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Luxury Consumption among Private Enterprises' Employees



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Cashless Commerce: A Study on the Interplay between Digital Payments and Luxury Consumption among Private Enterprises' Employees

 Micaela Pauline I. Salivio¹, Ana Catalina P. Rillo¹, Marie Antoinette L. Rosete^{1,2}

¹College of Commerce and Business Administration, University of Santo Tomas, Manila, Philippines

²The Graduate School, University of Santo Tomas, Manila, Philippines

<https://orcid.org/0009-0009-7486-8949>

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ABSTRACT

Purpose: To explore how digital payment (independent variable) systems influenced purchasing behaviors (dependent variable) among employees in private enterprises, finding that factors such as convenience, speed, and flexibility drive luxury spending by simplifying high-value transactions. Although security risks and impulsive spending threaten the cashless situation, the urgency of such risks requires improved safeguards and better financial literacy.

Methodology: Stratified random sampling was applied by dividing the number of employees into distinct strata based on industry. A sample size was proportionally allocated to each stratum, ensuring equal representation from each category. This research was conducted in Iba, Zambales, Philippines. Iba is one of the 13 towns that make up the Zambales province. A total of 509 responses were gathered, based on the sampling size of at least 385, which was determined using Raosoft's sample size calculator. Google Forms served as the principal instrumentation and data-gathering procedure, but paper questionnaires were also provided for those without Internet access.

Findings: This study found that digital payments significantly enhanced the convenience and ease of luxury consumption, particularly among employees in private enterprises. They appreciated the speed and simplicity of cashless transactions, eliminating the need to carry cash. Furthermore, these payment processes offered flexibility through options such as installment plans. For many, the seamless approach to making significant purchases hassle-free made digital payments appealing in today's fast-paced and technology-driven world.

Contribution to Theory, Policy, and Practice: It was important to strengthen security, enhance consumer education, and promote access to a safer, more responsible, cashless economy. The study recommended reinforcing security measures, enhancing consumer education, and ensuring broader access to foster a safer, more accountable, cashless economy.

Keywords: *Digital Payment, Luxury Goods, Consumption, Lavish Desires, Financial Literacy*

1.0 INTRODUCTION

According to Ghosh (2021), digital payment, also known as electronic payment, has evolved significantly over the last 20 years, gaining widespread popularity among individuals and researchers while changing contemporary e-commerce. As it gained popularity, studies started describing it in various ways, concentrating on the domains of business, IT, accounting, and finance. Digital payment refers to a mode of payment facilitated by financial institutions and allows for the electronic exchange of money between people and banks. It employs electronic methods for making payments online or at specific locations. By these definitions, digital payments represent a modern approach to conducting transactions using various electronic devices in today's evolving world. Overseas digital payments are crucial in advancing global trade because they facilitate the adoption of digital payments and communities throughout Asia-Pacific. They have also contributed to the sustainable diversification and expansion of Southeast Asia's consumer markets (Ramayanti et al., 2020).

Anything that is not essential can be considered a luxury, although what one person views as a luxury might be considered ordinary by another (Ahmad et al., 2014). Determining what qualifies as a luxury brand remains challenging, as definitions vary depending on sociocultural contexts. Moreover, researchers often disagree about what constitutes luxury. Luxury brands are marketed distinctly from non-luxury brands because they embody certain aspects of standing, like being viewed as prominent status, distinctiveness, hedonism, and worth, as well as various behavioral beliefs, like greater confidence (Davari et al., 2022). With these statements, the meaning of luxury depends on an individual's perception because not everyone has the same lifestyle. In the context of this study, luxury goods refer to high-end products or services that are not essential for survival but are highly desirable due to their quality, exclusivity, or brand image.

Regarding product retailing and shipping, e-commerce sites comprise a significant portion of the total. Any online store that offers an item can be purchased through an online payment. Initially, consumers made online payments with credit or debit cards. Over time, they gained numerous alternatives for making transactions beyond credit or debit cards. Customers can make online payments easily thanks to businesses' establishment of online payment applications. Since the Indian States' deregulation was announced in November 2016, the governing body of Indian States promoted digital payments. The campaign also advocated for digital payment to preserve purchases and operational transparency and keep track of all significant payments and invoices (Gotmare, 2022). It can be concluded that some countries have embraced the modern mode of payment, which is digital payment, and it helps their economy by offering their citizens a more convenient way of purchasing products through the Internet and electronic gadgets.

Consumers in the Philippines were offered digital payments that became increasingly prevalent, providing much better convenience, security, and accessibility in their financial transactions. This gave the country's residents access to various digital payment options, from mobile wallets to

online banking platforms, transforming how they manage their finances and engage with businesses. Digital payments grew astonishingly, representing a significant portion of total retail transactions. According to the Governor of Bangko Sentral ng Pilipinas, Felipe Madella, they accounted for 42.1% of the total volume, while their value was estimated at 40.1%. This trend mirrored global developments in modern economies, where digital payment methods have become essential. Technological advancements, shifts in consumer preferences, and government initiatives promoting financial inclusion were key factors that accelerated the rapid adoption of digital payment systems.

Even though digital payments are prevalent globally, many users engage with them due to the many benefits they can acquire. However, prevailing challenges still arise when using it. One of these is that users of digital payments confidently use it without minding their purchases of their luxuries. This problem could lead to overspending and constraints on the private enterprise employees' financial resources. Given the numerous barriers to stable economic growth, it is practical to research how digital payments can support both long-term economic growth and consumer demand (Zhou, 2022).

This study aimed to determine whether digital technology affects the consumer behavior of private enterprise employees. It also sought to establish if digital payments positively influence the consumer behavior of private enterprises' employees. Furthermore, it aimed to understand why private enterprise employees choose digital payments over cash payments when purchasing luxury goods. These findings will provide additional knowledge to future researchers in digital payments, consumer behavior, or luxury goods purchasing and offer valuable insights for current or future business owners considering the implementation of digital payments in their operations.

This study explores how digital payment methods affect luxury purchasing patterns among employees at private companies in Iba, Zambales, Philippines. Conducted from February 2024 to 2025, it holds potential benefits for a wide range of stakeholders. Policymakers, government agencies, educational or research institutions, financial institutions, students, companies, firms, or businesses can all gain valuable insights from this study. In particular, government organizations and lawmakers can utilize the information to create rules and guidelines that promote the utilization of digital payments while guaranteeing their security and accessibility for all. Academic and scientific establishments can utilize the results to delve deeper into digital payments' societal and economic effects and integrate pertinent subjects into their academic programs. The information can be used by financial organizations, such as banks and financial technology firms, to improve their digital payment systems. By establishing such systems that are safer and easier to use, they can increase consumer fulfillment and credibility. By learning more about how consumers behave when purchasing luxury goods and using digital payments, educators and learners can lay the groundwork for future studies or real-life uses in the fields of commerce and economics. Businesses can use the research results to customize their financial and advertising techniques to suit the needs of technologically adept consumers better. Knowledge of the

significance of digital payments in the modern world allows those involved to enhance offerings, optimize processes, and eventually benefit from higher productivity and client involvement. This research aims to provide insight into the essential function that digital payments play in today's financial system and how they affect how customers behave, especially in the luxury goods industry.

