



An Empirical Study Of The Effects Of Demonetization In India In The Year 2016 and Analyzing Shifting Trends in Marketing / Purchasing to The Alternative Options

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Abstract: Demonetization is the process where government declare the currently running currency notes illegal to be tender after the declaration is made. This kind of declaration is made in the year 2016, by Prime Minister Sh. Narendra Modi. After demonetization of Indian currency notes of Rs. 500/- and 1000/- and with the limit of withdrawal of rupees from bank account and rupees 2000/- from ATMs. There was acute shortage of money in market and daily transaction was severely affected. The last demonetization was done in the year 1978 where currency notes of 5000/- and 10,000/- were abolished and in year 2016 after a long gap, but this time people have many alternatives to make transactions and make transactions like with online banking, mobile banking, online shopping, e-wallets, credit cards, debit cards, UPI [Unified Payment Interface], *99# USSD etc.

There are both pros and cons of demonetization it is like refresh button in the Indian economy and flush all the dead deposited money into the economy, to the market through proper channels. The effort is for going cash less transactions and many e-wallet companies like Paytm etc. are having a good response and government is also encouraging the same. In this paper the author is going to study the effects and shifting trends in marketing / purchasing to the alternative options available in the market supported by questionnaire to better understand the market situation.

Keywords: Demonetization, Effects Of Demonetization In India, Shifting Trends in Marketing / Purchasing, Alternative Options, online banking, mobile banking, online shopping, e-wallets, credit cards, debit cards, UPI [Unified Payment Interface], *99# USSD

I. INTRODUCTION

Cause and effect is a relationship between events or things, where one is the result of the other or others. This is a combination of action and reaction. It can be also said for the demonetization too, demonetization is the effect which is being seen in the Indian economy and market with people. If we could possibly think the reasons or cause to make this happen the first thing came in the mind is “dead deposited money” or “illegal routed money” more popularly termed as “black money” which is flowing in the market as under

current but few people are enjoying the luxury of it. After the announcement of the demonetization of 500/- and 1000/- rupees note and introduction of new currency of 2000/- and 500/- rupees note the situation hits everyone those who have the so called black money or those they do not have the same, the situation is much better and different in this time if we compare it with last demonetization done in 1978 where the bank was only option to make all kind of transaction but now we are well equipped with technology and infrastructure to support the cash and cash less transaction. People and government are having more than one options to make the purchasing or support transactions to make the situation in equilibrium like online banking, mobile banking, online shopping, e-wallets, credit cards, debit cards, UPI [Unified Payment Interface] etc. and day by day new things are coming up. In this paper the author is going to study the effects and the alternative options available to make payments and how people are moving towards cashless transaction and how service providers are making this demonetization as a big opportunity to settle in this tough phase of economy.

II. WHAT IS DEMONETIZATION?

Demonetization for us means that Reserve Bank of India has withdrawn the old Rs 500 and Rs 1000 notes as an official mode of payment. According to Investopedia, demonetization is the act of stripping a currency unit of its status as legal tender. [1]

The Rs.500 and Rs.1,000 banknote denominations account for 86% of all banknotes in circulation and account for nearly 12% of India's GDP. The Economic Affairs Secretary, Shaktikanta Das, alluded to the unexplained rapid rate at which these notes have grown in circulation in the last five years – Rs.500 notes by 76% and Rs.1,000 notes by 109% – to justify the rationale for the demonetization.[2] However, this is the first time that Rs 2,000 currency note is being introduced. Bank notes in Ashoka Pillar watermark series in Rs 10 denomination were issued between 1967 and 1992, Rs 20 in 1972 and 1975, Rs 50 in 1975 and 1981 and Rs 100 between 1967-1979. The banknotes issued during this period contained the symbols representing science and technology, progress and orientation to Indian art forms. In the year 1980, the legend Satyameva Jayate — ‘truth alone shall prevail’ — was incorporated under the national emblem for the first time. In October 1987, Rs 500 banknote was introduced with the portrait of Mahatma Gandhi and Ashoka Pillar watermark.



