

Transforming Tourist Payment Experience Through Digital Wallet Adoption

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Abstract

This paper will explore how many tourists are using digital wallets and how this affects them overall in terms of payment when travelling. The main objective is to determine the distance travelled by tourists with the help of digital wallets and to determine whether the usage affects the convenience and confidence in transactions and general satisfaction. Descriptive research design was used. The 100 to 150 domestic and foreign tourists who visit the major tourist destinations were used as the primary data through a structured questionnaire. Convenience sampling has been used and data analysis has been done using descriptive statistics like percentage, mean and standard deviation and correlation analysis. The results indicate that the use of digital wallets by tourists is larABDF wallets on a daily basis or a weekly basis. Mean score analysis shows that digital wallets can contribute greatly to the convenience in payments, ease in tracking transactions bearing relevance to travels, confidence when making payments at tourist destinations and a decreased dependence on cash. The correlation findings, however indicate a highly weak positive association between the frequency of use and the overall experience of payment, meaning that the quality and the effectiveness of the digital wallet services have a greater impact than the frequency of use. The research suggests that destination managers and tourism service providers need to be keen to enhance digital payment infrastructure, merchant acceptance, and trustworthiness of transactions to enhance tourists' payment experiences as well as faci

Keywords: Digital Wallet Adoption, Tourist Payment Experience, Cashless Tourism, Smart Tourism, Travel Transactions.

Introduction

The high rate of evolution of digital payment technologies has greatly changed the mechanisms of transactions in services-based industries with tourism being on the lead of this change as it is highly dependent on the smooth, punctual, and dependable financial

exchanges. The introduction of mobile applications based on digital wallet that allow quick, cashless, and secure transactions has changed the traditional tourist payment habits because it has decreased the reliance on physical currency and minimized risks related to foreign exchange, fraud, and inefficiencies in the transactions. Digital wallets help to streamline the process of payment (accommodation, transportation, food services, retail purchases, and recreational activities) during travel as tourists are increasingly interested in convenience, speed, and security, which positively affects the perceptions of tourists about the quality of services and destination appeal (Dahlberg, T., Guo, J., & Ondrus, 2015). Furthermore, the trend of smart tourism and cashless economies across the world has increased the pace of digital wallet infrastructural integration in tourism locations, rendering payment digitalization strategic instead of technological (Liébana-Cabanillas, F., Marinković, V., & Kalinić, 2017).

In this regard, the current study aims to evaluate the level of adoption of digital wallets among tourists in terms of making payment and evaluate the impact of using digital wallet on the overall experience of tourists in payment. (Ooi, K.-B., & Tan, 2016) The research is crucial since the most of the previous studies focus on adoption intention or technology acceptance and provide little empirical evidence on actual use behavior and the experience they have in tourism environments. (Hemamalini.E,2025) The experience during payment by tourists in terms of convenience, efficiency of the transactions, the perception of the security, and satisfaction has a decisive effect on the travel experience, the desire to visit the destination again, and also the loyalty to the destination, which is not yet thoroughly studied in the field of digital payment (Oliveira, T., Thomas, M., Baptista, G., & Campos, 2016). This study can also be applied to the literature of tourism finance and digital payments and has practical implications to destination managers, tourism service providers, and policymakers who aim to maximize tourist satisfaction, operational performance, and competitiveness by facilitin

Review of Literature

The initial academic research on the electronic and mobile payment systems was focused on the effect on enhancing the efficiency and minimizing the reliance on cash in service-based industries (Mallat, 2007) also pointed out that mobile payments have high benefits of speed, convenience and flexibility particularly in settings where transactions need frequent and low value. Since mobile commerce was growing the scholars started exploring payment systems in tourism and hospitality and realized that the tourists have distinctive problems including currency exchange system, security, and access to local banking services (Au, Y. A., & Kauffman, 2008). These papers identified that digital payment systems have the potential to eliminate the friction of transactions and improve customer experiences with services in tourism environments, and hence affect customer satisfaction and the overall quality of services (Kontogianni & Alepis, 2020). As mobile technologies have evolved, the concept of digital wallets was developed as an all-encompassing payment system with several financial instruments in one platform. (Dahlberg, T., Guo, J., & Ondrus, 2015) highlighted that digital wallets largely transform consumer behaviour in terms of payment by increasing the perceived safety, convenience, and reliability of the transaction (Dr. Pankaj Kumar et.al, 2021). The empirical research also found that travelers are moving towards using digital wallets to handle payments in accommodation, transportation, retail and leisure services and this has resulted in an increased efficiency of payments and a lower perceived risk (Kim, C., Mirusmonov, M., & Lee, 2010) Digital wallets have been linked to the facilitation of service delivery and increased perceived value in the tourism setting, implying that payment systems are a part of the tourist expöö