2.0 LITERATURE REVIEW

This study sought to elaborate on the relationship between digital payment modes and the consumption pattern of luxury goods and experiences among private enterprise employees. It aimed to establish how the adoption of digital payment technologies influenced the preferences and behaviors of individuals when indulging in luxury goods and experiences. The interplay between financial transactions and lifestyle choices within corporate contexts was explored in the research to uncover the underlying motivations driving the use of digital payments for luxury consumption and the potential implications for businesses and employees. Public perception of luxury suggested ostentation, extravagance, and hedonism, whereas sustainability was sometimes considered moderation and sobriety (Amatulli et al., 2018). By conducting a comprehensive analysis of these dynamics, this study provided valuable insights into how consumer behavior changed in the digital age and its implications for the luxury market, a topic of significant interest and relevance in today's business landscape.

Since societal, economic, and technological developments impacted consumer behavior, there was a wide range and abundance of published works on the subject. These eventually shifted the what, how, when, and reasons for buying habits studies. Like any other regulation, the advancement of the consumer behavior subject in the future depends on a methodical appraisal of its current state of understanding progress (Peighambari et al., 2016). Individuals use their purchasing habits to determine what they require, gather details, weigh their choices, and ultimately decide what to spend their money on (Pybus et al., 2022). It was a sequence of decisions a buyer made before purchasing, starting once they were eager to buy. The issues of acknowledgment, seeking information, assessment of other options, choice of consumption, and after-purchase assessment represented the six steps in an individual's buying habits pattern (Kumar, 2016). Many customers devote a significant amount of time each day to online platforms to make purchases, according to research conclusions that examined the effect of online advertising on consumer buying habits in the modern day. Everyone was now surrounded by technology to the extent that it was necessary to check the internet every minute or two to see what was going on (Tiewul, 2020). How customers used electronic gadgets led to a shift in how they behaved when using digital payment apps and online shopping. Because of this, it became much more crucial than ever to comprehend how customer behavior has changed over time (Mary & Anthony, 2022).

Gummerus et al. (2023) stated that the objective of luxury studies had recently altered. However, it was becoming increasingly prevalent, from luxury businesses suggesting that the experience

produces luxury to the subjective, individual client perceptions of luxury. Luxurious consumption was not a recent phenomenon. Historically, it had been associated with the upper classes, symbolizing status and power. However, in contemporary society, this trend has undergone a significant shift. No longer confined to the privileged few, luxurious consumption permeated the lifestyles of the masses, including the working class (Memushi, 2013; Batat, 2023). This shift could be attributed to various factors, including advancements in technology, changes in consumer behavior, and the globalization of markets (Alghanim & Ndubisi, 2022). As a result, luxury goods and experiences had become more accessible and affordable to a broader demographic, blurring the lines between social classes and reshaping perceptions of wealth and status. On the other hand, Kim and Baker (2021) suggested that luxury consumption bore social costs for the actor. Having luxuriousness could be beneficial or harmful to the employee, depending on the circumstances. Whether luxury status or friendliness was required might backfire on the employee.

Technology-related developments in the digital domain led several app developers to establish opportunities for digital payment systems to facilitate payments across multiple industries. Consumer behaviors and choices have drastically changed due to the Internet's and mobile platforms' growth. People began to utilize digital platforms to connect with businesses, share private details about themselves, purchase online, and take advantage of the latest online offerings (Yucha et al., 2020). According to Kurniawan et al. (2019), the development of digital payments was perceived by numerous individuals as beneficial, as it made purchases simpler for the general population. Digital payments could influence societal purchasing and selling behaviors even post-democracy. This was because the number of people using the internet to access a wide range of services had increased quickly, which aided in the development of web-based amenities and electronic payment apps.

Furthermore, digital payments enabled on cell phones drastically altered the lives of many individuals in emerging economies by providing financial offerings to the general public without requiring banking institutions, which became increasingly common. The usage of these types of digital payment methods increased significantly after the COVID-19 outbreak and all of its associated difficulties. Customers were able to finish every payment for orders with just one click. Several companies experimented with different approaches to grow their customer base after understanding the considerable opportunities in this sector of the economy. Everyone benefited from the rise in the usage of these digital payment methods, aided by advertising from affiliates and partnerships with various other businesses (Ramayanti et al., 2024).

According to Lee and Bolton's (2020) research, luxury signals were influenced by status and employment, and they acted through separate inferential mechanisms (warmth and competence) based on the relative status of observers and targets.

2.1 Digital Wallets and Lavish Desires

The widespread adoption of mobile phones and the explosive rise of the Internet were the main drivers behind the increased global development of online banking. One tool that individuals, groups, and nations utilized to hasten their economic growth was the Internet (Sajid et al., 2022). People nowadays prefer to shop online because it is more convenient and takes less time to complete transactions. The rise of e-commerce increased people's sales and purchasing activities, supported by electronic payment systems or electronic payments, and the public grew more motivated to buy online and more frequently (Halim et al., 2020; Prakash, 2022; Aji & Adawiyah, 2021). Unwittingly, individuals became impulsive and purchased without forethought, yet this contributed to the development of e-commerce. People's lifestyles, particularly those of the X and baby boomer generations, were strongly impacted by the COVID-19 pandemic's implementation of stay-at-home laws and social distancing. To spend less time interacting with people, most individuals began using electronic payments for online and offline purchases (Santosa et al., 2021).

According to some research in India conducted by Sivathanu in 2019, behavioral intention to use and innovation resistance influenced the utilization of digital payment systems. The stickiness to cash payments moderated the relationship between the behavioral intention to adopt digital payment systems and the actual use of digital payment systems. According to research by Pandey (2020), the most popular electronic modes of payment utilized by Indian residents included credit, debit, and prepaid cards; digital money; and bank transfers. In another study by Lin et al. (2023), the mainstream mass market recognized challenges and had the highest user adoption of innovative technology. As a result, customers who perceived hurdles were more likely to believe that third-party electronic payments were valuable and straightforward to use and were more accepting of them (Park, 2019). Additionally, a study by Liu, Y. and Dewitte, S. (2021) showed that credit cards reduced the pain of payment (i.e., payment transparency) compared to cash, thereby increasing spending behavior. Following the COVID-19 pandemic, there was a noticeable increase in the use of various digital payment methods, and people switched to this method due to fear of traditional cash payments and safety guidelines (Pandey, 2020).