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Mahatma Gandhi (MG) series banknotes – 1996 were issued in the denominations of Rs 5, (introduced in November 2001), Rs 10 (June 1996), Rs 20 (August 2001), Rs 50 (March 1997), Rs 100 (June 1996), Rs 500 (October 1997) and Rs 1,000 (November 2000). The Mahatma Gandhi Series – 2005 bank notes were issued in the denomination of Rs 10, Rs 20, Rs 50, Rs 100, Rs 500 and Rs 1,000 and contained some additional/new security features as compared to the 1996 MG series. The Rs 50 and Rs 100 banknotes were issued in August 2005, followed by Rs 500 and Rs 1,000 denominations in October 2005 and Rs 10 and Rs 20 in April 2006 and August 2006, respectively. [3]



RBI Rs. 10000 Note In, 1954

Fig. 1. Image showing 10,000 Rupees Bank Note in 1954



RBI Rs.10000 Note in, 1938

Fig. 2. Image showing 10,000 Rupees Bank Note in 1938



Fig. 3 RBI bank note in year 2016

http://1.bp.blogspot.com/_oXvZtuBwMzE/S8MTu3FsI4I/AAAAAIAAIE/kBeXhikk59E/s1600/scan0015.jpg

HERE IS WHAT YOU CAN DO:

- Deposit old notes of Rs 500 or Rs 1000 in bank or post office accounts from 10th November till 30th December 2016 without any limit. There will be a limit on withdrawal of Rs 10,000 per day and Rs 20,000 per week. This limit will be increased in the coming days.
- Exchange old notes of Rs 500 or Rs 1000 at any bank, head post office or sub post office while showing ID proof. The limit for this is Rs 4000 upto 24th November.
- No restriction of any kind on non-cash payments by cheques, demand drafts, debit or credit cards and electronic fund transfer.
- Check out RBI notification for more details.
- On 9th November and in some places on 10th November also, ATMs will not work. In the first few days, there will be a limit of Rs 2000 per day per card. This will be raised to Rs 4000 later.

Fig. 4. Image showing Instruction how to change old currency bank note and bank and ATM withdrawal limits

III. DEMONETIZATION AND ITS PRO N CONS

करीब 10 लाख करोड़ रुपयों का नया मुद्रा प्रणाली का शुभारंभ करके देश को आर्थिक रूप से मजबूत बनाने का सरकार का प्रयास है।
नोटबंदी से सिर्फ दिसंबर तक प्रभावित होगी देश की इकोनॉमी : सीतारमण

आर्थिक प्रभावों का, मौद्रिक नीति का, लक्ष्य को ध्यान में रखते हुए देश की इकोनॉमी को मजबूत बनाने का प्रयास है।

विकास दर के अनुमान में करारी

विकास दर (GDP)	अनुमान
विकास दर (GDP)	7.2%
विकास दर (GDP)	7.5%
विकास दर (GDP)	7.8%
विकास दर (GDP)	8.1%
विकास दर (GDP)	8.4%
विकास दर (GDP)	8.7%
विकास दर (GDP)	9.0%
विकास दर (GDP)	9.3%
विकास दर (GDP)	9.6%
विकास दर (GDP)	9.9%
विकास दर (GDP)	10.2%

अगले वित्त वर्ष में भी प्रभावित होगा

- विकास दर (GDP) 7.2% से बढ़कर 7.5% तक बढ़ेगी।
- विकास दर (GDP) 7.5% से बढ़कर 7.8% तक बढ़ेगी।
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Fig. 5. Image showing news and views about the GDP by various rating agency and tentative cash crunch situation after demonetization.



देश में तेजी से बढ़ रहे लेन-देन के सात तरीकों को विस्तृत रिपोर्ट
50 करोड़ लोग हो सकते हैं कैशलेस, लेकिन पेमेंट के तरीकों में ये कमियां

Infographic showing various payment alternatives like QR codes, mobile wallets, and digital payments with statistics and descriptions.

Fig. 6. Image showing news various alternatives to pay cashless

Outside ATMs, a pile-up of frustration

Absence of swipe machines hits biz at RTDC hotels



Uphaar stores to install POS machines

Fig. 9. Image showing line outside ATM, effect on RTDC and POS at Uphaar store, TOI, Tuesday, Nov 29, 2016

RBI: ₹8L Cr In Deposits, ₹33K Cr In Cash Exchange

Go cashless, govt urges civic bodies

Pankul Sharma @timesgroup.com

News article snippet about RBI deposits and government urging cashless transactions.

