

Market Dominance of GCash in the Philippine Digital Payment Ecosystem: A Secondary Data Analysis

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Abstract

The rapid expansion of digital payment systems has transformed financial transactions in the Philippines, with mobile wallet platforms becoming central to everyday economic activities. This study examines the market dominance of GCash within the Philippine digital payment ecosystem using a secondary data analysis approach. Data were synthesized from official statistics, industry reports, and fintech market analyses to examine trends in digital payment adoption, mobile wallet usage, merchant integration, and market growth. Findings indicate an increase in digital payment adoption, with the share of digital retail payments rising from approximately 1% in 2013 to 57.4% in 2024. Concurrently, GCash experienced user expansion, growing from 20 million registered users in 2019 to more than 81 million in 2023, alongside a merchant network exceeding 2.5 million partners nationwide. Comparative analysis also shows that GCash maintains the most comprehensive service ecosystem among Philippine e-wallet platforms, contributing to its widespread adoption among consumers and small businesses. The results suggest that platform accessibility, trust, convenience, and network effects contribute to the platform's dominant position. This study provides empirical insight into the structural and behavioral factors shaping digital payment adoption in the Philippines and highlights the role of fintech platforms in supporting the country's expanding digital economy.

Keywords: digital payments; financial technology; mobile wallets; GCash; platform ecosystem

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1. Introduction

The rapid advancement of financial technology (fintech) has fundamentally transformed the global financial landscape, particularly in the way individuals and businesses conduct everyday transactions. In recent years, digital payment systems have expanded rapidly due to increased smartphone penetration, improved internet connectivity, and the integration of financial services into digital platforms. Mobile wallets have emerged as key components of modern financial ecosystems, enabling convenient, secure, and efficient financial transactions (World Bank, 2022; Li et al., 2023; Wang & Zhang, 2024).

In the Philippines, digital payment adoption has accelerated significantly as part of broader national efforts toward digital transformation and financial inclusion. According to the Bangko Sentral ng Pilipinas (2024), the share of digital payments in total retail transactions increased from approximately 1% in 2013 to 57.4% in 2024, indicating a substantial shift from cash-based to electronic payment systems. This transition has been supported by government initiatives promoting digital banking infrastructure, QR-based payments, and inclusive financial services. The expansion of digital financial systems has also contributed to the rapid growth of the Philippine digital economy. Data from the Philippine Statistics Authority (2024) show that the digital economy generated approximately ₱2.1 trillion in gross value added, accounting for about 9.4% of the

country's gross domestic product. The increasing integration of e-commerce, digital platforms, and fintech services highlights the growing importance of digital payment systems in facilitating economic activity.

Within this rapidly evolving environment, mobile wallet platforms have become one of the most widely adopted financial technologies in the country. Among these platforms, GCash has emerged as the dominant digital payment application in the Philippines. Developed by Globe Fintech Innovations (Mynt), GCash provides a comprehensive range of services including peer-to-peer transfers, bill payments, QR-based transactions, savings, credit, and investment products. Recent reports indicate that the platform has grown to more than 80 million registered users and supports over 2.5 million merchants nationwide, with widespread adoption even among micro-retail businesses (Manila Bulletin, 2025). Despite the presence of competing platforms such as Maya, GrabPay, ShopeePay, and PayPal, GCash continues to maintain a leading position in terms of user adoption, merchant integration, and service ecosystem breadth. This sustained dominance suggests that beyond traditional technology adoption factors, broader structural dynamics—such as platform ecosystems, service integration, and network effects—play a critical role in shaping competitive outcomes in digital payment markets.

Studies on fintech adoption have increasingly moved beyond traditional individual-level models to emphasize broader structural and ecosystem-based determinants of platform growth. Contemporary research highlights that digital payment adoption is not only driven by user perceptions such as convenience, trust, and usability, but also by the interaction of platform ecosystems, service integration, and network externalities (Gomber et al., 2017; Nguyen et al., 2022; Ryu, 2022). Emerging evidence further suggests that fintech development plays a critical role in expanding financial inclusion and reshaping financial intermediation in both developed and emerging economies (Frost et al., 2020; Hasan et al., 2020). In particular, platform-based perspectives indicate that sustained growth and competitive advantage in digital payment markets are strongly influenced by the ability of platforms to integrate financial services, expand merchant networks, and leverage reinforcing network effects (Wang & Zhang, 2024). However, empirical research that integrates these ecosystem-level dynamics with large-scale market data remains limited, particularly in emerging economies such as the Philippines.

