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Living better with mobile technology in the Philippines

The growth of mobile health and finance



Written by

**ECONOMIST
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Foreword

In today's modern age, many Filipinos use mobile technology to access vast amounts of information instantly for various purposes such as entertainment, to learn, to communicate, and to improve their ways of living.

In this report conducted by Economist Impact and commissioned by Pru Life UK, we share and present how Filipinos increasingly utilise mobile technology to achieve a healthier life and take a more proactive control of their finances. The technology has drastically changed and enabled Filipinos to monitor their health conveniently and proactively, from using mobile apps that track daily activities to virtual consultations with healthcare professionals.

This study also reveals Filipinos' avid use of mobile finance apps and services like e-wallets, banking and insurance apps, and credit services to keep track of their finances, purchase financial products, and send money to their loved ones here and

abroad. These have been proven effective in driving financial inclusion in the country. Insights from experts in health and finance, who are cited in the report, reveal the advantages and disadvantages of Filipinos' deepening reliance on mobile technology

At Pru Life UK, we are committed to making more Filipino families become aware of the value of having a healthy lifestyle and financial independence through insightful discussions and studies that examine how Filipinos use mobile and online platforms daily.

We hope the findings from this study will help drive more meaningful conversations, foster win-win collaborations and pragmatic policy improvements towards simple and accessible health and financial solutions for many more Filipinos and families this generation and beyond.

For Every Life, For Every Future.

Eng Teng Wong
President and CEO



At 143% in late 2021, mobile subscription penetration in the Philippines was higher than in all but two South-East Asian countries (Thailand and Singapore).¹ Many of those subscribers are smartphone users², but sales of such devices have been on the decline in the past year, a trend that analysts ascribe to a rise in consumer price inflation.³ This suggests that many Filipinos use relatively inexpensive mobile devices to connect to the Internet.

Yet the widespread use of basic devices does not appear to be a major constraint to Filipinos' use of mobile technology to try and improve key aspects of their lives. In an Asia-wide survey conducted by Economist Impact, three-quarters of Filipinos say they use mobile broadband to try and improve their personal health, and even more use it to look after their personal finances.⁴

What's driven the growth of mobile health and finance in the Philippines? How do Filipinos use mobile for these purposes, and what have been the impacts? And what issues need to be addressed to ensure that more people can benefit from such efforts? To answer these questions, we spoke with two experts in their respective (health and finance) fields.





Getting fit and healthy with mobile

“Filipinos’ are paying much more attention to their personal health since the pandemic,” according to Eduardo Banzon, principal health specialist in the South-East Asia Department of the Asian Development Bank. “Lifestyle behaviours have changed: smoking has declined, people are exercising more and they are monitoring their health more closely,” he says.⁵

Mobile technology plays an important role in supporting this trend, says Mr Banzon. “Most people here are extremely comfortable using mobile devices and apps in looking

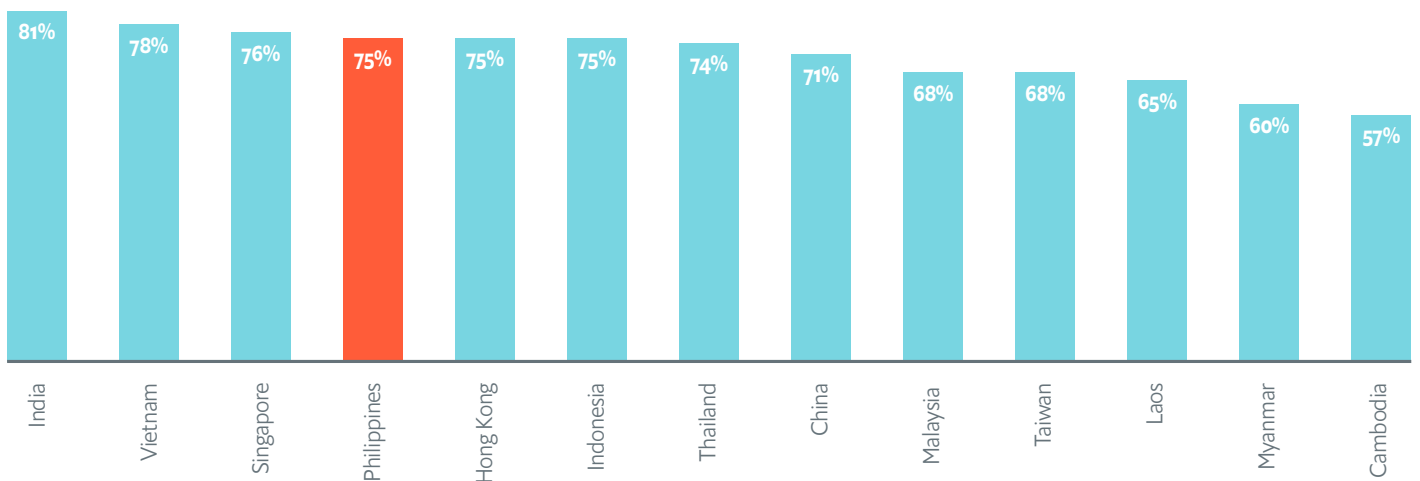
after their health, as in other parts of their lives,” he says. His view is supported by our survey findings, in which 75% of Philippine respondents say they use mobile apps somewhat or very often in efforts to improve their physical health and fitness. This is the fourth highest figure among 13 Asian countries.

