

Evaluating the Market Potential of Smart Money 2.0 in Challenging the GCash-Maya Dominance

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Abstract— The Philippine digital finance landscape is currently defined by a mature duopoly of super-apps that have transitioned into digital banks. However, rising transaction costs and service inconsistencies have created significant market gaps. This study investigates the feasibility of reintroducing Smart Money 2.0 by analyzing the factors influencing consumer migration from incumbent providers using the Push-Pull-Mooring (PPM) framework. Data was gathered from a sample of 322 respondents to evaluate three critical dimensions of switching behavior.

- **Push Factors:** Findings indicate a moderate underlying dissatisfaction with current providers (Average Mean: 3.30), primarily driven by high transaction fees and intermittent service reliability.
- **Pull Factors:** Smart Money 2.0 demonstrates strong attractiveness (Average Mean: 4.38), with consumers placing the highest value on Ease of Use (4.39) and unique Telco Perks, such as zero-rated data usage (4.18).
- **Mooring Factors:** Significant obstacles to migration were identified (Average Mean: 3.78), specifically Merchant Ubiquity (3.90) and Habitual Inertia (3.77). While users expressed a high intention to migrate high-value tasks like bill payments (3.85), a psychological barrier exists in the form of Brand Skepticism (3.85) regarding the permanence of zero-fee incentives.

The study concludes that a successful market entry must bypass traditional lifestyle competition in favor of a Disruptive Innovation strategy. By leveraging the QR Ph interoperability standard to negate merchant obstacles and utilizing the existing telco infrastructure for zero-friction onboarding, Smart Money 2.0 can effectively convert fee-fatigued users. The results suggest that positioning the platform as a high-reliability, low-cost financial utility rather than a social super-app is the most viable path to capturing market share in a highly saturated environment.

Keywords— Fintech, Smart Money, Push-Pull-Mooring (PPM), Mobile Wallets, Consumer Behavior, Digital Banking, Philippines.

I. INTRODUCTION

Smart Money was introduced by Smart Communications 20 years ago, following which it rapidly saw a revolution in the digitalization of Philippine financial industry as it saw a rapid rise in participation during the recent pandemic. Once a specialized app service to unbanked consumers, digital wallets have become a major backbone for Philippine commerce at an estimated adoption rate of almost 85% of the population.

Fast transformation of digital-based financial systems indicate an ever-increasing level of confidence of the public and dependence on infrastructure. As smartphone penetration rose to almost 77% of the population, mobile wallets were the primary entrance point to the formal economy for millions of Filipinos who started shopping online.

Smart Money received many awards and recognition. In 2001, the Most Innovative Service given by Mastercard and the Most Innovative GSM Wireless Service for Customer given by GSMA; and in 2009, the Best Mobile Money Service and winner of the Mobile Money for the unbanked Awards given by the GSMA in the Asian Mobile Awards. It was recognized for its pioneering role in mobile commerce and financial inclusion.

In 2016 Smart Money was retired as a SIM-based service with PayMaya (now Maya) replacing them for network-agnostic reasons against GCash. At the moment, the market is divided by a powerful duopoly comprising GCash and Maya (PayMaya), which have graduated to become a complete digital bank with customers that have high-yielding savings rate. Yet

with this success, the market faces a crossroads. There is also mounting attention on incumbent companies to increased transaction cost and service availability problems from inconsistent application availability to security vulnerabilities, like phishing attacks. *Bangko Sentral ng Pilipinas* has issued Electronic Money Issuer (EMI) license for the following non-bank/fintech companies: GCash (G-Xchange, Inc.), Maya (Maya Philippines, Inc.), GrabPay (Gpay Network PH, Inc.), ShopeePay (ShopeePay Philippines, Inc.), PalawanPay (PPS-PEPP Financial Services Corporation), Bayad (CIS Bayad Center, Inc.), Starpay (Starpay Corporation), Alipay Philippines, OmniPay, Inc., DCPay Philippines, Inc. (Coins.ph), Tayocash, Inc., and USSC Money Services, Inc. As of 2023, GCash has a market share of 89% and its nearest competitor, Maya is at 5%.

The planned re-introduction of Smart Money 2.0, a rebirth of the world's oldest mobile wallet from 2000, nearly twenty-six years ago—is expected to disrupt this industry quo by utilizing the vast subscriber base of Smart and TNT. But as of late 2025, the platform has been challenged for several leadership transitions leaving us to question its battle cry regarding re-built, re-claim and re-take the power of market leadership, whether it can transcend the giant network effect, scale the market share of GCash and Maya.