More specifically, existing literature reveals two critical gaps. First, there is limited research that examines digital payment dominance from an ecosystem perspective that integrates user adoption, merchant networks, service diversification, and network effects within a single analytical framework. Second, despite the rapid expansion of digital payment systems in the Philippines, empirical studies focusing on the structural factors contributing to the dominance of a specific mobile wallet platform—particularly GCash—remain scarce. Addressing these gaps, the present study examines the market dominance of GCash within the Philippine digital payment ecosystem using a secondary data analysis approach. By synthesizing data from government reports, industry analyses, and fintech market statistics, the study aims to provide a comprehensive understanding of how platform ecosystems, network effects, and service integration contribute to the widespread adoption and sustained leadership of a mobile wallet platform. Guided by this objective, the study addresses the following research questions:

- RQ1. How has digital payment adoption evolved in the Philippines in recent years?
- RQ2. What trends characterize the growth of GCash in terms of user adoption and merchant integration?
- RQ3. How does GCash compare with other major e-wallet platforms operating in the Philippine market?
- RQ4. What structural and behavioral factors contribute to the market dominance of GCash in the Philippine digital payment ecosystem?

Accordingly, the overall aim of this study is to analyze the structural and behavioral factors that explain the dominance of GCash within the Philippine digital payment ecosystem. In doing so, the study contributes to the growing literature on fintech ecosystems and digital platform competition by providing a macro-level empirical analysis of platform dominance in an emerging digital economy context.

2. Literature Review

2.1. Digital Payment Adoption and Financial Technology Development

The rapid growth of digital payment technologies has significantly transformed financial systems worldwide. Advances in mobile technology, internet connectivity, and financial technology (fintech) innovations have enabled consumers to perform financial transactions through digital platforms rather than traditional cash-based systems (World Bank, 2022). Digital payment systems are increasingly recognized as key drivers of financial inclusion, particularly in developing economies where access to traditional banking services may be limited. Mobile wallet platforms represent one of the most widely adopted forms of digital financial technology. These platforms allow users to conduct various financial transactions using mobile devices, including peer-to-peer transfers, bill payments, retail purchases, and digital commerce transactions. While earlier studies emphasized individual-level determinants of adoption, recent research highlights that digital payment adoption is shaped by broader structural, institutional, and technological factors (Hasan et al., 2020; Ozili, 2021).

In emerging economies, digital payment systems have become critical tools for expanding financial inclusion. Fintech innovations enable lower transaction costs, wider access to financial services, and increased participation in formal economic systems (Frost et al., 2020). These developments are particularly important in countries with limited traditional banking infrastructure, where mobile payment platforms serve as alternative financial channels. Recent studies have further emphasized the role of platform ecosystems in shaping digital financial services. Platforms that integrate payment services with savings, lending, and investment features tend to increase user engagement and platform retention (Li et al., 2023; Wang & Zhang, 2024). In Southeast Asia, mobile wallet platforms often achieve rapid growth through early network expansion and strong merchant integration, reinforcing their position within digital financial ecosystems (Nguyen et al., 2022).

2.2. Mobile Wallet Platforms and Fintech Ecosystems

Mobile wallets have evolved beyond simple payment tools into integrated financial platforms that provide a wide range of digital financial services. These include digital savings accounts, lending services, investment tools, and merchant payment systems. Such integration reflects the emergence of fintech ecosystems, where multiple financial services are delivered through a unified digital platform. While earlier studies introduced the concept of fintech ecosystems (Arner et al., 2016), more recent research emphasizes their role in enabling scalable, user-centered financial infrastructures. Fintech ecosystems are characterized by service integration, interoperability, and the ability to support both consumers and businesses within a single platform (Gomber et al., 2017; Luo et al., 2023; Tang et al., 2022).

In Southeast Asia, the expansion of digital payment infrastructures has accelerated the development of platform-based financial ecosystems. Mobile wallet platforms achieve competitive advantage by combining financial services, digital commerce capabilities, and merchant networks into a cohesive system (Nguyen et al., 2022). These ecosystem-based strategies enhance platform utility and strengthen long-term user engagement. In the Philippine context, mobile wallets have become a central component of the digital financial infrastructure. The widespread adoption of smartphones, improved internet connectivity, and the growth of e-commerce have facilitated the rapid expansion of mobile payment systems. Digital wallet platforms are now widely used for everyday transactions, including retail payments, online purchases, fund transfers, and bill settlements.

2.3. Platform Ecosystems and Network Effects in Digital Payment Markets

The dominance of digital platforms is often explained through the concept of network effects, which occur when the value of a platform increases as more users and participants adopt it. In digital payment ecosystems, network effects emerge when a growing user base attracts more merchants, while increased merchant acceptance further encourages consumer adoption. While early theoretical foundations of network effects

remain relevant, recent studies provide updated perspectives on how these mechanisms operate within digital platform ecosystems. Research shows that network effects in fintech markets are multidimensional, involving interactions among users, merchants, and complementary service providers (Wang & Zhang, 2024; Cennamo, 2021).

Platform ecosystems also play a critical role in sustaining competitive advantage in digital markets. Platforms achieve dominance when they integrate diverse services, participants, and technological infrastructures within a unified system, creating switching costs and barriers for competing platforms (Zhang & Williamson, 2021). These ecosystem dynamics reinforce the market leadership of dominant platforms. Empirical studies across emerging economies demonstrate that mobile wallet platforms achieve dominance through the combined effects of user adoption, merchant integration, and service diversification. In China, platforms such as Alipay and WeChat Pay have developed integrated ecosystems linking payments, e-commerce, and financial services. Similarly, in India, Paytm has expanded its ecosystem by combining digital payments with banking and merchant services (Kumar & Nim, 2021).