Mobile app rankings show that step trackers, women’s health apps, calorie counters, pulse and heart-rate monitors, doctor consultation services, and blood pressure monitors are currently the most popular types of free health and fitness apps used in the Philippines.⁶

Asked what factors would be likely to encourage the respondents to engage in healthy behaviours (such as eating healthily, getting good quality sleep, exercising and managing their weight), one-third cite the increased availability of mobile health apps. Having more personal time available, for example, to exercise or to search for information, would do more than other factors to encourage such behaviours, say 68% of respondents. Considerably fewer respondents, by contrast (27%), would be moved to adopt healthy behaviours thanks to insurance provider incentives.

Figure 1: Mobile use for healthier living

Share of respondents who use mobile technology somewhat or very often to monitor and/or improve their physical health and fitness, by country



Source: Economist Impact survey, 2022

While in wealthier Asian countries, wearable devices such as Fitbits are growing in popularity as a means of monitoring fitness, in the Philippines it is the basic mobile phone that performs this role, says Mr Banzon. There is a range of data plans and devices that are accessible to middle and lower income people, he says. Affordability is thus not a significant barrier to mobile use for health monitoring.

This is borne out in a deeper analysis of the aforementioned survey finding, which shows that there is no material difference in mobile health use by income level. If anything, those respondents with

incomes below the median level are slightly more likely to use health apps than those with above-median-level incomes (77% versus 75%).

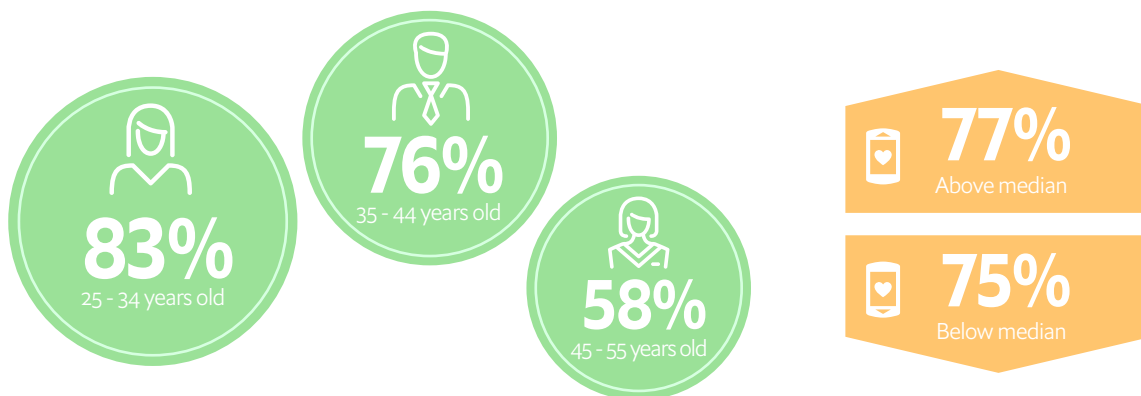
Mr Banzon also finds age to be less of a factor in mobile health adoption than it once was. "Health and other apps are more user-friendly for older people today," he says. The survey shows mobile health use by older respondents to be widespread. Although younger respondents (in the 25-34 and 35-44 age groups) are more likely to be mobile health users than older ones (aged 45-55 years), 58% of the latter report that they are. (The figures are 83% for 25-34 year-olds and 76% for 35-44 year-olds.)