Existing literature extensively examines the drivers of change in the adoption of digital wallets, especially during COVID-19 (e.g., Gumasing et al., 2024) yet, there remains a gap with regard to consumer switching behavior in a mature, duopoly market. We also point out that several studies in the literature do not yet explore the potential market opportunities

that will be created for legacy brand re-entries, such as Smart Money, to play out within existing GCash and Maya ecosystems.

This study aims to bridge this gap by employing the Push-Pull-Mooring (PPM) model to isolate precisely what kind of transition Filipino users experience when they depart from major players to start competing in this space. This paper employs the PPM Model as the broadest framework on how Smart Money can disrupt the existing market space. Originally posited as a concept in human migration (Lee, 1966), Bansal, Taylor, and St. James (2005) modified the theory for service industries, examining why consumers migrate to a new brand. This theory of human migration offers some fascinating behavioral insights, but in financial tech this is known as digital migration, the movement of a user from one ecosystem to another. The theory suggests that there are dynamic forces among which are: dissatisfaction with incumbent services, attractiveness from new entrants and barriers to migration.

The researcher cites these forces to articulate the necessity for another fintech player. The landscape remains volatile so other brands have an opportunity as GCash or Maya has established themselves as the Big Two. Historical data clearly shows that the Smart Money brand relies heavily on legacy trust, nevertheless, the argument of the researcher states that success is less on brand name but on frictionless interoperability. But since transaction fees in existing applications are progressively going up, the emergence of low cost, network-integrated offerings such as Smart Money is of the utmost importance for academic exploration and deserves a long and deep examination.

Finally, the Philippine market is no longer exploring digital wallets; it is optimizing them. People are now tech literate enough to use three or four apps and decide on whichever is the cheapest for a particular transaction.

Primary Research Objective

The study's primary objective is to assess market and competitive feasibility of Smart Money 2.0 as a new entrant in the existing digital wallet market which is already dominated by GCash and Maya.

Specific Objectives

To meet its primary objective, this study shall focus on:

1. To reveal market voids and challenges identified in the GCash and Maya ecosystem, and how they can be filled based on Smart Money 2.0;
2. To assess the amount of brand recognition and trust that the Smart Money name continues to have with older users in relation to its attractiveness with Gen Z and Millennial digital-first user groups;
3. To measure the effect of Smart Money 2.0's integrated features, network coverage, and reduced transaction fees on a user's transition intention over current platforms;
4. To develop an understanding of the core features and psychological bottlenecks that are likely to hinder the Smart Money 2.0 from building meaningful market share; and
5. Develop a market-entry framework to optimize the rollout of Smart Money 2.0 by optimizing it based on consumer trends for quickness, affordability, and for cross-platform transferability.

II. CONCEPTUAL FRAMEWORK

The study employed the Input-Process-Output (IPO) model with a PPM model, refer to Figure 1 and 2 as part of the process box due to its scope beyond adoption, but focuses heavily on the migration behavior of users. The Push factors refer to high transaction fees, frequent application downtime and/or maintenance, and the perceived feature bloat of the competitors. Pull Factors are the attractiveness or reasons to move like lower fees, direct network integration, faster features, and legacy trust from the original Smart Money brand; and the last are the Mooring factors or obstacles to switching, and these can be ease of use and the effort required to transfer funds to a new platform. Thus, if Pull (benefits) and Push (flaws of competitors) are stronger than Mooring (switching cost), then users have a very high chance of adopting the new platform.

This paper assessed the market potential of Smart Money 2.0 in the fintech industry. The observation period in the research was from January 2026 to March 2026. To analyze Smart Money 2.0 with regards to existing GCash and Maya, the researcher used an Embedded Research Design.

