International Journal of Science, Strategic Management and Technology
Volume **02** Issue **08** August- **2026** | ISSN: **3108-1762 (Online)** | Impact Factor: 3.8
An International, Peer-Reviewed, Open Access Scholarly Journal Indexed in recognized academic databases

THE EFFECTS OF THE CASHLESS ECONOMY ON COMPANIES IN HYDERABAD'S HOTEL SECTOR

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https://doi.org/10.55041/ijsmt.v2i8.085

Cite this Article: BHAVANI, V. & SRIKANTH, T. (2026). THE EFFECTS OF THE CASHLESS ECONOMY ON COMPANIES IN HYDERABAD'S HOTEL SECTOR. International Journal of Science, Strategic Management and Technology, *02*(8), 1-5. https://doi.org/10.55041/ijsmt.v2i8.085

ABSTRACT
The cashless economy has transformed transactions in Hyderabad's hotel sector through UPI, debit cards, credit cards, mobile wallets, internet banking, and QR-based payments. This study examines how digital payments influence customer satisfaction, operational efficiency, business performance, payment security, and transaction convenience. It also identifies challenges including network problems, payment failures, cybersecurity concerns, transaction costs, and staff preparedness. Data were collected from 100 respondents through a structured questionnaire, supported by secondary data from RBI publications and research articles. Percentage analysis was applied to interpret the responses. Findings indicate positive effects on efficiency and satisfaction, while stronger infrastructure and security remain necessary for sustainable cashless payment adoption.

Keywords: Cashless Economy, Digital Payments, Hotel Industry, Customer Satisfaction, Hyderabad

1. INTRODUCTION
The rapid development of digital technology and financial innovation has changed the way businesses conduct financial transactions. A cashless economy relies mainly on electronic payment methods such as Unified Payments Interface (UPI), debit cards, credit cards, mobile wallets, internet banking, and QR-code payments. These systems reduce dependence on physical cash and provide faster, convenient, transparent, and traceable transactions. In India, increasing smartphone usage, affordable internet access, financial awareness, and initiatives such as Digital India, Jan Dhan Yojana, Aadhaar integration, and demonetization have encouraged digital payment adoption. The hotel industry has experienced substantial changes from this transition. Guests increasingly expect quick, convenient, and secure payment facilities when booking rooms, paying restaurant bills, using recreational services, or purchasing additional facilities. Hotels in Hyderabad have therefore adopted multiple cashless options to improve customer convenience, reduce waiting time, strengthen financial control, and improve billing accuracy. Digital records also support accounting, reconciliation, financial reporting, and regulatory compliance. Online booking platforms and hotel applications further enable customers to complete payments before arrival, supporting reservation management and potentially reducing cancellations. The benefits of cashless transactions are accompanied by important challenges. Hotels require reliable internet connectivity, secure payment gateways, suitable technology infrastructure, software maintenance, and trained employees. Transaction processing charges can affect smaller hotels, while technical failures may interrupt service. Cybersecurity is another concern because hotels handle payment and personal information. Data

breaches, phishing, identity theft, payment fraud, malware, and unauthorized access can damage customer trust and business reputation. Differences in customer awareness and digital literacy can also influence adoption. Hyderabad is an important business, information technology, tourism, healthcare, education, and hospitality centre. Its hotel sector therefore provides a relevant setting for examining the effects of cashless payments. The present study focuses on customer preferences, satisfaction, operational efficiency, payment security, and business-related benefits and challenges. It aims to understand how cashless payment adoption affects hotel businesses and to identify practical measures for improving secure, reliable, and customer-friendly digital payment services. The study connects digital payment adoption with service quality, financial management, operational control, customer experience, and competitiveness in Hyderabad's hospitality context.
The similarly explains that cashless systems improve convenience, accounting accuracy, transaction speed, and operational efficiency while creating challenges related to infrastructure, cybersecurity, transaction costs, and employee training.

2. REVIEW OF LITERATURE

Sharma and Verma (2021) reported that digital payments in Indian hotels reduced transaction time, improved billing accuracy, and increased customer convenience, although internet and payment-system problems affected satisfaction. Reddy and Kumar (2022) found that younger urban hotel customers preferred cashless methods because of simplicity and speed, while hotels experienced better financial transparency and easier accounting. Patel and Mehta (2020) observed improvements in financial record management, cash flow, cash-handling costs, billing speed, and customer satisfaction after electronic payment adoption. Singh and Arora (2023) found that digital payment choices reduced waiting time and improved customer confidence, while secure systems supported repeat business. Gupta and Rao (2022) identified transaction fees, cybersecurity threats, system outages, staff training, and customer resistance as implementation challenges. Nair and Thomas (2021) linked convenient and secure payments with customer retention. Chaudhary and Bhatia (2023) reported improvements in reservation management, billing accuracy, inventory control, and financial reporting through integration. Iyer and Srinivasan (2022) emphasized privacy and fraud concerns. Mishra and Das (2024) associated cashless transactions with accounting efficiency, cash-management costs, and sustainable practices. Khan and Joseph (2023) highlighted technologies and investment in digital infrastructure and staff skills. Overall, the literature indicates operational and customer effects, but also infrastructure, security, training, and awareness challenges.

3. OBJECTIVES OF THE STUDY

1. **To examine** the adoption and preference of cashless payment methods in Hyderabad's hotel sector.
2. **To assess** the effect of cashless payments on customer satisfaction and transaction convenience.
3. **To evaluate** the impact of cashless payments on hotel operational efficiency and business performance.
4. **To identify** the major problems and security challenges associated with cashless transactions in hotels.
5. **To suggest** suitable measures for improving the effectiveness, security, and adoption of cashless payment systems in Hyderabad's hotel sector.