Profiting from mobile finance

Filipinos are also avid users of mobile finance apps and services. Among survey respondents from the Philippines, 79% say they use mobile apps to look after their personal finances—the second highest figure in Asia after that of India. The age-group differences are narrower compared with those for mobile health, and more 45-55 year-olds use finance apps (68%) than use health apps (58%). Here, as with health, income does not appear to dictate proclivity to use mobile technology: respondents with above-median incomes are only slightly more likely to use finance apps than those with incomes below median level (80% versus 78%).

Figure 2: Keeping track of your health via mobile

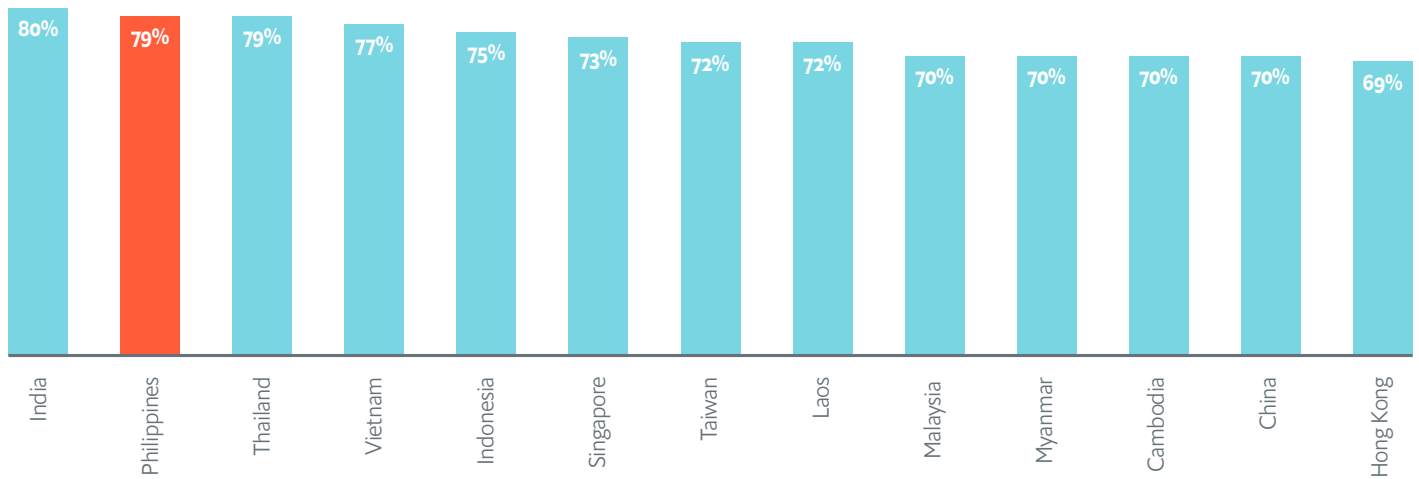
Share of respondents who use mobile technology somewhat or very often to monitor and/or improve their physical health and fitness, by age and income level



Source: Economist Impact survey, 2022

Figure 3: Mobile use for healthier finances

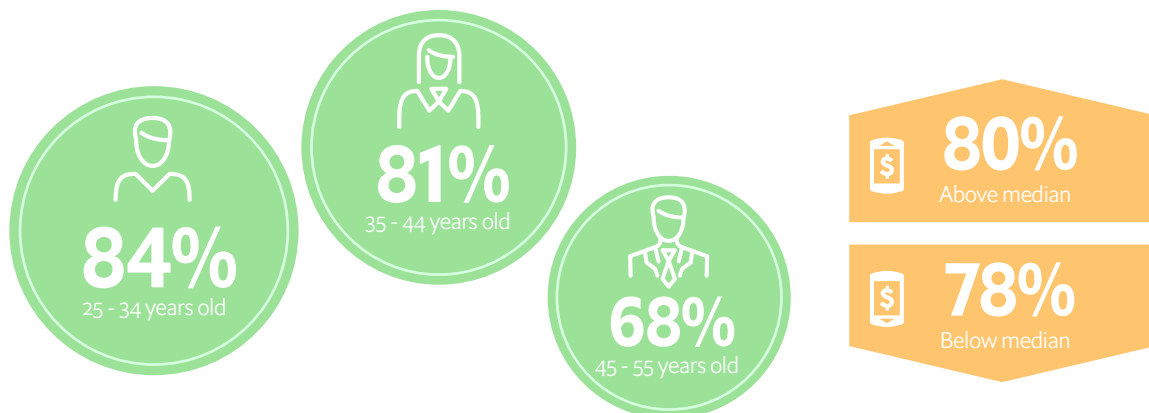
Share of respondents who use mobile technology somewhat or very often to monitor and/or improve their financial health