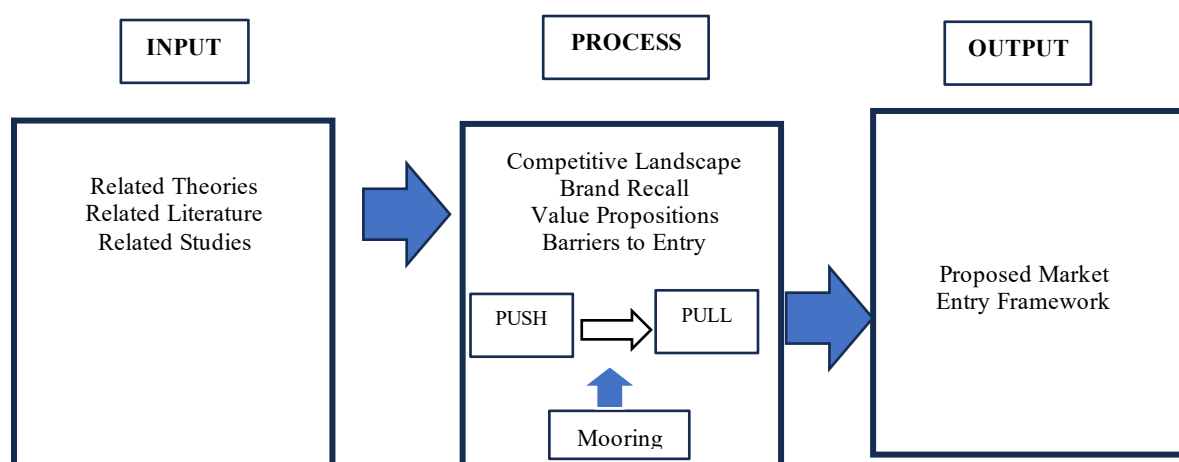


Fig. 1. Conceptual Framework

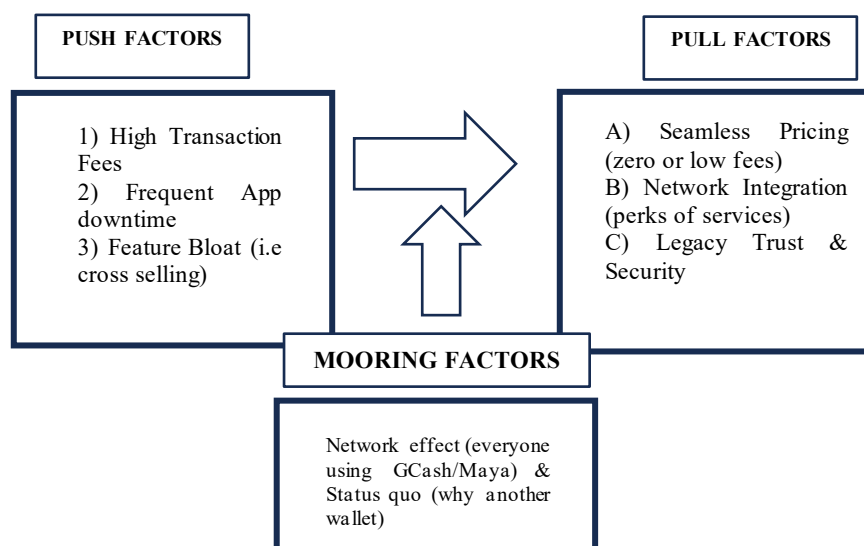


Fig. 2. Push-Pull-Mooring Factors*

*Note: Based on Gumasing, M. J. J., et al. (2024)

The reason is that the Philippine digital finance market is no longer very new. It might seem to some users that they are entrenched within any ecosystem, and migration from GCash or Maya to Smart Money may be some kind of deeply-seated psychological and social process. The approach to embedded research design is the most suitable in order to obtain the statistical reality and human motivation. Users are already into a habit of using the digital world, and as such to analyzed the numbers are not enough for the researcher's purpose. There are needs of understanding the emotional friction of switching and establishing the statistical significance of the same. These problems were well proved by both qualitative and quantitative data which were collated by embedded design and integrated into an analysis.

Research Assumptions

The assumptions of the study are presented herein:

1. It is assumed that *Bangko Sentral ng Pilipinas* will issue an Electronic Money Issuer (EMI) license to Smart and maintain a regulatory environment that encourages competition;
2. It is assumed that mobile data infrastructure in the Philippines will remain reliable for consistent use of digital financial services; and
3. It is assumed that the network effect remains a significant mooring factor that anchor users to incumbent digital wallet.

Scope and Delimitation

The research will not assess the traditional online banking applications (apps) and will also not include users who don't have a digital wallet, as this research is around marketing competition and switching behavior and this will not include the technical back-end or the cybersecurity of the app, but the users' perceptions on the security as well as usability aspect.

Finally, the focus primarily concerns the viability of Smart Money 2.0.

Population of the Study

The participants are active digital wallet users who spend at least five (5) times a month with active GCash and/or Maya accounts that also use Smart, Globe, and Dito as their mobile service provider. The researcher completed the survey within Metro Manila and surrounding provinces that represent the high-density area of digital payment transactions and reliable 4G/5G connectivity. The researcher targeted 400 respondents to maintain a 5% margin of error and used purposive-snowball hybrid sampling method in which he was able to obtain 322 respondents (80% of the target sample) among them because of the fact that the respondents were already tech literate. Next, the researcher conducted a non-response bias test on the participants, confirming that their characteristics are consistent with that of the larger target population.