The more recent sources have changed the emphasis on the intention to adopt to experiential consequences of the real use of digital wallets. According to (Liébana-Cabanillas, F., Marinković, V., & Kalinić, 2017), the further utilization of wallet-based payments has a positive impact on the user satisfaction and the perceived performance of the transaction. (Morosan, C., & DeFranco, 2016) discovered that customer engagement and efficiency of the service is enhanced when digital payment is seamlessly integrated in the hospitality and tourism sectors. Nevertheless, even though the positive outcomes are on the rise, current research is rather scattered and heavily technology-focused, which provides little empirical examination of how far the digital wallet has been adopted by tourists, and how it directly affects the overall tourist payment experience (Oliveira, T., Thomas, M., Baptista, G., & Campos, 2016). Such a discrepancy highlights the necessity of dedicated research to investigate the actual patterns of application and experience of digital wallets in tourism destinations.

Objective

- To determine the level of digital wallet use to pay among tourists.
- To examine how digital wallets use affects the entire payment experience of the tourists.

Hypotheses

- H₀₁: There is no significant level of digital wallet adoption among tourists for payment purposes.
- H₁₁: There is a significant level of digital wallet adoption among tourists for payment purposes.
- H₀₂: Digital wallet adoption has no significant relationship with the overall payment experience of tourists.
- H₁₂: Digital wallet adoption has a significant relationship with the overall payment experience of tourists.

Research Methodology

The research design is descriptive as it seeks to explore the level of uptake of digital wallet and its impact on the payment experience of tourists. The study will be carried out in major tourist attraction sites in one of the chosen districts such as temples, beaches, heritage sites and hill stations that receive high number of tourists and also embrace digital payment. The study population is made up of local and in case of international tourists, visiting the chosen tourist attraction sites. The convenience sampling technique will be used to select a sample of 100-150 tourists because they are mobile and available within a certain time. This sampling method is quite common in the area of tourism and service studies. The research relies on both primary and secondary sources of data. The structured questionnaire will use primary data, which will include the use of digital wallets and payment experience of the tourists in the context of convenience, security, speed, and satisfaction. The secondary information is collected in journals, books, reports and other pertinent websites. The data obtained are examined with the descriptive statistical instruments like percentages, mean, and standard deviation in order to make significant conclusions.

Demographic Profile of Respondents

The demographic profile of the respondents is important in order to know the background factors of tourists and characterize the environment where the digital wallet usage has an impact on the overall payment experience. The given table highlights the frequency and percentage distribution of the respondents in terms of gender, age group, educational qualification, type of tourist and frequency of travel.

Table 1 Demographic Profile of Respondents

Variable	Category	Frequency	Percentage (%)
Gender	Male	75	50.0
	Female	75	50.0
Age Group	18–25 years	25	16.7
	26–35 years	45	30.0
	36–45 years	41	27.3
	46–60 years	39	26.0
Educational Qualification	Undergraduate (UG)	51	34.0
	Postgraduate (PG)	51	34.0
	Others	48	32.0
Type of Tourist	Domestic	72	48.0
	International	78	52.0
Frequency of Travel	Once a year	35	23.3
	Twice a year	58	38.7
	More than twice a year	57	38.0

Source: Primary Data

Interpretation

Demographic profile indicates that the tourists are evenly represented with regards to their gender with 50 per cent of the sample comprising of both male and female tourists. Concerning the age, most of the respondents fall within the 26-35 years age group (30.0 per cent), 36-45 years (27.3 per cent) and 46-60 years (26.0 per cent) age group, which means that the digitally active and economically active age groups are the dominant visitors. The sampling has younger tourists below 25 years of age at 16.7 per cent indicating the existence of digitally familiar young travellers. As regards educational status, the balance between the number of international and domestic tourists is slightly higher (52.0 per cent and 48.0 per cent, respectively), which shows that the population of tourists visiting the chosen destinations is relatively well-educated. In relation to the frequency of travel, most tourists travel twice (38.7 per cent) or more than twice (38.0 per cent) in a year, which illustrates a significant number of the frequent travellers who tend to use digital payment solutions more frequently. In general, the demographic picture is indicative of a technologically conscious and movement-oriented tourist population, which offers an appropriate area to study the adoption of digital wallets and its impact on the payment experience of tourists.