Source: Economist Impact survey, 2022

Figure 4: Keeping track of your finances via mobile

Share of respondents who use mobile technology somewhat or very often to monitor and/or improve their financial health, by age and income level



Source: Economist Impact survey, 2022

Still, a majority of lower-income Filipinos make use of mobile apps to make financial transactions. “E-wallets in particular have been a major boon to financial inclusion,” says Ellen Joyce Suficiencia, who is director of the Financial Inclusion Office at BSP (Bangko Sentral ng Pilipinas), the country’s central bank. According to BSP data, she says, e-money accounts almost doubled in number between 2019 and 2021. E-money is now the most owned financial account in the country, outranking deposit accounts. “Affordability is the key to e-wallet popularity,” says Ms Suficiencia. There are typically no fees or deposits required to open an

account with a non-bank provider, she notes, unlike in the case of a traditional bank account, nor do e-wallet accounts have a minimum balance requirement. Filipinos use the latter mainly for P2P (person-to-person) payments, says Ms Suficiencia, including for overseas remittances. Affordability is a major factor, as e-wallet transfer fees are usually much lower than at banks. “But convenience is another,” she says. “Transactions—such as sending and receiving remittance—can be made on one’s phone without having to visit a remittance center or a bank. Remittance can be made instantly, which the traditional channels are not necessarily able to provide.”

Aside from e-wallets, popular finance apps used by Filipinos today include household expense and budget managers, banking apps, and consumer credit services.⁷

Ms Suficiencia believes all the regulatory foundations have been laid to catalyse innovation and competition for mobile payments, banking and other financial services, and that there is much more growth to come. Her view is echoed by the consultancy McKinsey, which recently noted that “digital start-ups are proliferating” in the country and that “global players are ... jockeying for position in a rapidly evolving and highly promising market for digital financial services.”⁸



Room for improvement

The rapid growth in adoption of mobile health and finance by Philippine consumers has given rise to some negative side effects. An increased scope for misinformation and fraud is the most concerning one for both of the experts we spoke with.

“People’s wide-scale access to health information online is a two-edged sword,” says Mr Banzon. “It has helped to increase their awareness of the benefits of healthier lifestyles, but it’s also brought a proliferation of questionable health information and advice.”

Poor financial knowledge and cyber hygiene is a problem in mobile finance, says Ms Suficiencia. Insufficient digital financial literacy often exposes people not only to bad financial advice but also to fraudsters,” she says.

Both experts believe that the combined efforts of service providers and public authorities can further improve the utility of mobile technology in improving people’s lives. Mr Banzon, for example, believes the health authorities should use mobile apps and social media more proactively to popularise health promotion initiatives.

For Ms Suficiencia, a priority is to familiarise more businesses with the benefits of accepting digital payments for their goods and services.

Above all, say both experts, efforts to improve mobile connectivity, both within and outside urban areas, are imperative to ensure the expansion of mobile health and finance. According to Mr Banzon: “Limited connectivity is the main impediment to wider mobile health use in the Philippines.”