III. RESULTS AND DISCUSSION

The following tables are the results of the survey done by the researcher to support the research objectives.

Respondents Profile

The following table presents the profile of the respondents to generational labels and age range, gender and mobile carrier.

The Millennial group is by far the largest, making up nearly half of the entire sample (49.69%). With 160 individuals, they have more than double the representation of any other single category. Interestingly, Gen X and Gen Z have the exact same representation in this data set. Both groups consist of 75 individuals, each accounting for 23.29% of the total. The 61 and above category is the least represented, comprising only 3.73% of the total. This suggests the data likely focuses on a workforce or a tech-active consumer base rather than a general census.

TABLE I. Generational Labels and Age

Age	Count	Percentage
61 and above	12	3.73
Gen X (46-61)	75	23.29
Gen Z (18-29)	75	23.29
Millennial (30-54)	160	49.69
Total	322	100

TABLE II. Gender Distribution

Gender	Count	Percentage
Male	152	47.00
Female	170	53.00
Total	322	100.00

The group is remarkably balanced, with only a 6.0 % difference between the two categories. There are eighteen (18) more females than males in this sample set, representing a slight majority at 53%. The total count of 322 remains consistent with the previous age-based data, confirming these are two different views of the same population.

TABLE III. Respondent Mobile Carrier

Carrier	Count	Percentage
DITO	4	1.24
Globe	143	44.41
Smart	175	54.35
Total	322	100.00

The group utilizes three different carriers, with the market share heavily dominated by two major providers. Smart is the leading carrier in this sample, used by a majority of the respondents (54.35%). Globe follows closely behind at 44.41%. Together, these two legacy providers dominate 98.76% of the group. The data reflects the strong duopoly that historically defined the Philippine telco landscape. Despite being the third major player, DITO has a very low adoption rate in this specific group, with only 4 users (1.24%). In Table I it showed this group is nearly 50% Millennial, it appears that even

among a younger, tech-savvy demographic, the shift toward the newer provider (DITO) is significantly slower compared to the established presence of Smart and Globe.

Market gaps and Pain points

The push, pull and mooring factors are presented to give the market gaps and pain points.

With a mean of 3.39, transaction and service fees are the strongest push factor. Nearly 45% of respondents (rating 5 to 4) expressed high levels of dissatisfaction regarding the cost of using their current e-wallet. This suggests that users are highly price-sensitive. While Reliability and Security have very similar mean scores (3.26 and 3.24 respectively), Reliability has a slightly higher count of users in the agree/strongly agree range. This indicates that frequent technical glitches or downtime are a more immediate annoyance than the more abstract (though still significant) concern of data security. The Average Mean of 3.30 across all factors sits just above the neutral midpoint (3.00). This suggests that while there isn't an emergency level of mass exodus, there is a clear and consistent underlying dissatisfaction. Users are not fully content, making them potentially open to switching if a competitor offers lower fees and better uptime.

The pragmatic switcher and watcher dominate this category. There is a hard psychological ceiling at P20.00. While the mean suggests general dissatisfaction, the qualitative data clarifies that once fees hit P25.00 or a 3% to 5% ratio, the intent to migrate becomes actionable. The convenience of the app no longer outweighs the literal cost of the transaction.

Table V has an Average Mean of 4.38, the respondents lean strongly toward Agree or Strongly Agree across all categories. This indicates that the combination of financial incentives, ecosystem integration, and user experience are all potent motivators for user migration. The highest mean of 4.39 means users significantly motivated by a less cluttered and simpler interface. This suggests that current market alternatives might be perceived as bloated or difficult to navigate. A clean User Interface (UI) /User Experience (UX) is the primary driver for moving daily transactions to the new app. Whereas the 4.37 mean remains highly influential, lower transaction fees and rewards are essentials.