In Africa, M-Pesa has demonstrated how mobile payment platforms can transform financial access by enabling digital transactions among previously unbanked populations. These international cases illustrate how network effects and platform ecosystems interact to produce dominant digital financial platforms. While prior studies have examined these dynamics in multiple countries, relatively limited research has focused on how platform ecosystems and network effects contribute to the dominance of a specific mobile wallet platform within the Philippine digital payment ecosystem. This highlights the relevance of examining GCash as a case of platform dominance in an emerging digital economy.

2.4. Digital Payment Adoption in the Philippines

The Philippines has experienced rapid growth in digital payment adoption over the past decade. Government initiatives promoting financial inclusion and digital financial infrastructure have encouraged the expansion of electronic payment systems across the country. The increasing use of digital payments reflects broader changes in consumer behavior and financial practices. Mobile wallet platforms have played a central role in this transformation, enabling users to conduct financial transactions through mobile devices. Several digital wallet providers operate in the Philippine market, including GCash, Maya, GrabPay, and ShopeePay, each offering a range of financial services. Among these platforms, GCash has emerged as the most widely adopted mobile wallet in the country. The platform's rapid expansion in user adoption and merchant integration reflects its strong position within the Philippine fintech ecosystem. The widespread use of GCash among both consumers and small businesses highlights its role as a dominant digital payment platform.

2.5. Research Gap

Although previous studies have examined digital payment adoption and fintech innovation, limited research has focused specifically on the market dominance of a single mobile wallet platform within a national digital payment ecosystem. Most prior studies emphasize general adoption factors rather than examining how these interact with platform ecosystems, network effects, and market structures. In addition, while dominant mobile wallet platforms have been widely studied in countries such as China, India, and Kenya, empirical research on the Philippine digital payment ecosystem remains limited. In particular, there is a lack of studies analyzing how structural factors such as user adoption, merchant integration, and service ecosystems contribute to the dominance of GCash. Addressing this gap, the present study employs a secondary data analysis approach to examine digital payment growth, user adoption patterns, merchant integration, and platform ecosystem dynamics in the Philippines. This approach provides a comprehensive understanding of the factors contributing to the market dominance of GCash within an emerging digital economy.

2.6. Conceptual Framework

Digital platform dominance in fintech ecosystems is often explained through the interaction of several structural and behavioral factors. Prior research suggests that mobile payment platforms achieve competitive

advantage when they combine large user networks, extensive merchant integration, and diversified service ecosystems (Parker et al., 2016; Lee & Shin, 2018). In digital payment markets, network effects occur when the value of a platform increases as more users and merchants adopt it. A larger user base encourages merchants to accept the platform as a payment method, while broader merchant acceptance further incentivizes consumer adoption. This feedback mechanism can lead to the emergence of dominant platforms within digital ecosystems (Katz & Shapiro, 1985). Building on these theoretical perspectives, this study conceptualizes platform dominance in digital payment ecosystems as a function of four interconnected factors: user adoption and platform reach, merchant ecosystem integration, service diversification within the platform ecosystem, and network effects that reinforce and amplify continued platform adoption. These factors collectively shape the competitive positioning of mobile wallet platforms within national digital payment markets. In the Philippine context, the rapid growth of GCash provides an empirical case for examining how these structural dynamics contribute to platform dominance within an emerging digital economy. Figure 1 depicts conceptual framework.

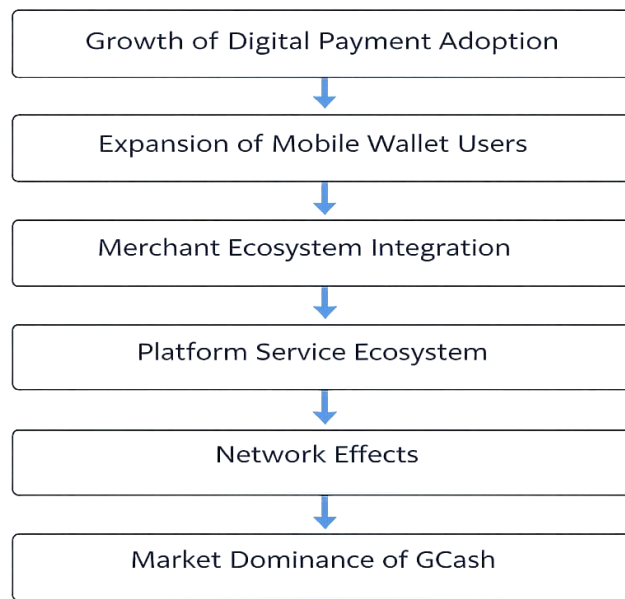


Figure 1. Conceptual framework of mobile wallet platform dominance in the Philippine digital payment ecosystem.

2.7. Analytical Propositions

Grounded in platform ecosystem theory and network effects theory, this study advances a set of analytical propositions to inform and structure the interpretation of the empirical findings. These propositions articulate the expected relationships between adoption dynamics, ecosystem integration, and platform dominance within digital payment environments.