Gotmare (2022) stated that upon the announcement of demonetization in November 2016, the Republic of India promoted digital payments. In order to preserve purchases and operational honesty and to keep track of all significant payments and invoices, a program was also started to encourage the use of digital payments. Evaluating and reacting to changing circumstances was a prerequisite for consistent efficiency, so creative actions and mindfulness went hand in hand. In a world where technology is advancing quickly, and customers' views influence how readily they accept new technologies; mindfulness has been demonstrated to impact technology adoption (Flavián et al., 2020). Technological advancements created difficulties for financial institutions' traditional payment systems and enormous opportunities for developing nations. As a result, digital payment systems expanded significantly globally (Goel & Nath, 2020). Nowadays, most people who use the internet in America (57%) and several regions of Europe purchase online daily. One

could discern between online and internet purchases (Carlsson et al., 2017). The most significant determinants of women's purchasing habits were social media impacts and more conventional ones like online ordering payments, a wide range of delivery choices, well-designed websites, and business evaluations. Shared demands had evolved along with beliefs and conduct. Thus, one could claim that an economy of collaboration powered by electronics altered consumer views (Štofková et al., 2022). Globally, people could approve digital payments at different rates, yet their payment habits' features were universal. The latest aspects of the relationship between other sorts of transactions and the utilization of online payments emerged as the adoption of various digital payment systems increased (Kaur & Landran, 2022). According to studies on consumer behavior, an extensive framework of buying behavior illustrated the steps customers took while deciding what to buy. These patterns were essential for advertisers to forecast and clarify customer purchasing behavior (Rahman et al., 2018).

2.2 Luxurious Consumption Across Socioeconomic Strata

Increased financial accessibility was another goal of digital payment systems, which provided legal financial services to people without recourse to a suitable banking institution. This created a positive feedback loop in the economy, wherein rising consumption led to higher manufacturing, more significant employment, and higher wages (Goel & Nath, 2020). According to the standard price principle, ERGUN (2020) stated that wealthy individuals bought more luxury items because they were wealthier. When compared to the wealthy, the poor were very risk-cautious. Wealthy individuals differed in their use of luxuries rather than in their use of necessities. They demonstrated that higher-income people bought luxurious goods to demonstrate their wealth and status. However, the primary motivation behind low-income groups' demands for luxury products was their desire to be liked or welcomed by others.

The econometric findings indicated that individuals between the ages of 25 and 40 in Peru were more likely to use digital payments, with a higher level of urban living, professional employment, higher learning, and accessibility to the internet being prerequisites. Furthermore, those residing in locations with a substantial number of banking systems and those with the most expensive consumer spending per capita were more likely to pay digitally (Aurazo & Vega, 2021).

Additionally, they suggested that societal luxury ideals and personal development were the primary factors influencing the trend toward spending on luxury items. Conversely, rising household income could influence the decision to buy luxury items. Therefore, a rise in revenue could have resulted in a surge in the market for luxury products. Nonetheless, since product prices had decreased, some luxury items were now affordable for people who were not wealthy. This circumstance may have also altered people's purchasing habits (ERGUN, 2020). Considering 34.6% and 27.2% in the United States, respectively, as opposed to 27.9% and 29.2% in Spain, the average age of the younger category was noticeably greater in America than in Spain. Lower-class users made up the most significant proportion of individuals in both nations: in the US, 40.8%,

35.7%, and 23.5% of purchasers were low-, medium-, and wealthy individual consumers; in Spain, these numbers were 40.5%, 31.4%, and 28.1% (Flavián et al., 2020). Gender, age, and wealth status were demographic factors facilitating online purchasing since they impacted how consumers perceived and behaved (Rahman et al., 2018).

With these statements, consumers with privileges in everything and those with a decent income were likelier to spend their money and buy luxury goods. In our current era, having luxurious goods has become one of the bases on which society recognizes someone as a high-income earner. Most wealthy people in the Philippines collect items from luxury brands. Consumption-based on wealth and competencies leads to various conspicuousness options (Eckhardt et al., 2014).

2.3 Luxurious Consumption Patterns among Employed Individuals

Regarding impulsive purchasing behavior, recent research by Lee and Chen (2021) suggested that the seamless nature of online shopping, personalized recommendations, and easy payment processes led to impulsive buying tendencies among consumers. This phenomenon resonated with the observation made by Halim et al. (2020) regarding the unwitting increase in impulsive purchases driven by the convenience of e-commerce. However, it is important to note that impulsive buying behavior was not solely confined to online platforms; traditional retail environments also played a significant role, with factors like store layout and promotional displays influencing consumer decisions (Waseem & Sultana, 2018; Tlapana, T., 2021).

Luxury goods have been viewed as signals to convey social rank, status, and distinction (Dubois & Ordabayeva, 2015). Luxury consumption assisted customers in seeking prestige, improving their social position, and creating affiliation or disassociation with other consumers and social groupings (Kim et al., 2018). Consumers, therefore, exhibited a more significant interest in luxury goods when they aimed to differentiate themselves from lower-class consumers. Consumers often treat brands like humans by anthropomorphizing brands and their relationship with them (Alvarez & Fournier, 2016). According to Wei et al. (2024), the price level of luxury items had a beneficial influence on customers' face perception. Still, the positive impact on consumers' projected regret was not proven, showing that growing costs may not inevitably lead to significant predicted regret behavior. Manipulation of employees' luxurious appearances and other controlling variables such as sound, attentive service, and a lovely meal were also considered. However, luxury consumption could be found at various positions along a continuum between the extremes of wealth and competence. Wealth and wealth-based luxury spending differed in terms of consumption objectives, considerations, choice, and usage, as well as consumption consequences such as consumer-brand connections and societal impact (Wang, 2022; Gosh, 2021). Also, the influence of social media influencers on buying luxury goods impulsively remained underestimated. Influencers often advertise an expensive lifestyle with associated items, leading to impulsive purchases (Flavian et al., 2020; Badiarti et al., 2021).

Impulse buying is on the rise with the convenience of e-commerce. However, impulse buying occurred not only in online retail but also in traditional retail locations where factors such as the store layout and promotional displays swayed the consumer's decision in purchasing. People in more unequal societies spent more on status items, worked longer hours, and were more likely to get indebted (Walasek & Brown, 2015). Luxury consumption provides several benefits to the individual. Wearing a luxury brand could boost one's perceived competence (Desmichele et al., 2020; Dubois et al., 2021), as well as social recognition, compliance, and economic incentives from others (Lee et al., 2015; Dubois et al., 2021). As part of their corporate social responsibility goal, luxury could urge employees to safeguard the environment at work, motivating them to display organizational citizenship behavior for the environment (Filimonau et al., 2023). Ahmad et al. (2014) examined the four key motivating factors that drove consumers to buy and consume luxury branded goods: personal values, functional values, individual values, and societal values. Consequently, it was discovered that functional values were the most powerful motivator in purchasing decisions, followed by personal, individual, and societal values.

Being employed provides individuals with the privilege of having the means to purchase luxury items. As demonstrated in the statements above, employment is positively correlated with the consumption of luxury goods, as it grants individuals access to a steady income, enabling them to afford such purchases. This connection highlights how financial stability and employment opportunities influence consumer behavior, especially when spending on status symbols like luxury goods.