TABLE IV. Push Factor

Push Factors	5	4	3	2	1	Total	Mean
Fees: I am dissatisfied with the high transaction and service fees in my current e-wallet	69	75	110	48	20	322	3.39
Reliability: I frequently experience app downtime or server issues with my current provider.	52	87	90	81	13	322	3.26
Security: I have concerns about the security of my personal information in my current e-wallet.	55	74	116	48	29	322	3.24
Average Mean							3.30

TABLE V. Pull Factor

Pull Factors	5	4	3	2	1	Total	Mean
Monetary Incentives: Lower transaction fees or better rewards would entice me to switch to Smart Money 2.0	184	81	52	6	0	322	4.37
Telco Perks: Integrated features like zero-rated data (no internet load needed) make Smart Money 2.0 attractive.	190	81	35	16	0	322	4.38
Ease of Use: A simpler, less "cluttered" interface would motivate me to move my daily transactions to this new app	186	82	48	6	0	322	4.39
Average Mean							4.38

TABLE VI. Mooring Factor

Mooring Factors	5	4	3	2	1	Total	Mean
Network Effect: I feel "locked-in" because my family, friends, and local merchants only use GCash/Maya	68	71	97	71	16	322	3.32
Switching Costs: The effort of re-verifying my ID (KYC) and learning a new app prevents me from switching.	39	90	113	52	29	322	3.18
Habit/Inertia: I continue using my current app simply because I have grown accustomed to it over several years	87	113	87	32	3	322	3.77
Average Mean							3.42

Based on the data provided, there is a clear alignment between the numerical scores and the specific user feedback. Users are highly motivated to switch to Smart Money 2.0, provided it delivers on three specific pillars: Financial Benefit, Connectivity Advantages, and Simplified UX.

The Qualitative feedback reveals that monetary incentives aren't just about bonuses; they are about eliminating friction. And Users specifically demand zero transaction fees for bank transfers and utility bills. Users are benchmarking the experience against GCash. They demand a less cluttered and user-friendly UI to feel comfortable moving their daily transactions.

The quantitative data highlights that habit is the strongest anchor for users, carrying the highest mean score of 3.77. Users aren't just using these apps because they want to; they use them because they have grown accustomed to them over several years, and even if a new platform offers better rates, the psychological energy required to learn a new interface and familiarize with app functionality creates a barrier that most users are unwilling to cross.

While Switching Costs had the lowest mean score (3.18) among the three categories, the qualitative analysis reveals it is a visceral point of frustration. That is, redundant verification where users find filling up forms again and re-verifying their identity, Know Your Client (KYC) to be a massive hassle. This is especially true if they feel they have already provided this

data to telcos or other financial institutions. These factors represent the anchors or obstacles that prevent users from switching from their current mobile wallets (like GCash or Maya) to a new service. Compared to the previous analysis on Pull Factors in Table VI, the Average Mean of 3.42 for Mooring Factors indicates that while obstacles exist, they are not perceived as insurmountable by the respondents.

The data reveals a brand struggling to find its voice in a crowded Fintech landscape. While Smart Money benefits from a pioneer legacy, it is currently failing to translate that history into modern relevance. With all mean scores falling below the neutral midpoint of 3.00, the brand is in a state of low visibility and high consumer confusion. The highest mean score (2.80) belongs to the statement regarding Smart Money being the first mobile wallet in the Philippines. With the average mean of 2.42, there is a lingering historical recognition, but it is passive. Consumers remember Smart Money as a historical entity, but this legacy isn't driving current usage.

The highest mean is 3.41 falls on that the respondents value safety on their hard on money with company whom they trust for some time compare to new fintech start-up companies though there is a lower mean of 3.16 when it comes to large financial transactions.

TABLE VII. Brand Awareness

Brand Awareness (recognition & recall)	5	4	3	2	1	Total	Mean
I am aware that Smart Money was the first mobile wallet service in the Philippines.	68	39	64	64	87	322	2.80
I have seen or heard advertisements for the new Smart Money 2.0 within the last 3–6 months.	10	39	68	74	132	322	2.13
When I think of "Smart Communications," I immediately associate the brand with financial services (e.g., banking, payments).	10	64	100	74	74	322	2.57
I can identify the core features that differentiate Smart Money 2.0 from GCash or Maya.	3	29	87	100	103	322	2.16
Average Mean							2.42

TABLE VIII. Trust Equity

Trust Equity (reliability & security)	5	4	3	2	1	Total	Mean
I trust Smart Money 2.0 to handle large financial transactions securely.	23	88	137	68	6	322	3.16
Because Smart is a long-standing telecommunications company, I feel my money is safer with them than with newer fintech startups.	52	87	129	52	3	322	3.41
I believe Smart Money 2.0 would provide better customer support than other e-wallets if a transaction fails.	35	81	155	45	6	322	3.29
I am confident that Smart Money 2.0 protects my personal data against phishing and hacking.	35	100	122	61	3	322	3.32
Average Mean							3.30

TABLE IX. Push Factor, on a user's intention to switch from current platforms

Push Factors	5	4	3	2	1	Total	Mean
The transaction fees on my current e-wallet (e.g., cash-in, bank transfer) are becoming too expensive.	74	103	122	16	6	322	3.69
I am frustrated by the frequent "system maintenance" or app downtime of my current provider.	71	81	119	45	6	322	3.51
My current e-wallet feels "cluttered" with too many advertisements and non-financial features.	68	74	129	45	6	322	3.47
Average Mean							3.56

The data suggests that Smart Money 2.0 maintains high technical standards. Users express the most confidence in account accuracy, suggesting that the system's management is robust. However, general transaction speed typically sees slightly lower (though still positive) scores, often due to external factors like network latency.

