PREFACE

This study examines the growth pattern of cashless transaction systems and how these associations affect payment mode choice and how the payment mode selected impacts on purchase behavior. This is a neglected research area, but not totally ignored. Early research compared cash, cheque, and credit card payment modes and concluded that credit card use equates with increased spending. Whether the change is due to access of credit or the absence of cash is not wholly ascertained. The absence of cash implies that the physicality of the mode may have a bearing on purchase decisions. Both modes of payment lack 'transparency'. This research examines the underlying reasons for the physicality factor and finds evidence that the physicality of notes and coins affect perceptions, judgements, and behaviors.

The various government initiatives towards demonetization have given momentum to the growth of cashless transaction activities and it has brought significant change in the behavior of consumers. In India, most of the consumers are heavily dependent only on the cash economy, now the consumers have to switch from cash to cashless electronic transactions. Most of the consumers have been using more on cash for purchase of products and services except few. Currently, the government announced that all restrictions for the traditional cash transaction and offers for electronic transfer push the consumers to adopt and implement cashless transactions for their needs. In the context of the above, this study is taken up with the primary aim to assess the behavior of consumers towards Cashless Transaction System and how far they are adapted to this new world of cashless society.

This study is a multi-phase, multi-method field-based naturalistic enquiry. Modes of data collection Survey of the respondent and descriptive analysis is done. Data from the field study employs ANOVA technique to examine modes of payment effect on purchase behavior. The result indicates that the payment mode has significant effects. Participants who used debit cards spent significantly higher than did the cash group. Participants who preferred to and normally used cash or debit card exhibited positive feeling to their preferred payment mode, thought that their awareness of spending and money management skills were impair by cashless transaction system.

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