P1: The expansion of digital payment adoption fosters enabling conditions for mobile wallet platforms to accelerate user base growth.

P2: Mobile wallet platforms with larger and more established user bases are more likely to attract higher levels of merchant participation.

P3: Platforms that offer a diversified range of integrated financial services within a unified ecosystem are more likely to sustain long-term user engagement.

P4: Strong reciprocal network effects between users and merchants significantly contribute to the market dominance of a mobile wallet platform.

2.8. Alignment of Research Questions and Analytical Propositions

To ensure conceptual and analytical consistency, the research questions and analytical propositions are explicitly aligned within this study. RQ1 and RQ2, which examine digital payment adoption and the growth

of GCash users and merchants, correspond to Proposition 1 and Proposition 2, which explain how increasing digital payment adoption contributes to user expansion and merchant participation. RQ3, which compares major e-wallet platforms, is linked to Proposition 3, as differences in service integration and ecosystem breadth explain variations in platform competitiveness. Finally, RQ4, which focuses on the structural and behavioral factors contributing to GCash's dominance, is directly addressed by Proposition 4, which emphasizes the role of network effects and platform ecosystems in reinforcing market leadership. This alignment ensures that the empirical analysis systematically addresses each research question through the proposed analytical framework, thereby strengthening the conceptual coherence and explanatory power of the study.

3. Methodology

3.1. Research Design

This study employs a secondary data analysis research design to examine the market dominance of GCash within the Philippine digital payment ecosystem. This approach is appropriate because the study focuses on macro-level trends, including digital payment adoption, user growth, merchant integration, and platform competition, which require the use of large-scale datasets derived from institutional and industry sources. Recent studies emphasize that secondary data analysis is particularly valuable in digital economy and fintech research, where large volumes of structured data from regulatory bodies, market reports, and digital platforms can be systematically analyzed to identify patterns and trends (Kitchin, 2021; Martens et al., 2021). This method allows researchers to examine ecosystem-level dynamics that are not easily captured through primary data collection. In this study, the research design is structured around the analytical propositions derived from platform ecosystem theory and network effect theory. The datasets are analyzed to examine how user adoption, merchant participation, service integration, and network effects interact to explain the dominance of GCash. By linking empirical observations with theoretical propositions, the study provides a structured and theory-driven analysis of platform dominance in the Philippine digital payment market.

3.2. Data Sources

The datasets used in this study were obtained from credible institutional, governmental, and industry sources to ensure the reliability and validity of the analysis. These sources include official statistics, regulatory reports, and market research publications commonly used in fintech and digital economy research. Primary data sources include reports from the Bangko Sentral ng Pilipinas (BSP), which provide official statistics on digital payment adoption, financial system development, and electronic transaction trends in the Philippines. Macroeconomic data related to the digital economy were obtained from the Philippine Statistics Authority (PSA), which publishes nationally recognized economic indicators. In addition, industry-level data on mobile wallet platforms and fintech market trends were sourced from market research organizations such as the IMARC Group, The Business Research Company, and Fintech News Philippines. These sources are widely used in digital economy research as they provide detailed insights into market size, platform features, and industry developments (OECD, 2020; UNCTAD, 2021). Supplementary data on merchant adoption and platform usage were obtained from retail industry reports, including surveys conducted by Packworks, which analyze digital payment adoption among micro-retail enterprises. The use of multiple independent data sources enables data triangulation, improving the reliability and robustness of findings in secondary data research (Kitchin, 2021; Martens et al., 2021).

3.3. Datasets and Variables

The study analyzed several datasets related to digital payment adoption and fintech platform development in the Philippines. These datasets were selected to capture key dimensions of the digital payment ecosystem. The first dataset examined the growth of digital payment transactions in the Philippines, including the share of digital retail payments in total transactions. These statistics provide a macro-level overview of the country's transition toward digital financial systems. The second dataset analyzed the growth of registered GCash users, which reflects consumer adoption of the platform over time. User growth data provide insight into the scale and diffusion of mobile wallet usage across the population. The third dataset examined the merchant network

associated with GCash, including the number of businesses and social sellers accepting the platform as a payment method. Merchant adoption is an important indicator of platform ecosystem expansion and network effects. The fourth dataset compared major e-wallet platforms operating in the Philippine market, including GCash, Maya, GrabPay, ShopeePay, and Coins.ph. This dataset provides comparative insight into the functional capabilities and service ecosystems of competing platforms. Additional datasets examined the size of the digital wallet market, the growth of the Philippine digital economy, and the adoption of e-wallet platforms among small retail businesses, particularly sari-sari stores. Together, these datasets provide a comprehensive perspective on the structural factors influencing digital payment adoption.

