2. The adoption of Gcash remains low, with cafes utilizing it sparingly in daily operations.
3. Internal challenges like recording errors and misuse of funds are minimal and rarely affect operations.
4. External challenges such as transaction fees, security risks, and technical errors are infrequent and do not significantly hinder Gcash usage.

5. Challenges associated with Gcash transactions rarely disrupt the cash inflow and outflow of cafes, indicating a manageable impact on cash flow.
6. Cafes maintain smooth operations with Gcash transactions despite occasional challenges.
7. No significant relationship exists between the business profiles of cafes and the challenges faced in adopting Gcash transactions.
8. Challenges are universal and likely stem from systemic issues like infrastructure and digital literacy rather than specific business characteristics.
9. Integrating Gcash into cafe operations is feasible, with the potential to improve financial management and operational efficiency

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