2.4 Theoretical Review

2.4.1 Unified Theory of Acceptance and Use of Technology (UTAUT)

UTAUT further expands the Technology Acceptance Model (TAM) by incorporating performance expectancy, effort expectancy, social influence, and facilitating conditions. The UTAUT model defines performance expectancy as the five comparable variables of perceived usefulness, extrinsic motivation, job fit, relative advantage, and result expectancies. In contrast, effort expectancy encompasses the ideas of perceived ease of use and complexity (Venkatesh et al., 2003). The theoretical framework of the Unified Theory of Acceptance and Use of Technology (UTAUT) includes four fundamental dimensions (Lai, 2017) in the understanding of digital payment adoption among employees of private enterprises. First, Performance Expectancy (PE) addresses how employees perceive whether the digital payment system is helpful for the consumption of luxury goods and services. This aspect incorporates the ease with which employees perceive consuming luxury goods and services through the digital payment system in terms of convenience, efficiency, and accessibility. Second, Effort Expectancy (EE) deals with the relative ease of using the digital payment system. This incorporates user-friendliness, simplicity of transaction processes, and general ease with which employees may adopt digital payment technologies to consume luxury goods and services. Third, Social Influence (SI) measures the effect of social

factors on the decisions of adoption by employees, that is, the influence of one's colleagues or supervisors and social norms within the workplace. Lastly, Facilitating Conditions (FC) looks into the perception of resources and support made available by the employees for using the digital payment system, such as access to technology, training programs, and organizational policies. These dimensions construct the theoretical framework to understand the factors driving the adoption of digital payment technologies for luxury consumption among employees of private enterprises.

2.4.2 The Social Exchange Theory

This theory is a highly esteemed framework for comprehending workplace conduct. It is a prevalent occurrence that permeates all aspects of our everyday existence. Not only do these exchanges with professional organizations, but they also subtly interact with family, friends, and relatives. The first step in comprehending this theory and its development is to pinpoint the idea's origins and expound on the distinctions and similarities among the writings of different academic writers (Ahmad et al., 2023). According to Wan and Antonucci (n.d.), this theory is the evolution and constancy of interpersonal interactions throughout life. According to social exchange theory, social relationships and conduct are the outcome of a method of exchange. Based on this viewpoint, relationships between people are created by their pursuit of advantages and benefits as well as their avoidance of disadvantages and penalties. People determine whether their actions are profitable or not by drawing lessons from their previous interactions. To maximize advantageous results and reduce costly ones, these behavioral consequences—whether either advantageous or negative—can bolster, suppress, or alter future conduct. People choose social interactions with favorable outcomes and try to limit those with unfavorable outcomes as they engage with others. This theory will help our study recognize the reasons behind the employees' decisions to utilize the different methods of digital payments and indulge in luxuries within the framework of their social interactions within their workplace.

3.0 MATERIAL AND METHODS

3.1 Study Design

The study was descriptive correlational research that aimed to map the relationship between digital payments and luxury consumption among employees in private enterprises. A sample size was proportionally allocated to each stratum, ensuring equal representation from each category. Stratified random sampling within each stratum was employed to select participants, ensuring a balanced and representative sample across all groups. Data was collected through online surveys and questionnaires, which gathered information on individuals' digital payment habits, preferred methods, and the frequency of spending on luxuries. The relationship between the adoption of digital payments and luxury consumption behaviors was analyzed using statistical techniques, specifically correlation and regression analysis. The research findings highlighted consumer trends in the context of cashless commerce and luxury consumption, providing valuable insights for

businesses and policy formulation. The research design outlined a comprehensive data collection, analysis, and reporting approach and was completed within the projected timeframe.

3.2 Study Location

This research was conducted in Iba, Zambales, Philippines. Iba is one of the 13 towns that make up the province of Zambales. As of January 15, 2024, Zambales achieved first-class status after its yearly revenue increased by 2.09 billion pesos from 2020 to 2022. This growth contributed to capturing a representative sample of employees from various industries and demographic profiles. The study aimed to provide valuable insights into consumer behavior in a rapidly developing tourist destination in the Philippines.

3.3 Population

The respondents for this study were private enterprise employees who contributed to income generation through their efforts and hard work for various organizations. They represent a range of economic sectors, including finance, information technology, retail, hospitality, and manufacturing. Their experiences and perceptions of the interaction between digital payments and luxury consumption as private enterprise employees provided valuable insights for the case study. The study gathered 509 responses, exceeding the required sample size of at least 385, which was determined using Raosoft's sample size calculator. The sample size was based on a population of 59,465 private enterprise employees, with a 95% confidence level and a 5% margin of error.

3.4 Instrumentation and Data Gathering Procedures

Quantitative data for the present study were primarily obtained through Google Forms, which served as the principal data collection method. The same questions in the online surveys were also included in the paper questionnaires, ensuring consistency and comparability of the data. The survey design involved developing a comprehensive questionnaire that included questions related to digital payment habits, preferred methods, frequency of luxury spending, and demographic information. The questions were designed to be clear, concise, and unbiased, with a mix of multiple-choice questions to capture categorical data, Likert scale questions to measure attitudes and frequency, and open-ended questions to gather qualitative insights, where applicable. Ensuring inclusivity was the priority, so the survey was provided in multiple formats (digital and paper) to accommodate all employees, ensuring that those without internet access can participate. Assistance was offered for employees who may need help completing the survey, such as providing a contact person for questions or clarifications.

3.5 Ethical Consideration

The paper has been reviewed and approved for implementation by the Faculty of Pharmacy Research Ethics Committee (FOPREC) at the University of Santo Tomas, Sampaloc, Manila, Philippines.

3.5.1 Recruitment of Participants

All those people who do not have the desired criteria, for example, not serving a private enterprise or not using digital payments, were not a part of this study. After the interest had been shown, the researcher had a screening to ensure the participant met the inclusion criteria and then went through the informed consent process to achieve voluntary involvement. Regular communication throughout the study helped provide updates and allay participants' concerns, thereby ensuring trust and engagement.

3.5.2 Preventive Measures

To ensure that the recruitment process for this study is ethical, effective, and merits full prevention, several measures were strictly followed. Clear and specific inclusion and exclusion criteria have set the parameters for the entrance of participants into the study, thus only employees from private enterprises using digital payments for luxury consumption was recruited. It has also provided for regular checks and monitoring of the ethical standards and regulations, with timely intervention and resolution in case of any issues and observations. These measures helped maintain participant confidentiality, voluntary participation, and ethical integrity of the recruitment process from the very beginning of the study.

3.5.3 Dissemination Plan

The dissemination plan for this study was designed to share the findings and apply them across relevant sectors effectively. Research outcomes were disseminated to CARI Journals under the Journal of Business and Strategic Management. When given a chance, findings will be presented at national and international conferences focused on economics and business for peer dialogue and feedback. Industry-specific reports and white papers will synthesize key insights for dissemination to businesses, policymakers, and stakeholders in the financial technology sector, containing strategic implications and policy recommendations. This approach maximizes the impact of the study, contributes to informed decision-making, and raises an understanding of digital payment and luxury consumption behaviors.