3.4. Analytical Approach

The analysis employed a descriptive and comparative analytical approach to examine trends in digital payment adoption and fintech platform development. Descriptive analysis was used to summarize statistical patterns related to digital payment growth, user adoption, merchant integration, and market expansion. Comparative analysis was also conducted to examine differences among major digital wallet platforms operating in the Philippine market. This approach allows the study to identify how platform features, service ecosystems, and adoption patterns contribute to the competitive positioning of different fintech platforms. In addition, the study applied ecosystem and network effect perspectives to interpret the observed trends. Network effects occur when the value of a platform increases as more users and merchants adopt it, reinforcing platform growth and market leadership (Katz & Shapiro, 1985). Platform ecosystem theory further explains how integrated financial services and large user networks contribute to the dominance of digital platforms in competitive markets (Parker, Van Alstyne, & Choudary, 2016). Through the integration of these analytical perspectives, the study provides a comprehensive examination of the structural factors that explain the widespread adoption and market dominance of GCash within the Philippine digital payment ecosystem.

4. Results

The study the findings based on the study's research objectives using secondary data analysis. The results describe key trends in digital payment adoption, the expansion of GCash users and merchant networks, and the broader development of the digital payment ecosystem in the Philippines.

Digital payments in the Philippines have increased significantly over the past decade (Figure 2). The share of digital retail payments grew from approximately 1% in 2013 to 57.4% in 2024. More recent data also indicate that digital transactions account for around 59% of the total retail transaction value in the country. The increase accelerated after 2018, when digital payment adoption began expanding rapidly. The share rose from 10% in 2018 to 14% in 2019, followed by 20.1% in 2020, 30.3% in 2021, 42.1% in 2022, 52.8% in 2023, and 57.4% in 2024. This rapid growth reflects the Philippines' transition toward a digital financial ecosystem promoted by the Bangko Sentral ng Pilipinas (BSP) through initiatives such as digital banking, QR-based payment systems, and financial inclusion programs. The expansion of electronic payment systems has created a favorable environment for mobile wallet platforms, particularly GCash, to expand their services and capture a large share of digital transactions. This figure establishes the context of the Philippine digital payment ecosystem, demonstrating the increasing reliance on digital transactions and setting the foundation for analyzing the dominance of specific e-wallet platforms within this market.

The adoption of GCash has increased rapidly over recent years (Figure 3). The number of registered users grew from approximately 20 million in 2019 to 33 million in 2020, 55 million in 2021, 76 million in 2022, and more than 81 million users in 2023. The significant increase in users can be partly attributed to the COVID-19 pandemic, which accelerated the shift toward digital transactions and contactless payment systems. During this period, many consumers and businesses adopted mobile wallets as a convenient and safe payment method. The continuous expansion of the user base highlights the widespread adoption of GCash among Filipino consumers and demonstrates its central role in the country's digital payment ecosystem. The platform has evolved from a simple mobile wallet into a comprehensive financial platform, offering services such as bill payments, bank transfers, lending, investment products, and QR-based merchant payments. The rapid

growth in users indicates that GCash has become one of the most widely used financial technology platforms in the Philippines, reinforcing its dominant position within the national fintech landscape.

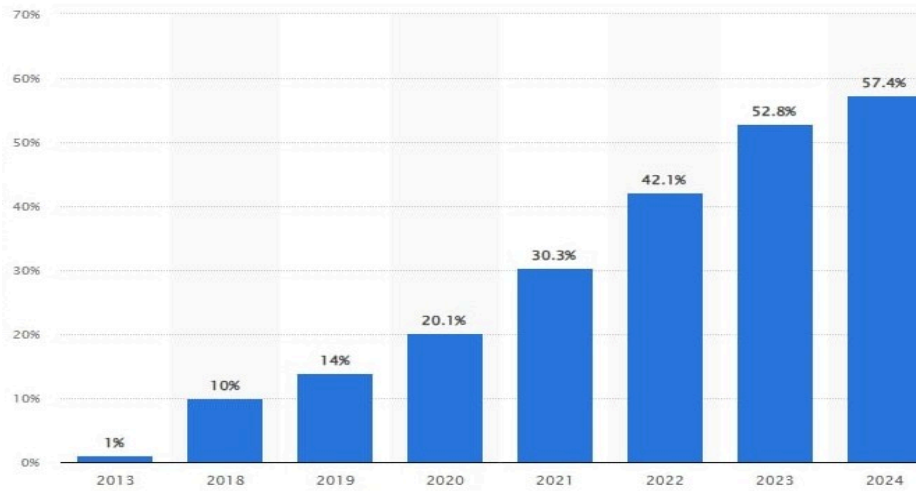


Figure 2. Volume share of digital payments in total retail payments in the Philippines (2013–2024).
Source: Statista (2025), based on data from the Bangko Sentral ng Pilipinas (BSP).