The survey of 322 respondents shows a high Average Mean of 3.56, indicating that users generally agree these negative factors are influencing their desire to switch the primary driver for user churn is financial friction, specifically regarding transaction fees. While technical stability and UI clutter are significant secondary issues, the data suggests that users have a specific psychological breaking point regarding costs. Once fees cross a certain threshold, loyalty evaporates in favor of competitors like GCash or Maya.

The qualitative data reveals that users are becoming market-savvy and calculating. Users are no longer loyal by default. They actively compare their current app against newcomers like

GoTyme (which offers free transfers). If the price gap is too wide, they switch instantly.

In Table X, the highest mean is 4.18 which is the most compelling technical feature with 76% of the respondents (246 out of 322) agreed or strongly agreed that the ability to use the all without mobile data is a strong reason to switch. The next two items: telco ecosystem integration and SIM-level security tied at 3.92 that while direct integration with Smart/TNT/PLDT billing and rewards is seen as convenient, it is a niche motivator. It appeals strongly to existing heavy users of the PLDT/Smart ecosystem but may not be the primary reason a neutral user would switch. On the other hand, security is a major concern in fintech. The concept of SIM-level security is highly appealing to over two-thirds of the respondents, indicating a desire for protection beyond just passwords and One-Time Password (OTP).

In Table XI, the highest-rated factor is the Cash-in and Cash-out at 4.21 where users prioritize the cost of moving money over lifestyle features. This suggests that the current

market leaders (GCash/Maya) may be frustrating users with their incremental fee increases, making a low-cost alternative highly attractive. The lowest mean is the economic perception at 3.88 where majority of the respondents falls under the neutral 3 ratings (138). While users want lower fees, they are still

slightly cautious or undecided about whether Smart Money 2.0 will actually be the more economical choice in the long run. The high neutral count suggests a wait-and-see attitude regarding the brand's long-term fee structure.

TABLE X. Pull Factor, on a user's intention to switch from current platforms

Pull Factors	5	4	3	2	1	Total	Mean
The ability to use the Smart Money app even without a mobile data/internet load is a strong reason to switch.	155	91	62	7	7	322	4.18
I find the direct integration with my Smart/TNT/PLDT billing and rewards highly convenient.	113	97	90	19	3	322	3.92
Being able to secure my wallet directly through my SIM card (SIM-level security) makes me want to use Smart Money.	106	106	90	16	3	322	3.92
Average Mean							4.01

TABLE XI. Mooring Factor, on a user's intention to switch from current platforms

Mooring Factors	5	4	3	2	1	Total	Mean
I would immediately move my primary transactions to a new platform if it offered zero fees for bank transfers.	167	68	68	19	0	322	4.19
Lower "Cash-in" and "Cash-out" fees are more important to me than having a wide variety of lifestyle features.	158	87	64	13	0	322	4.21
I perceive Smart Money 2.0 as a more "economical" choice compared to my current e-wallet.	107	73	138	3	0	322	3.88
Average Mean							4.09

TABLE XII. Switching Intention

Switching Intention	5	4	3	2	1	Total	Mean
I intend to download and register for Smart Money 2.0 within the next month.	61	119	116	23	3	322	3.66
I am willing to migrate my "savings" and "bills payment" activities to Smart Money 2.0 if the fee difference is significant.	103	100	93	19	6	322	3.85
Average Mean							3.76

As to the qualitative data, there are several factors prevent a total migration: (1) The Network Effect, this is the strongest barrier. Because everyone uses GCash, the utility of the platform is tied to the community. If a user's friends, family, or local merchant doesn't use Smart Money 2.0, the zero fee benefit is neutralized by the inability to transact, and (2) Operational Inertia: Many users stay out of sheer habit. They are used to the interface, suggesting that Smart Money 2.0 needs a User's Interface and the User's Experience that is either incredibly intuitive or very similar to market leaders to lower the learning curve.