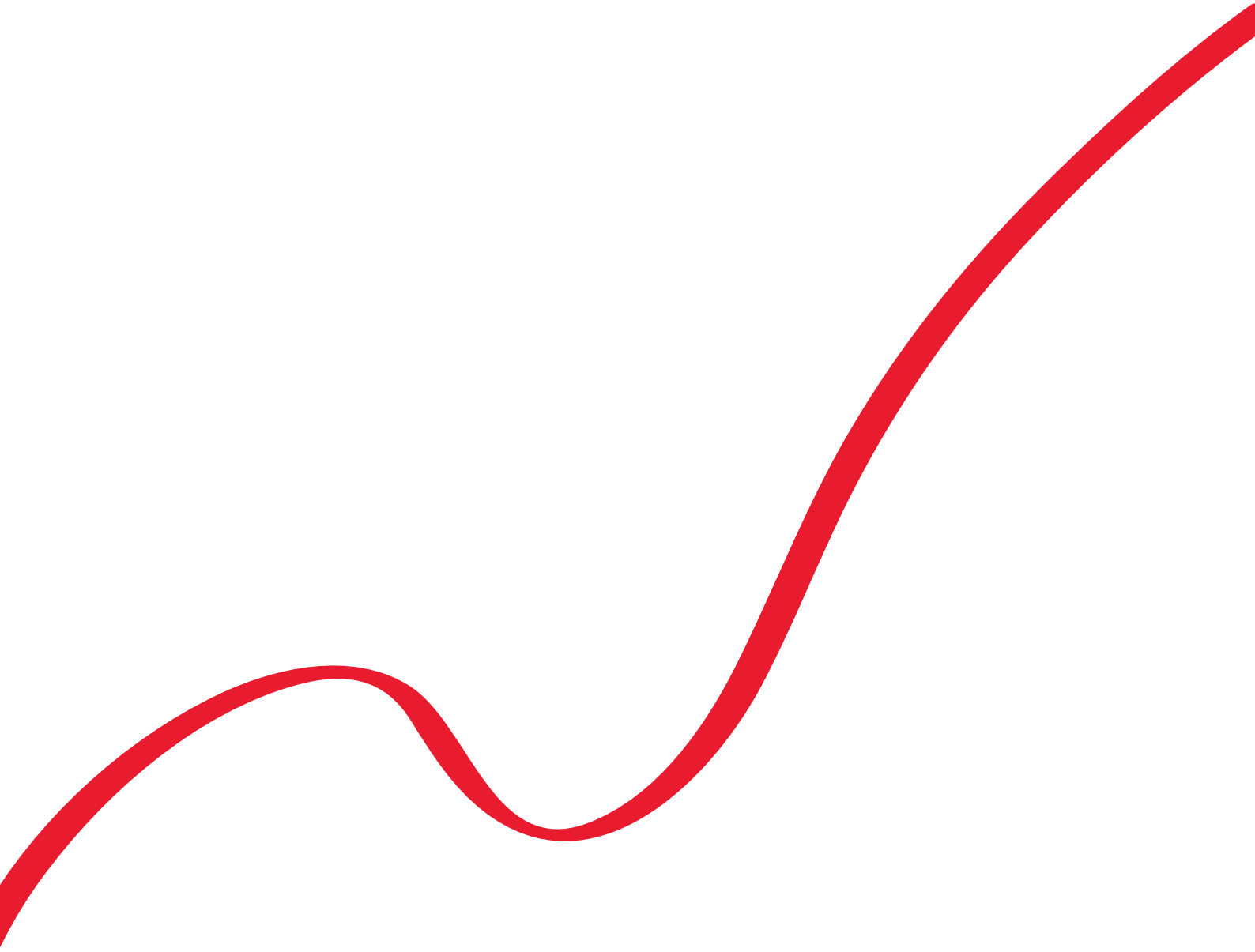
End notes

- 1 World Bank, DataBank
- 2 According to 2021 Financial Inclusion Survey conducted by the BSP (Bangko Sentral ng Pilipinas), 81% of adults in the country used a smartphone in 2021. BSP, Financial Inclusion in the Philippines: Dashboard (as of First Quarter 2022)
- 3 “The Philippines Smartphone Market Recorded its Biggest Annual Decline of 8.6% in 2022, Says IDC”, IDC press release, February 17, 2023
- 4 The survey of 5,000 people across 13 Asian markets was conducted in September-October 2022.
See Re-thinking well-being in Asia: How outlooks on life are changing, for an analysis of the region-wide survey results
<https://www.prudentialplc.com/~media/Files/P/Prudential-V13/content-pdf/fulfilling-futures-report-asia.pdf>
- 5 Global Adult Tobacco Survey. Fact Sheet - Philippines. 2021.
https://drupal.gtssacademy.org/sites/default/files/country_docs/GATS%20Philippines%20-%20National%202021.pdf
- 6 See, for example, the Mobile Action website for rankings of iOS and Google Play apps in health and fitness and other categories. Top Health & Fitness Apps in Philippines of IOS App Store
- 7 See Mobile Action website for rankings of free and paid iOS and Google Play finance apps. Top Finance Apps in Philippines of Google Play Store
- 8 McKinsey & Co, “On the verge of a digital banking revolution in the Philippines,” May 3, 2023

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