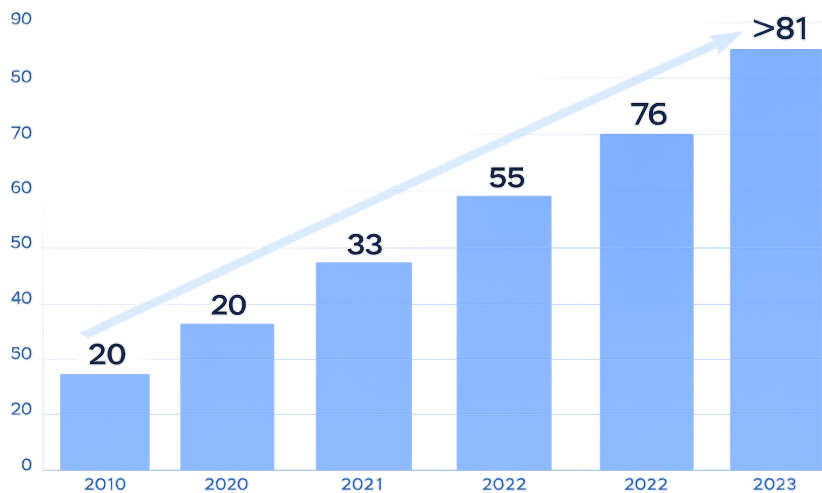


Figure 3. Growth of registered GCash users in the Philippines (2019–2023).
Source: Author’s visualization based on data from GCash corporate reports.

Table 1 presents the merchant adoption of GCash in the Philippines. Reports indicate that the platform has developed a network of more than 2.5 million merchants and social sellers nationwide. These include physical retail stores, small and medium enterprises (MSMEs), online sellers, and informal social sellers operating through digital marketplaces and social media platforms. This extensive merchant ecosystem enables consumers to use GCash for a wide range of financial transactions, including retail purchases, online payments, bill settlements, fund transfers, and QR-based payments. The large merchant network strengthens GCash’s role as a dominant digital payment platform within the Philippine fintech sector. A strong merchant ecosystem also reinforces the platform’s network effects, where the growing number of users attracts more merchants, and increased merchant acceptance encourages further consumer adoption.

Table 1. Growth of registered GCash users in the Philippines (2019–2023).

Indicator	Value
Total merchants and social sellers accepting GCash	More than 2.5 million
Type of merchants	Retail stores, online sellers, MSMEs, and social sellers
Payment system	QR code payments and peer-to-peer transactions

Source: Data from GCash, reported by IBS Intelligence (2021).

Table 2 compares the leading e-wallet platforms operating in the Philippines and their key functional capabilities. While multiple digital wallet providers operate within the Philippine fintech ecosystem, each platform typically specializes in a particular type of service or digital ecosystem. Among these platforms, GCash offers one of the most comprehensive financial ecosystems, combining payment services with additional financial products such as savings, credit, investment options, and financial inclusion tools. In contrast, competitors such as Maya emphasize digital banking services, while platforms like GrabPay and ShopeePay primarily operate within broader super-app or e-commerce ecosystems. The comparison highlights that although several platforms exist in the Philippine digital payment market, GCash maintains the broadest service coverage and the largest adoption base, reinforcing its leadership within the digital payment ecosystem.

Table 2. Leading E-Wallet platforms in the Philippines and their key functional features.

E-Wallet Platform	Main Use Case	Key Features	Payment Methods	Security Features
GCash	Daily payments, financial inclusion, savings and investments	QR payments, lending, investment services	Cash-in, bank transfer, QR Pay, bills payment, fund transfers	Account protection, OTP verification, fraud reporting
Maya	Digital banking and cashless transactions	High-yield savings and financial services	Maya Card, QR payments, bill payments	Encryption, two-factor authentication
GrabPay	Integrated ecosystem payments	Rewards system and super-app integration	In-app payments, QR scanning	Segregated funds, biometric authentication
ShopeePay	E-commerce payments	Shopee ecosystem integration	Online checkout, mobile load, bill payments	Secure login and biometric authentication
Coins.ph	Cryptocurrency and blockchain payments	Crypto wallet and exchange	Crypto transfers, QR payments	Encryption and AML compliance

Source: Adapted from Fintech News Philippines (2025), Top E-Wallets in the Philippines.

Global and Philippine digital wallet market growth is experiencing rapid expansion as digital payments become increasingly integrated into everyday financial transactions (Figure 4). According to industry reports, the global payment wallet market was valued at approximately USD 129.08 billion in 2024 and is projected to reach USD 158.01 billion in 2025. The market is expected to grow significantly to around USD 350.32 billion by 2029, reflecting a compound annual growth rate (CAGR) of approximately 22%. The expansion of digital wallet services is largely driven by several technological and economic factors. These include the widespread adoption of smartphones, improvements in mobile internet connectivity, the increasing popularity of contactless payment systems, and the rapid development of financial technology platforms worldwide. Governments and financial institutions are also encouraging digital payment adoption as part of broader financial inclusion initiatives. Within this global context, the Philippine digital wallet market has also demonstrated strong growth. Industry estimates indicate that the Philippine digital wallet market reached approximately USD 13.7 billion in 2025. The expansion of mobile payment platforms in the country is supported by rising smartphone usage, improved digital infrastructure, and increasing consumer trust in electronic financial services. The rapid development of the digital wallet market has created opportunities for fintech platforms such as GCash to expand their services and strengthen their role within the Philippine digital payment ecosystem.