4.0 FINDINGS

Table 1. OLS REGRESSION TEST RESULTS

OLS, using observations 1-509 Dependent variable: l_DVconsumption				
	Coefficient	Std. Error	T-ratio	P-value
const	7.19483	0.0861759	83.49	4.65e-298
Digital Payment	0.335734	0.0370831	9.054	2.99e-18
Income	1.96369e-05	1.65139e-06	11.89	6.32e-29
Mean dependent var	8.354650	S.D. dependent var		1.077371
Sum squared resid	383.2673	S.E. of regression		0.870313
R-squared	0.350009	Adjusted R-squared		0.347440
F(2, 506)	136.2362	P-value(F)		4.63e-48
Log-likelihood	-650.0341	Akaike criterion		1306.068
Schwarz criterion	1318.766	Hannan-Quinn		1311.047
Log-likelihood for DVconsumption = -4902.55				

Based on Table No. 1, the results indicate that consumption increases by 7.19% when digital payment usage and income are both zero. Additionally, consumption increases by 0.34% for every 1% increase in the use of digital payments and decreases by 1.93% for every 1% increase in income. The p-value for the intercept is $p < 0.001$, allowing us to reject the null hypothesis and confirm that baseline consumption differs significantly from zero. Similarly, the p-values for digital payments ($p < 0.001$) and income ($p < 0.001$) indicate that their effects on consumption are highly significant. These findings suggest that frequent use of digital payments positively impacts consumption behavior, while higher income also leads to increased luxury consumption. The model explains 35% of the variance in luxury consumption ($R^2 = 0.35$), suggesting a moderate fit. The slightly lower adjusted R^2 indicates that adding more predictors may not substantially improve the model. The F-statistic ($F = 136.24$) with $p < 0.001$ on firms that at least one independent variable has a strong and statistically significant relationship with consumption.

Table 2. BREUSCH-PAGAN TEST FOR HETEROSKEDASTICITY

OLS, using observations 1-509				
Dependent variable: scaled uhat^2				
Variable	Coefficient	Std. Error	T-ratio	P-value
const	-0.194313	-0.9990	0.194500	0.3183
Digital Payment	-0.403655	0.0836970	-4.823	1.88e-06
Income	7.78826e-05	3.72721e-06	20.90	2.28e-70
Explained sum of squares = 1688.43				
Test statistic: LM = 844.216272,				
with p-value = P(Chi-square(2) > 844.216272) = 0.000000				

The Breusch-Pagan test for heteroskedasticity yielded a significant test statistic (LM = 844.216272, $p < 0.0001$), indicating that the null hypothesis of homoskedasticity can be rejected. This result confirms the presence of heteroskedasticity in the model, suggesting that the variance of the residuals is not constant and varies systematically with digital payment usage and income. Specifically, the distribution of residuals changes with the variances of these variables, indicating that their impact on luxury consumption may differ across their levels. To account for this, robust standard errors were applied to ensure reliable inference and valid results.

Table 3. CHOW TEST RESULT

OLS, using observations 1-509				
Dependent variable: l_DVconsumption				
Variable	Coefficient	Std. Error	T-ratio	P-value
const	7.19350	0.118226	60.85	4.38e-234
Digital Payment	0.378318	0.0504339	7.501	2.88e-13
Income	1.48388e-05	1.71919e-06	8.631	8.02e-17
splitdum	-0.349294	0.171937	-2.032	0.0427
sd_Digital Payment	-0.185853	0.0725775	-2.561	0.0107
sd_Income	3.06351e-05	4.34040e-06	7.058	5.63e-12
Mean dependent var	8.354650	S.D. dependent var	1.077371	
Sum squared resid	347.8135	S.E. of regression	0.831552	
R-squared	0.410136	Adjusted R-squared	0.404272	
F(5, 503)	69.94775	P-value(F)	1.77e-55	
Log-likelihood	-625.3308	Akaike criterion	1262.662	
Schwarz criterion	1288.056	Hannan-Quinn	1272.619	
Chow test for a structural break at observation 255				
F(3, 503) = 17.0908 with p-value 0.0000				

The Chow Test ($F(3,503) = 17.09, p = 0.001$) refutes the hypothesis that there are no structural breaks in the relationship between digital payments, income, and consumption at observation 255. This means that the way both digital payment and income influence consumption may have been affected by additional influences or shifts in buying habits. The relationship structure between digital payment, income, and consumption might change due to variables like alterations to buyer habits, technological advancement, or economic disruptions.

Table 4. BELSLEY-KUH-WELSCH COLLINEARITY DIAGNOSTICS RESULT

Minimum possible value = 1.0				
Values > 10.0 may indicate a collinearity problem				
IV1digitalpayment 1.035				
IV2income 1.035				
VIF(j) = $1/(1 - R(j)^2)$, where R(j) is the multiple correlation coefficient between variable j and the other independent variables				
Belsley-Kuh-Welsch collinearity diagnostics:				
variance proportions				
<i>lambda</i>	<i>cond</i>	<i>const</i>	<i>Digital Payment</i>	<i>Income</i>
2.546	1.000	0.028	0.030	0.053
0.335	2.757	0.066	0.126	0.930
0.119	4.635	0.906	0.844	0.017
lambda = eigenvalues of inverse covariance matrix (smallest is 0.118534)				
cond = condition index				
note: variance proportions columns sum to 1.0				
According to BKW, $cond \geq 30$ indicates “strong” near linear dependence, and $cond$ between 10 and 30 is “moderately strong.” Parameter estimates whose variance is mostly associated with problematic $cond$ values may themselves be considered problematic.				
Count of condition indices ≥ 30: 0				
Count of condition indices ≥ 10: 0				
No evidence of excessive collinearity				

Based on the Variance Inflation Factors (VIF) and Belsley-Kuh-Welsch (BKW) collinearity diagnostics, there is no such evidence of prevailing significant collinearity issues among independent variables in the model. The VIF values for both Digital Payment and Income are at 1.035, well below the threshold of 10; thus, multicollinearity is not an issue in the study. These results increase the confidence in the stability and dependability of the estimates of the variables obtained from this type of regression which enables sensible analyses and assumptions about the connections between digital payment, income, and consumption.