The highest mean of 3.85 is the intent to mitigate high-value tasks where this factor scored higher than the general intent to download. Over 63% of respondents (203 out of 322) are willing to move critical financial activities like savings and

bill payments. They aren't just looking for another app to play with; they are looking for a more efficient way to manage their heavy finances. The caveat, if the fee difference is significant is the crucial trigger here. It confirms that the financial motivations from the previous table are the primary drivers for actual migration.

Respondents that can be classify as an immediate adoption has a mean score of 3.66, while users like the idea of the features, there is a wait-and-see hurdle regarding immediate action. This delay is likely tied to the Habit/Inertia mooring factor identified earlier. Users acknowledge the benefits, but the actual effort of downloading and registering requires a final nudge.

In Table XIII, the merchant ubiquity got the highest structural hurdle at 3.90. Respondents are extremely hesitant to

move to a platform that might not be accepted at their local sari-sari stores or favorite vendors. Despite the rise of QR Ph, there is a lingering perception that GCash and Maya are the only universally accepted digital currencies in the Philippines. The lowest mean is at 3.66 which fall under the network externalities, this is a major finding. It suggests that the social lock-in is actually weaker than the utility lock-in. Users are more worried about where they can spend their money than who they can send it to.

The qualitative data categorize why users are hesitant from a psychological and functional perspective that is: (1)

Reliability Anxiety, users fear technical failure (crashes, weak signals) at the critical moment of payment, this suggests a low tolerance for application or system bugs; (2) Efficiency Gap, manual data entry and complex Cash-in processes are seen as significant deterrents compared to the streamlined experiences of competitors; (3) Biller Ecosystem, there is specific concern regarding the lack of major billers (e.g., Meralco) and the absence of integrated QR codes; and (4) Hidden Costs, convenience fees and 3-5 banking days for posting are viewed as deal-breakers. Users expect real-time gratification and zero-to-low cost for large transactions.

TABLE XIII. Structural Obstacles

Structural Obstacles	5	4	3	2	1	Total	Mean
Merchant Ubiquity: I am hesitant to switch because most of the stores and vendors I frequent only accept GCash or Maya	97	116	90	19	0	322	3.90
Network Externalities: I feel forced to use my current app because my family and friends primarily send money through that platform.	81	100	100	35	6	322	3.66
Onboarding Friction: The process of re-verifying my identity (KYC) for a new app is too time-consuming to be worth the switch.	84	97	109	32	0	322	3.72
Cash-In/Out Accessibility: I am concerned that there aren't enough physical "Smart Padala" or partner outlets near my home compared to the current competition.	87	113	103	16	3	322	3.82
Average Mean							3.78

TABLE XIV. Psychological Obstacles

Psychological Obstacles	5	4	3	2	1	Total	Mean
Status Quo Bias: I am so used to the interface of my current e-wallet that learning a new app feels like a burden.	39	105	138	20	20	322	3.38
Perceived Risk: I feel that a "Telco-managed" wallet might be less secure than one backed by a dedicated digital bank.	39	87	148	32	16	322	3.31
Loss Aversion: I am afraid that if I move my funds to a new app, I might lose access to my current transaction history or credit score (e.g., GCredit/Maya Credit).	61	71	129	48	13	322	3.37
Brand Skepticism: I am worried that the "zero-fee" or "no-data" promos of Smart Money 2.0 are only temporary and will be removed once I switch.	97	103	100	23	0	322	3.85
Average Mean							3.48

In Table XIV, the Brand Skepticism got the highest mean of 3.85. This is the highest psychological hurdle, respondents are wary that the aggressive zero-fee and no-data perks are just honeypot marketing tactics that will disappear once the app gains a large enough user base or simply too good to be true. This skepticism directly competes with the app's strongest pull factors. The lowest mean is under the perceived risk at 3.31, the lowest obstacles. Most users do not significantly fear that a Telco-managed wallet is less secure than a bank-backed one. This is a positive sign for Smart, suggesting that the "Smart" brand carries enough legacy trust to be seen as a legitimate financial custodian.

For the qualitative aspect, users think that Digital wallets are social tools. If everyone else uses one platform, the cost of being the outlier (delays, lack of interoperability, explaining how to pay) outweighs the benefits of a new app. As to the merchant acceptance (at palengkes or sari-sari stores) over promos. If a user can't use Smart Money at their local vendor, they won't keep a balance in it. While QR PH helps bridge the gap, the perception remains that using the standard app is safer and more convenient to avoid transaction failures.

Market entry framework that optimizes Smart Money 2.0's rollout based on consumer preferences for speed, cost, and cross-platform interoperability.