Table 3 illustrates the steady growth of the Philippine digital economy between 2020 and 2025. The gross value added (GVA) generated by digital industries increased to approximately ₱2.1 trillion in 2024, reflecting sustained expansion over the period. Over the same timeframe, the digital economy's contribution to national output also expanded, rising to about 9.4% of gross domestic product (GDP). The most significant expansion occurred in 2021, when the digital economy recorded a growth rate of 14.2%, largely driven by increased reliance on digital services during the COVID-19 pandemic. Although growth moderated in the following years, the sector continued to expand steadily, with 5.6% growth recorded in 2024. The continued development of the digital economy reflects the increasing importance of information and communication technology (ICT), e-commerce, digital services, and digital financial platforms. Digital payment systems and mobile wallet services, including GCash, play a crucial role in supporting these activities by enabling faster and more accessible financial transactions within the digital marketplace.

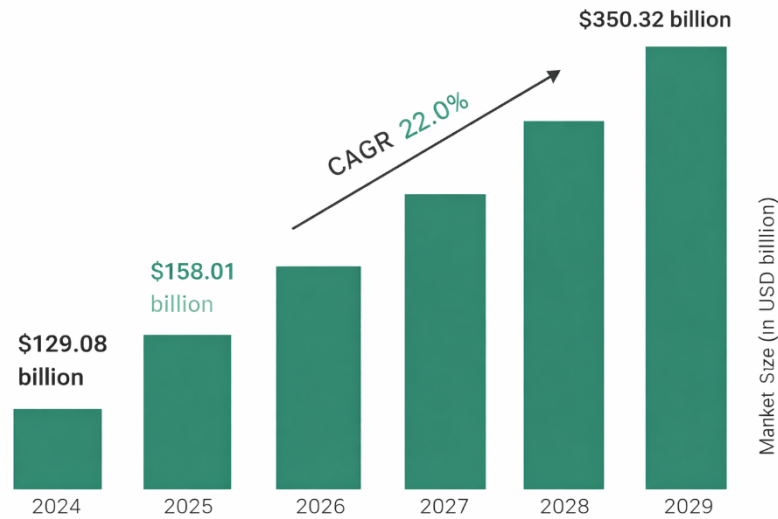


Figure 4. Digital wallet market size in the Philippines.

Source: Adapted from global payment wallet market reports (The Business Research Company, 2025) and industry reports on the Philippine digital wallet market (IMARC Group).

Table 3. Growth of the Philippine Digital Economy (2020–2025)

Report attribute	Key statistics
Base year	2025
Forecast years	2026-2034
Historical years	2020-2025
Market size in 2025	USD 13.7 billion
Market forecast in 2034	USD 62.7 billion
Market growth rate 2026-2034	17.83%

Source: Philippine Statistics Authority (PSA), Philippine Digital Economy Satellite Account (PDESA); Congressional Policy and Budget Research Department (2025).

Table 4 presents the adoption of e-wallet platforms among small retail businesses in the Philippines, particularly sari-sari stores, which represent a significant portion of the country’s informal retail sector. The data indicate that approximately 85% of sari-sari stores use GCash as a digital payment method, while about 15% use Maya. The high adoption rate of GCash among micro-retailers demonstrates its strong penetration in grassroots commerce. Sari-sari stores often operate with limited financial infrastructure, making mobile wallet platforms an accessible and practical payment solution. Features such as QR payments, easy cash-in options, and widespread consumer usage contribute to the popularity of GCash in this segment. The findings further reinforce the dominant role of GCash in the Philippine digital payment ecosystem, as both consumers and small businesses widely adopt the platform for everyday financial transactions.

Table 4. Adoption of E-Wallet Platforms among Sari-Sari stores and small retail businesses (2022).

E-Wallet Platform	Percentage of Businesses Using the Platform (%)
GCash	85%
Maya	15%

Source: Industry retail adoption reports cited in Manila Bulletin (2025), based on Packworks sari-sari store survey data.

5. Discussion

This study examined the growth of digital payments and the dominance of GCash within the Philippine digital payment ecosystem using secondary data from national statistics and industry reports. The findings show that the rapid expansion of digital payment systems has created favorable conditions for mobile wallet platforms, directly addressing RQ1 and supporting Proposition 1. The increase in digital transactions—from approximately 1% in 2013 to more than half of retail transactions by 2024—demonstrates how broader structural changes in digital infrastructure, financial inclusion initiatives, and e-commerce growth have enabled platform expansion. This is consistent with recent fintech research emphasizing the role of structural and institutional factors in driving digital payment adoption (Hasan et al., 2020; Ozili, 2021; Sahay et al., 2020).

The results also indicate that GCash experienced significant growth in both its user base and merchant ecosystem, addressing RQ2 and supporting Proposition 2. The increase in registered users alongside the expansion of merchant networks reflects indirect network effects, where user growth attracts merchant participation and vice versa. This mutually reinforcing dynamic strengthens the platform's position within the digital payment ecosystem and aligns with recent studies on platform-based competition in fintech markets (Wang & Zhang, 2024; Cennamo, 2021; Evans & Schmalensee, 2021).