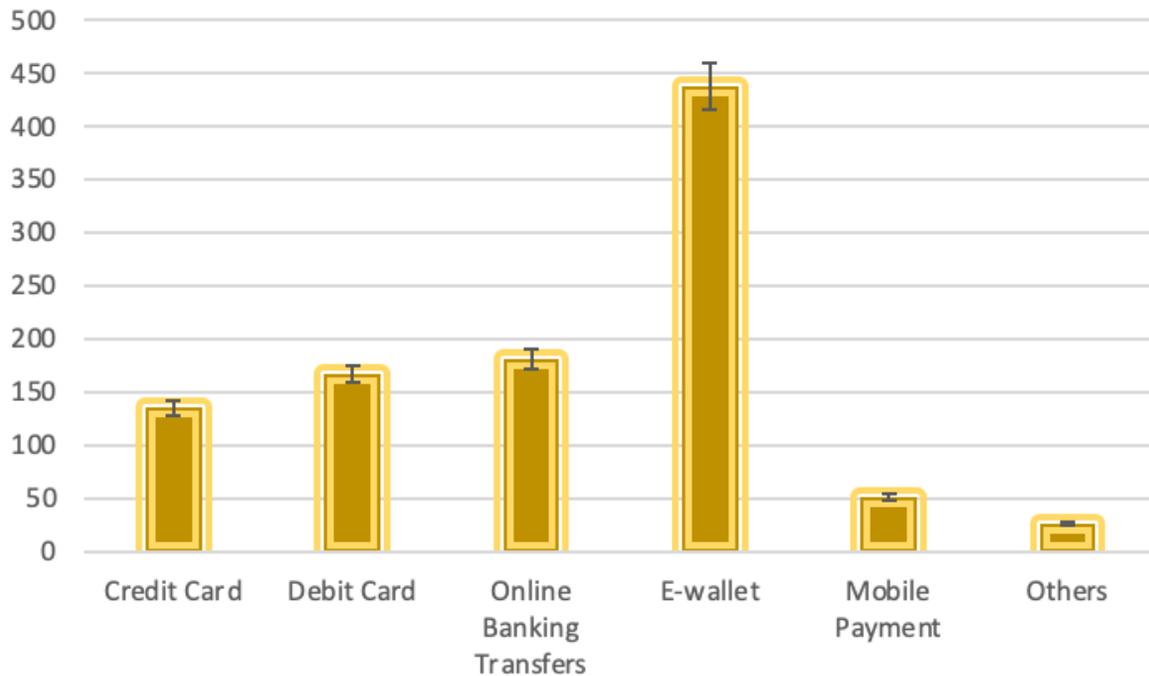


Figure 1. *Most Frequently Used Digital Payment Methods Among Private Enterprises’ Employees*

Based on Figure 1, credit cards have 135 users, debit cards have 167 users, online banking transfers have 181 users, e-wallets have 438 users, mobile payments have 51 users, and others have 26 users. With that, we can say that E-wallet which involves GCash and Maya is the most used Digital Payment by the Private Enterprises’ Employees that work around Iba, Zambales. This means that E-wallets in Iba, Zambales show that this kind of payment is beginning to thrive in the province wherein the Bangko Sentral ng Pilipinas (BSP) is encouraging every Filipino to use digital payment (Bangko Sentral ng Pilipinas, 2023). This development not only boosts comfort for everyone but also complies with the nation's aim for the advancement of methods of payment in the Philippines.

Table 5. AVERAGE USE OF DIGITAL PAYMENT IN PURCHASING LUXURY GOODS AND SERVICES

Average Use of Digital Payment to Purchase Luxury Goods	3.067
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Until today, digital payments are not yet the only way to purchase luxury goods; however, based on Table 5, the average frequency of 3.07 shows that they are an important component in determining the desires and conduct of consumers in Iba, Zambales. It is believed that the demand will rise when online platforms where you can buy luxury goods improve their electronic payment

systems. This shifting of movement will also help the economy of the luxury goods sector as it will now be more accessible and convenient for consumers (Manoukian, 2023).

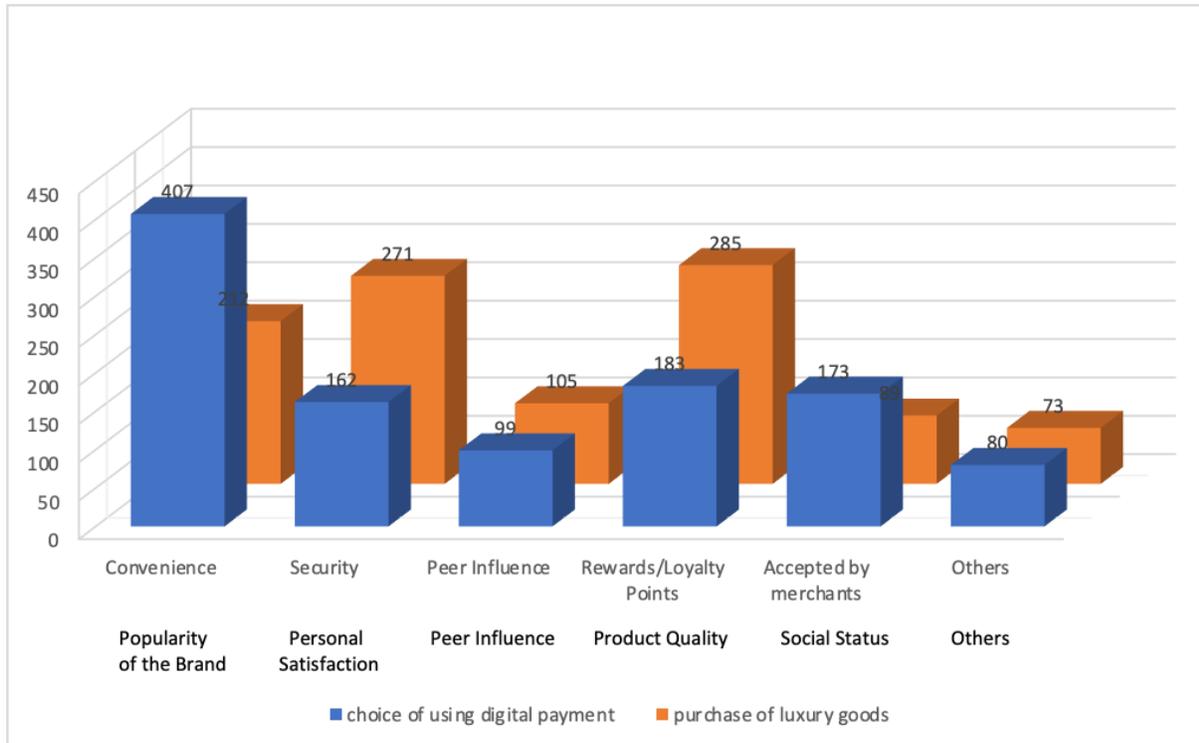


Figure 2. *Sum Of Factors Influencing Private Enterprises' Employees To Choose Digital Payment And Purchase Luxury Goods*

There are many factors that could influence the choice of consumers to use digital payments as a mode of payment for their purchases, and as we can see in Fig. 2, out of the 509 respondents, 80.0% (407 users) choose digital payments for convenience, 35.9% (183 users) use them for rewards/loyalty points, 34.0% (173 users) prefer them because they are accepted by merchants, 31.8% (162 users) select them for security, 19.4% (99 users) are influenced by peers, and 15.7% (80 users) use digital payments for other reasons. On the other hand, users purchase luxury goods with digital payment for many purposes. Out of the 509 respondents, 56.0% (285 users) purchase luxury goods for product quality, 53.3% (271 users) buy them for personal satisfaction, 41.7% (212 users) choose them for brand popularity, 20.6% (105 users) are influenced by peers, 17.5% (89 users) purchase for social status, and 14.4% (73 users) make purchases for other reasons. With this, we can say that many consumers in Iba, Zambales, choose digital payment for purchasing luxury goods because it is easy to use and accessible, and people can get incentives that can be used as cash or discounts. Moreover, consumers in Iba, Zambales, choose to purchase luxury goods because of the quality of the products, which is a very important factor when purchasing items. They also choose to purchase luxury goods for their happiness. In conclusion, a combination of pragmatic criteria like safety and ease of use and psychological and interpersonal elements like

company credibility and own happiness influence the choice of digital payment and the purchase of luxury goods.