The researcher applied the PPM Framework to identify and attack the specific "Fee Pain Points" of incumbents, while employing a Disruptive Innovation approach that strips away bloat in favor of a Data-Free, Fee-Free, and Interoperable utility. The framework balances the technical requirements of interoperability with the consumer psychological drivers of cost and speed, that is:

1. Speed. Onboarding and Settlement, adopt a real-time biometric verification thereby reducing onboarding from days to seconds. Real-time settlement, consumers now expect an instant feedback and any delay results in immediate transaction abandonment;
2. Cost and Efficiency. Infrastructure Efficiency and Optimization of transaction fees, high fees are the number one barrier to displacing cash for small-value daily purchases. If possible, person-to-person (P2P) and Micro-merchants transaction fees be zero or near-zero to drive volume of transactions. For business-to-business, exploring monetization through value-added services is worth exploring, and

3. Interoperability: The Agnostic Ecosystem Strategy, interoperability is no longer a feature. It is a minimum commercial expectation. Smart Money must be spendable at any merchant, regardless of their provider and should be linkable to global platforms.

IV. CONCLUSIONS

The researcher came to the following conclusions based on the study's findings:

1. Push is almost entirely driven by the Wallet. Users view e-wallets as a utility rather than a lifestyle brand. Because the digital value proposition fails the moment it rivals the effort of a physical payment center, providers are in a precarious position where a P5.00 fee increase could result in a significant loss of the pragmatic switcher segment.
2. To successfully migrate users (Pull) Smart Money 2.0 should not just focus on being another wallet. The data suggests a winning strategy involves leveraging the Telco advantage (free data access) as the hook, while using high interest rates and zero fees to build the deposit base. However, the migration will fail if the user's interface feels cluttered or if security features feel inferior to established competitors.
3. To successfully migrate users to a new platform (Mooring), a competitor cannot rely on low transaction or no fees. They must actively solve the Mooring problem by simplifying the Know-Your-Client (KYC) process and creating a seamless way to import billers, thereby lowering the administrative and psychological barriers to entry.
4. To survive the dominance of its competitors, it must: (1) stop relying on its history as the first mobile wallet; (2) start an aggressive campaign to fix the 2.13 recall score (Table VII), and (3) define a singular, aggressive Unique Selling Proposition (USP) that explicitly answers the question, Why Smart Money?
5. The study reveals that Smart Money 2.0 is perceived as a highly dependable financial tool. With an overall mean score of 4.09 (Table XI), the platform succeeds in its core mission: processing transactions accurately and providing visible security measures that make users feel safe. The strongest link in the chain is account accuracy, while the weakest though still positive is the user's underlying anxiety regarding long-term data privacy. Essentially, users trust the machine to move their money, but they are still slightly wary of the organization managing their data.
6. Smart Money is being positioned to retake market share from GCash by leaning on its massive telco subscriber base, while Maya continues to evolve into a full-service digital bank.
7. Smart Money cannot win on features alone. To gain market share, it must solve the interoperability gap that is: rapidly expand the merchant and biller network, guarantee real-time posting of payments to eliminate unposted payment fears, and leverage the existing Smart Padala infrastructure to offer a physical cash-in/out advantage that digital-only banks cannot match.

8. For Smart Money to succeed, it cannot simply be as good as GCash or Maya. It must offer a disruptive incentive—such as superior security or a permanent fee structure—that is strong enough to overcome the 3.48 average psychological resistance (Table XIV) and the social awkwardness of not using the market standard.

Recommendations

The researcher recommended the following that focused on psychological pricing, technical reliability and locking in users through specific perks, that is:

1. Pricing & Trust Strategies

- 1.1 Transaction Fees. Keep lower transaction fees.
- 1.2 Security. Pivot marketing to emphasize Safety and Security.
- 1.3 Loyalty Incentives. Offer rewards like a 5th transaction fee or free or bill payment cashbacks to lower the perceived average cost especially within the MVP group of companies; and
- 1.4 Customer Experience. Since reliability is a major pain point, prioritize proactive communication during downtime to make users feel respected rather than trapped.

2. The Zero Connectivity is Plus Factor

To compete with giants like GCash and Maya, the strategy suggests leveraging Telco advantages, namely: Data-Free Access, allow the app to work even with zero load or no active data promo; SMS Back-up, enable basic transactions via encrypted SMS for areas with poor LTE/5G coverage; and Incentives, bundle transactions with small data rewards or loyalty points especially merchants from the MVP group of companies.

3. Streamlined Onboarding Process

To employ Biometric Onboarding via face scans. Eliminate manual data entry (name, address, ID numbers) to remove the administrative hassle that prevents new users from signing up.

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