In relation to RQ3, the comparative analysis of e-wallet platforms shows that GCash provides one of the most comprehensive service ecosystems in the Philippine market. Beyond payment functionality, the integration of savings, lending, investment, and QR-based services enhances platform utility and user engagement. This supports Proposition 3, which emphasizes the importance of service integration in sustaining platform competitiveness. The findings are consistent with recent literature on fintech ecosystems, which highlights that platforms offering diversified financial services are more likely to achieve long-term user retention and engagement (Gomber et al., 2017; Luo et al., 2023; Tang et al., 2022; Zetsche et al., 2020).

Finally, the study addresses RQ4 by demonstrating that GCash's market dominance is driven by the interaction of network effects, merchant integration, and platform ecosystem development, supporting Proposition 4. As the platform's user base expands, it becomes more attractive to merchants, while increased merchant adoption further reinforces consumer usage. This feedback mechanism reflects the role of network externalities and ecosystem expansion in shaping competitive outcomes in digital payment markets (Wang & Zhang, 2024; (Zhang & Williamson, 2021).

Overall, the findings indicate that the dominance of GCash is not attributable to a single factor but to the interaction of multiple structural and ecosystem-level dynamics. Digital payment adoption provides the foundation for platform growth, while user expansion, merchant integration, and service diversification reinforce network effects and sustain platform leadership. By linking empirical findings with platform ecosystem theory and network effect perspectives, this study provides a comprehensive explanation of how mobile wallet platforms achieve dominance in an emerging digital economy context. These findings contribute to fintech literature by providing macro-level empirical evidence of platform dominance in an emerging economy.

Several limitations should be considered when interpreting the findings of this study. First, the research relied entirely on secondary data obtained from government reports, industry publications, and fintech market analyses. Although these sources provide credible statistical information, the analysis is constrained by the availability and scope of existing datasets. Second, the study focuses primarily on macro-level trends related to digital payment adoption and platform expansion. As a result, the analysis does not directly capture individual consumer perceptions, behavioral motivations, or decision-making processes that may influence preferences for specific digital wallet platforms. Finally, the study examines digital payment development within a particular period characterized by rapid fintech expansion and increased reliance on digital transactions following the COVID-19 pandemic. As digital infrastructure and market competition continue to evolve, patterns of digital wallet adoption may also change over time. Future studies incorporating primary survey data, behavioral analysis, or longitudinal research designs may provide deeper insight into consumer preferences and the evolving dynamics of digital payment ecosystems in the Philippines.

6. Conclusions

The findings of this study highlight the rapid transformation of the Philippine financial landscape as digital payment systems become increasingly integrated into everyday economic activities. Over the past decade, the share of digital transactions has grown substantially, reflecting a broader shift toward electronic financial services supported by technological innovation and financial inclusion initiatives. Within this expanding digital payment environment, GCash has emerged as the dominant mobile wallet platform in the Philippines. The platform's extensive user base, large merchant network, and integrated financial services contribute to its strong position within the national fintech ecosystem. The results suggest that platform accessibility, user trust, merchant adoption, and reinforcing network effects collectively play an important role in sustaining the

platform's widespread adoption. By synthesizing multiple datasets related to digital payment growth, mobile wallet usage, and digital economy development, this study provides empirical insight into the structural factors shaping digital payment adoption in the Philippines. The findings contribute to a deeper understanding of how mobile wallet platforms achieve market dominance in emerging digital economies and provide insights that may inform fintech development, digital financial inclusion strategies, and regulatory policy in rapidly digitalizing markets.

7. Recommendations

Based on the findings of this study, several key recommendations are proposed for policymakers, financial institutions, fintech developers, small business stakeholders, and future researchers to further strengthen the development of digital payment ecosystems. For policymakers and financial regulators, it is recommended that government institutions continue to enhance digital financial infrastructure and reinforce regulatory frameworks that ensure secure, efficient, and inclusive electronic payment systems. Efforts should be directed toward expanding digital connectivity, advancing financial inclusion programs, and promoting interoperability across different digital payment platforms. Such measures will help accelerate the growth and resilience of the broader digital economy. For fintech companies, the development of integrated and diversified service ecosystems should be prioritized. Mobile wallet platforms should extend beyond basic payment functions to include complementary financial services such as savings, credit facilities, insurance, and investment tools. Platforms that are able to offer comprehensive financial solutions while maintaining high levels of user trust and data security are more likely to achieve sustained adoption and long-term market competitiveness. For small businesses and retail merchants, greater adoption of digital payment platforms is strongly encouraged. Micro and small enterprises can significantly benefit from mobile wallet systems by improving transaction efficiency, reducing reliance on cash handling, and expanding their customer base. The use of digital payment solutions also enables greater participation in the formal digital marketplace, thereby supporting business growth and financial inclusion. For future research, it is recommended that further studies examine consumer perceptions, trust development, and behavioral determinants influencing digital wallet adoption using primary data collection methods such as surveys and interviews. In addition, longitudinal studies are encouraged to better understand how digital payment ecosystems evolve over time in response to technological innovation, regulatory changes, and increasing market competition.

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