4. RESEARCH METHODOLOGY

The study adopted a descriptive research design. Primary data were collected through a structured questionnaire from 100 hotel customers, employees, supervisors, and management personnel in selected Hyderabad hotels using convenience sampling. Secondary data were obtained from RBI publications and published research articles. Percentage analysis was used for systematic interpretation of responses.
The source specifies descriptive research, primary and secondary data, convenience sampling, 100 respondents, and a structured questionnaire.

4.1 STATISTICAL TOOL

Percentage Analysis

Percentage analysis is selected as the appropriate statistical tool because the study primarily examines categorical responses relating to payment preferences, customer satisfaction, operational efficiency, and problems associated with cashless transactions.

The report also specifies percentage analysis, tables, bar charts, and pie charts for analysing the collected responses.

5. DATA ANALYSIS AND INTERPRETATION

Table 5.1: Preferred Cashless Payment Method

Cashless Payment Method	Respondents	Percentage
UPI	42	42%
Credit Card	22	22%
Debit Card	18	18%
Wallet	10	10%
Others	8	8%
Total	**100**	**100%**

Analysis: UPI recorded the highest response, with 42 respondents representing 42%.

Interpretation: UPI is the most preferred cashless payment method among respondents, followed by credit cards and debit cards. This indicates strong preference for convenient mobile-based payments in the hotel sector.

Table 5.2: Satisfaction with Cashless Payments

Satisfaction Level	Respondents	Percentage
Highly Satisfied	22	22%
Satisfied	46	46%
Neutral	16	16%
Dissatisfied	10	10%
Highly Dissatisfied	6	6%
Total	**100**	**100%**

Analysis: The highest response is recorded for the **Satisfied** category, with 46 respondents representing 46%.

Interpretation: Most respondents are satisfied with cashless payment services. Combining satisfied and highly satisfied respondents gives **68%**, indicating a generally favourable customer response toward digital payment facilities.

Table 5.3: Cashless Payments Improve Hotel Efficiency

Response	Respondents	Percentage
Strongly Agree	24	24%
Agree	45	45%
Neutral	16	16%
Disagree	9	9%
Strongly Disagree	6	6%
Total	**100**	**100%**

Analysis: The highest response is **Agree**, with 45 respondents representing 45%.

Interpretation: A combined **69%** of respondents either agree or strongly agree that cashless payments improve hotel efficiency. This indicates that digital payments are perceived to improve operational processes and service delivery.

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6. RESULTS

1. Cashless payment systems have become an important part of hotel operations in Hyderabad.
2. **UPI is the most preferred cashless payment method**, with 42% of respondents selecting it.
3. Credit cards and debit cards are the next preferred digital payment alternatives.
4. Convenience, speed, and ease of transactions are important reasons for adopting cashless payments.
5. **68% of respondents are either satisfied or highly satisfied** with cashless payment services.
6. Cashless payments reduce transaction time and improve customer convenience.
7. **69% of respondents agree or strongly agree** that cashless payments improve hotel efficiency.
8. Digital payments improve billing accuracy and financial record management.
9. Cashless transactions help reduce waiting time during billing and payment.
10. Network problems are identified as a major challenge in cashless transactions.
11. Payment failures, server errors, and cybersecurity concerns continue to affect digital payment usage.
12. Overall, cashless payments positively influence efficiency, customer satisfaction, and competitiveness in Hyderabad's hotel sector.

7. SUGGESTIONS

1. Hotels should continuously upgrade their digital payment infrastructure.
2. Reliable internet connectivity should be maintained to minimize transaction interruptions.
3. Hotels should provide multiple payment options, including UPI, debit cards, credit cards, mobile wallets, and internet banking.
4. Payment systems should be integrated with hotel billing and management systems.
5. Hotels should strengthen cybersecurity through encrypted payment gateways and multi-factor authentication.
6. Regular software updates and transaction monitoring should be implemented.
7. Employees should receive regular training in digital payment technologies and troubleshooting.
8. Hotels should educate customers about safe digital payment practices.
9. Effective customer support and grievance-redressal mechanisms should be established.
10. Hotels should maintain strong coordination with banks, payment service providers, and fintech companies.
11. Digital payment systems should be reviewed regularly to identify technical and operational problems.
12. Hotel management should continue investing in customer-oriented digital innovation to improve service quality and competitiveness.

8. CONCLUSION

The study concludes that the cashless economy has significantly transformed the operations of hotels in Hyderabad by making financial transactions faster, more convenient, transparent, and efficient. Digital payment methods such as UPI, credit cards, debit cards, mobile wallets, internet banking, and QR-based payments have become important components of modern hotel services. The analysis shows that UPI is the most preferred payment method among respondents, while customer satisfaction with cashless payments is generally favourable. The findings also indicate that cashless transactions contribute to improved billing efficiency, reduced waiting time, better record keeping, and improved operational performance. At the same time, network problems, server errors, payment failures, cybersecurity risks, transaction costs, infrastructure requirements, and employee training remain important challenges. Hotels therefore need to combine technological investment with effective employee training, customer awareness, cybersecurity controls, reliable payment gateways, and responsive support systems. The overall evidence from the study indicates that cashless payments have a positive influence on customer experience and hotel efficiency, but their long-term success depends on secure and uninterrupted digital infrastructure. The uploaded study similarly concludes that cashless adoption has positively influenced the growth, efficiency, and competitiveness of Hyderabad's hotel industry while emphasizing continuous technological improvement and secure payment systems.

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