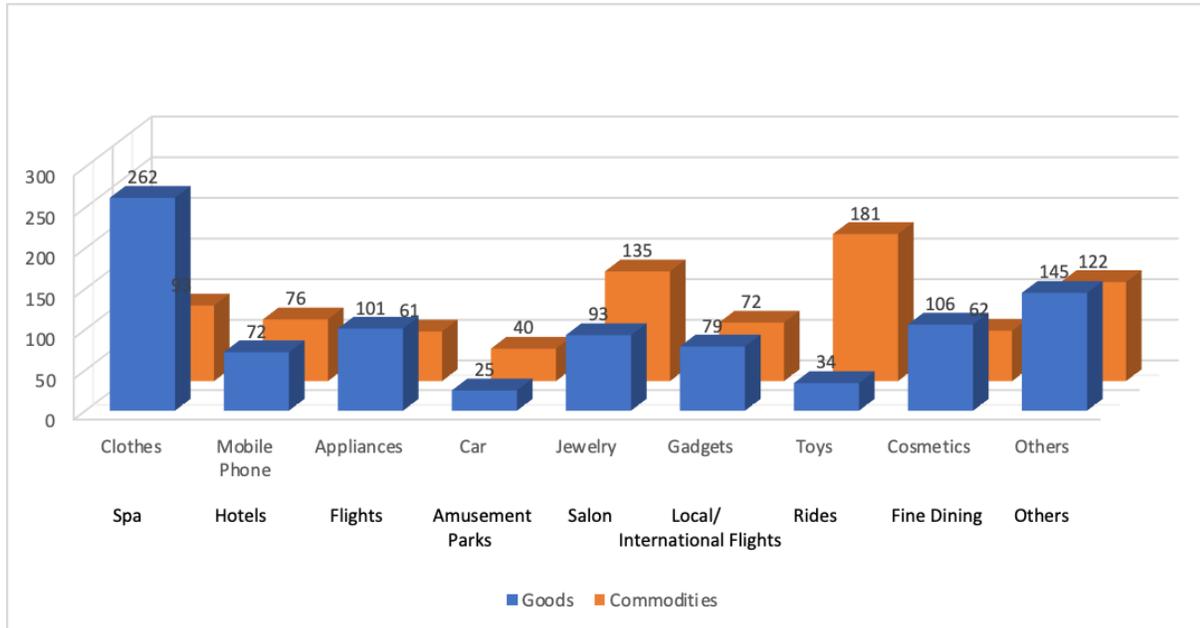


Figure 3. *Total Consumption Of Goods And Commodities Purchased By Private Enterprises' Employees Using Digital Payments*

Figure 3 shows what luxury goods and services private enterprises' employees avail themselves of with the use of digital payment. Most consumers use digital payment for clothes, with 51.5% (262 users) choosing it. This shows that consumers prefer online shopping for clothing because of its convenience and accessibility. Because e-commerce is thriving, purchasing clothing has become more reliant on digital payments, especially for those consumers who prefer fast transactions and comfort (McKinsey, 2024). It also shows that 26.5% (135 users) use digital payments for salon services and 18.3% (93 users) for spa services, which means that those traditionally use cash transactions are slowly embracing the advancement in payments. This could be an advantage to consumers since they can make bookings and payments online, which makes it hassle-free (Sycurio, n.d.)—also shown above that 14.9% (76 users) use digital payments for hotels and 12% (61 users) for their flights. This means that digital payments are becoming vital for making reservations for travel as they are convenient and efficient (McKinsey, 2024). Nowadays, it is also getting prevalent that consumers purchase gadgets and mobile phones with the use of digital payment; 15.5% (79 users) use digital payment to purchase gadgets, while 14.1% (72 users) use mobile phones. Because of many improvements in e-commerce and digital payments, more and more technology purchases are being made online (McKinsey, 2023). It also shows that 12.2% (62 users) use digital payment for fine dining and 7.9% (40 users) for amusement parks. This means that more and more consumers prefer online transactions for leisure activities.

We can also see that 19.8% (101 users) use the digital payment for appliances and 52.4% (267 users) for “others,” which means that there are lots of goods that can be purchased digitally nowadays. This diversity demonstrates how digital payment methods can be tailored to meet the desires of various industries and customers (ADB, n.d.). Such patterns are expected to keep evolving in the coming years as the purchasing pattern keeps going toward increasing dependence on electronic payments and digital buying (McKinsey, 2023).

Table 6. INFLUENCE OF FACTORS ON PRIVATE ENTERPRISES’ EMPLOYEES IN IBA, ZAMBALES IN CHOOSING DIGITAL PAYMENT METHODS

Variable	Mean	Median	Minimum	Maximum
Convenience	4.4695	5.0000	0.0000	5.0000
Security	3.9057	4.0000	0.0000	5.0000
RewardsLoyaltyPoints	2.7780	3.0000	0.0000	5.0000
Acceptedbymerchants	3.5481	4.0000	0.0000	5.0000
PeerInfluence	2.8310	3.0000	0.0000	5.0000
Others	1.2711	1.0000	0.0000	5.0000
Variable	Std. Dev.	C.V.	Skewness	Ex. kurtosis
Convenience	0.95239	0.21308	-2.1504	4.5503
Security	1.3083	0.33496	-1.1982	0.44320
RewardsLoyaltyPoints	1.5189	0.54674	-0.060129	-1.1016
Acceptedbymerchants	1.3117	0.36969	-0.58682	-0.64749
PeerInfluence	1.3527	0.47779	0.021959	-1.1270
Others	1.1592	0.91193	1.5772	2.3096

On a scale from 0-5, wherein 5 is the most influential and 0 is the least influential. The mean of convenience is 4.47, a critical consideration for private enterprises’ employees in Iba, Zambales. This implies that most respondents prefer accessibility and ease of use. The standard deviation is 0.95, which means that although many of the respondents concur that convenience is important, some still do not agree with it. On the other hand, the mean of security is 3.91, which means that it is also an influential factor for the respondents on why they use digital payment, while its standard deviation is 1.31, which means that their perceptions regarding security differ significantly that is why some people highly value security while some others might not think it is necessary. The mean of rewards/loyalty points is 2.78, which means that it is not that influential compared to convenience and security, it implies that although incentives can increase a payment strategy’s attraction, many consumers do not find them to be their main source of motivation. The standard deviation is 1.52, which indicates that while some consumers found incentive schemes very motivating, others did not.