Digital Wallet Adoption and Tourist Payment Experience

In this section, the authors explore the level of digital wallet adoption among tourists and the role of digital wallet adoption in transforming the general payment experience of tourists during their travels.

Table 2 Usage of Digital Wallet among Tourists

Frequency of use	Frequency	Percentage (%)
Daily	74	29.6
Weekly	102	40.8
Occasionally	58	23.2
Rarely / Never	16	6.4

Source: Primary Data

Table 3 Tourist Payment Experience Indicators

Payment Experience Indicator	Mean Score	Standard Deviation
Convenience in making payments during travel	4.21	0.72
Comfort and confidence in using digital payments at tourist places	4.10	0.78
Ease of tracking travel-related transactions using digital wallets	4.35	0.69
Reduced dependence on cash during travel	3.95	0.81
Overall improvement in payment experience through digital wallets	4.05	0.74

Source: Primary Data

Interpretation

These findings demonstrate that tourists are adoption-light when it comes to the use of digital wallets, and a high percentage of them use digital wallets daily or weekly when travelling, which demonstrates the use of digital wallets as payment methods of tourism services, including accommodation, transport, food and shopping. The mean score analysis also shows that the adoption of digital wallet positively changes the payment experience of the tourists, especially in the ease of tracking of the travel-related transactions, enhancing convenience during payment, creating confidence when making payments at the tourist destinations and minimizing reliance on the use of cash. All in all, the results distinctly reveal that the usage of digital wallets greatly increases the efficiency, transparency and comfort of the payment process and consequently makes the entire payment experience of tourists much more positive.

Table 4: Correlation between Digital Wallet Adoption and Tourist Payment Experience

Variables	Digital wallet adoption (usage frequency)	Overall tourist payment experience
Digital wallet adoption	1.000	0.043
Overall tourist payment experience	0.043	1.000

Source: Primary Data

Interpretation

The correlation analysis reveals that there is a very weak positive correlation ($r = 0.043$) between the adoption of digital wallets, in terms of the frequency of use, and the total tourist experience of paying in general. This means that although the overall experience of tourists in terms of payment becomes positive when using digital wallets, the degree of experience does not significantly differ depending on the frequency of using the wallets. The finding indicates that changes in the experience of payment by tourists is not based solely on the frequency of use but on the quality and competence of the digital wallet services, like convenience, security and ease of transaction.

Discussion

The study findings have shown that the usage of digital wallets amongst the tourists is high and the usage has enhanced the payment experience of the tourists considerably in terms of convenience, trust, and ease of following the transactions and minimizing reliance on cash. These results are also in line with previous researches that indicate that mobile and digital payment systems lead to improved efficiency in transactions, perceived convenience and user satisfaction of service intensive industries like tourism and hospitality. Nevertheless, the extremely low correlation between usage frequency and payment experience implies that the quality, reliability and acceptance of digital

payment infrastructure is more influential in determining the experience of tourists than the frequency of usage. This means that the service providers in the tourist industry and managers of the destination destinations must aim at enhancing system reliability, merchant acceptance and transaction support systems to reinforce the payment experience among the tourists. The sampling technique of convenience sampling is a limitation of the study as it has a small sample size and uses self-reported data collected in one study area and this can influence the generalisability of results. Subsequent studies can use larger multi-destination samples, longitudinal designs and qualitative research to understand the effect of particular features of digital wallets and destination-level digital infrastructure.

Conclusion

The current research concludes that digital wallets have a major role in changing the way tourists pay by making the payment procedures more convenient, enhancing trust in online payment transactions, and making it easier to monitor the amount of money spent on traveling to and staying in travel destinations since it is not reliant on using the cash payment method. The results reveal that digital wallets are now a common form of payment by tourists especially to accommodation, transport, food and shopping services. Even though the rate of using a digital wallet does not have a significant impact on the overall payment experience, the efficacy, availability, and dependability of digital payment amenities are identified as significant in defining the positive payment experiences. All in all, the paper has demonstrated the significance of enhancing the digital payment infrastructure and service integration in the tourism ecosystems to enhance the satisfaction of tourists and aid the emergence of digitally empowered and tourist friendly destinations.

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