The mean of acceptance of merchants is 2.78, which indicates that this has a moderate influence on consumers, some consumers probably take into account how widely recognized their chosen mode of payment is. Its standard deviation is 1.31, meaning that consumers’ preference for the

acceptance of merchants in digital payment somewhat varies. The mean of peer influence is 2.83, which means that even if social factors are still important, it is not that important to consumers compared to convenience and security; its standard deviation of 1.35 indicates that some people are more affected by their friends than others. The last factor, categorized as “others,” has a mean score of 1.27, indicating that other factors than those listed before are not as influential as those. Its standard deviation of 1.16 means that although there is some variation, this factor only has a small overall influence.

Table 7. INFLUENCE OF FACTORS ON THE DECISION OF PRIVATE ENTERPRISES’ EMPLOYEES IN IBA, ZAMBALES TO PURCHASE LUXURY GOODS AND SERVICES

Variable	Mean	Median	Minimum	Maximum
Popularityofthebrand	3.6955	4.0000	0.0000	5.0000
ProductQuality	4.1729	5.0000	0.0000	5.0000
PersonalSatisfaction	3.6680	4.0000	1.0000	5.0000
SocialStatus	3.3910	4.0000	0.0000	5.0000
PeerInfluence	3.1061	3.0000	0.0000	5.0000
Others	1.5992	1.0000	0.0000	5.0000
Variable	Std. Dev.	C.V.	Skewness	Ex. kurtosis
Popularityofthebrand	1.3309	0.36014	-0.88988	-0.22553
ProductQuality	1.1695	0.28026	-1.6027	1.8932
PersonalSatisfaction	1.2430	0.33888	-0.47254	-0.96417
SocialStatus	1.4856	0.43811	-0.47983	-1.1085
PeerInfluence	1.3298	0.42811	-0.26523	-0.94506
Others	1.0706	0.66944	1.4370	1.6849

On a scale from 0-5, wherein 5 is the most influential and 0 is the least influential. The mean of popularity of the brand is 3.70, which means that it somewhat a significant impact the consumers when purchasing luxury goods and services, and although it is an important factor, it is still not the most influential among the choices, its standard deviation is 1.33 indicates wide range of answers which means that some consumers might place a higher value on the company’s reputation than others (Malik et al., 2022). Consumers strongly believe a product’s quality is important when purchasing luxury goods and services. Its mean score is 4.17, indicating that luxury goods and services are probably associated with exceptional craftsmanship, supporting consumers’ buying choices. Although most consumers consider quality, some have varying views on its significance, as we can see in its standard deviation, which is 1.17, which shows moderate heterogeneity in views regarding the quality of products (Farrag, 2017). The mean of personal satisfaction is 3.67, meaning that personal happiness is likewise a highly relevant component. Consumers probably consider their satisfaction to be a significant factor when purchasing luxury things, which means that feeling fulfilled influences their choices, its standard deviation, which is

1.24, means that people's perceptions of their happiness vary, with some giving it more weight than others (Esmailpour & Mohseni, 2023).

Social status' mean is 3.39, which appears to have a slight effect on choices on what to purchase, it suggests that although certain customers might purchase luxury goods and services to demonstrate their social status, this is not always the main driving force behind their purchases. Its standard deviation of 1.49 indicates considerable variation among consumers, which shows differing views on the degree to which this aspect affects buying habits (Khor, 2010). The mean of peer influence is 3.11, which suggests that it has less impact than the other factors, which implies that although social factors could influence someone's choices, most consumers do not view them as the most influential among the choices, its standard deviation 1.33 means that its influence on purchasing decisions varies, with some people are more influenced by their friends, some are not. The "others" category has a 1.60 mean score, which means that factors other than those given are not thought to impact judgments about what to buy. Its standard deviation of 1.07 indicates slight variation among answers about these additional criteria.

5.0 CONCLUSION AND RECOMMENDATIONS

5.1 Conclusion

This study offers valuable insights into how digital payment types are associated with the extent of employees working in private enterprises and the likelihood of such employees towards luxury consumption. The lower friction resulting from high-value transactions associated with cashless payments increases convenience as well as accessibility, and there is possibly some influence that comes about with purchasing behaviors, especially luxury consumption. This increased ease and flexibility positively impact luxury consumption patterns among employees in private enterprises, thereby contributing to the broader economy by stimulating demand for high-value goods and services.

It has been found that digital payments make most luxury consumption an enormous convenience and ease of use, especially with employees in private enterprises. They appreciate the speed and simplicity of cashless transactions, where one need not carry cash, and such payment processes can be made more flexible with plans for installment payments. To many, the seamless way to a lifestyle of making big purchases hassle-free makes digital payments a good option in a fast-paced and technology-dependent world.

From a macroeconomic perspective, cashless trade may strengthen national accounts because digital payments combat tax evasion, enhance revenue collection, and ensure better economic reporting through transparency. Moreover, financial inclusion brought about by enhanced digital payment systems attracts people who do not receive traditional banking services and integrates them into the formal economy, increasing overall economic activity and empowering marginalized communities. However, there are still numerous concerns with cashless payment, and its most pressing concerns are ones based on security and overspending issues, which keep many users

from relying too much on digital platforms. It could also result in impulsive purchases and lesser financial awareness, which in turn underlines the growing necessity of better security techniques and the education of consumers on proper use, especially with growing cashless commerce within society.

5.2 Recommendations

There may be several recommendations to improve the outcomes of this study. First, with some people remaining reluctant to use digital payments because of their perceptions of security, banks, financial organizations, and electronic payment services should invest more in improved security systems to avoid hacking and theft. In addition, the mandate of these institutions remains to educate users on safety measures when using digital payments. For instance, informational advertising could be used to encourage financial literacy and, with regard to more direct effects, facilitate the management of money in a cash-free environment by stressing the need for monitoring transactions and creating budgets to avoid impulsive decisions. The electronic payment platform could even feature services that send reminders once the user is close to the budget line, thus curbing impulsive purchases. Ensuring availability and inclusiveness is very crucial. Companies, merchants, and businesses must ensure that the payments available are diverse and that effective options are provided to meet different consumers' needs, especially marginalized groups. Conducting regular studies on consumer behavior about digital payments and luxury consumption can be beneficial and help stakeholders identify emerging trends and refine their strategies accordingly. These initiatives would address overspending or security issues and simultaneously ensure that consumer's changing needs are satisfied. By implementing these suggestions, customers can maximize the benefits of digital transactions while developing a safer, more reliable, and responsible cash-free ecosystem.

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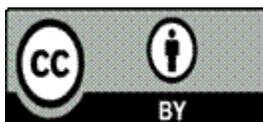
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Conflicts of Interest Declaration

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.



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