Fig. 10. Image showing news about government asking for Go cashless, TOI, Tuesday, Nov 29, 2016

Large news article snippet about undeclared money after deposited in bank account, mentioning 90% tax and 50% deposit.

Fig. 7. Image showing news about the undeclared money after deposited in bank account

News article snippet about cash crunch situation, mentioning 24 thousand and 5 thousand rupees.

Fig. 8. Image showing news about the cash crunch situation, due to printing and supply of new bank notes

Effects on Parallel Economy

The removal of these 500 and 1000 notes and replacement of the same with new 500 and 2000 Rupee Notes is expected to - remove black money from the economy as they will be blocked since the owners will not be in a position to deposit the same in the banks Temporarily stall the circulation of large volume of counterfeit currency It would curb the funding for anti-social elements like smuggling, terrorism, espionage, etc.

Effects on Money Supply

With the older 500 and 1000 Rupees notes being scrapped, until the new 500 and 2000 Rupees notes get widely circulated in the market, money supply is expected to reduce in the short run. To the extent that black money (which is not counterfeit) does not re-enter the system, reserve money and hence money supply will decrease permanently. However gradually as the new notes get circulated in the market and the mismatch gets corrected, money supply will pick up.



Note ban: Nov auto sales set to dip 30% in Raj

Jaipur: Reeling under demonetization cash squeeze, the auto industry in Rajasthan is set to report a 30% decline in sales in November but there is a hope that lending rates will soften owing to liquidity slush with the banks which will lead to generation of fresh demand for cars and bikes.

"While cancellations are far and few, some customers have put bookings on hold. Dealers cutting across segments estimates sales volumes to dive by around 30% in November. At the same time, there is an expectation that interest rates will go down given the liquidity crunch in the

ried class. "We expect December to a better month. Many customers who are sitting on the fence will start taking decisions as the tightness is expected to ease," added Kasliwal.

Even though transactions are generally done through cheques besides the upfront payment, earlier people with



A Q-series Audi car navigating a tough terrain during an event of the company

Fig. 11. Image showing the effect on automobile sales in the month of November after demonetization, TOI, Tuesday, Nov 29, 2016

Pros

- End of Hawala Transactions
- End of Huge Donations
- Massive decline in black money
- Almost End of Fake currency racket initially
- Obstacle for terrorism
- Reduce in corruption for few months
- Fair Election
- Increase in Amount in Savings Account
- Increase in Online Transactions like PayTM, Freecharge etc.
- Cashless Economy
- Support for Government finances
- Cashless transactions

Cons/ Negative Effects

- Lowering of Stock Market
- Money will be drawn out of the market
- Decline in the GDP
- Inconvenience to people
- Inconvenience to small businesses and traders
- Loss to common People
- Impact on service industry
- Only a Temporary Measure
- Running out of Money - Empty ATM's
- Hospitals and Medical treatment
- Effect on cash-dependent sectors
 - Consumer goods
 - Real estate and property
 - Gold and luxury goods
 - Automobiles

IV. AFTER EFFECTS OF DEMONETIZATION ON MARKETING / PURCHASING/ RETAILING OF GOODS

The effect of demonetization hit severely to all sectors like marketing, manufacturing and to the common people, most of the masses are in favor of demonetization, assuming it will bring the new change in the way people use to trade, we are having many option today to trade cashless through credit card/ debit card, online banking, with new features added to mobile commerce like e-wallet. Slowly people are accepting and government is also pushing by every means to go cashless. If we look at the market conditions there is a loss in each and every field either it is manufacturing or retailing, the most affected business areas are those who are entirely depending upon "cash transactions" for example there is a statement which states that "Hauz Khas, Khan Market worst affected by demonetization: India Head of Business, Barcelos"

"Markets like Gurugram have not been impacted much by demonetization – overall impact on the business is just 5-7 per cent – but markets like Hauz Khas and Khan Market, where **more than 40 per cent sales are based on cash transactions**, have seen the major impact. Only 10 per cent business has converted to cashless transactions. The remaining 30 per cent is simply loss." [5]

in India there are many market which are running on cash transaction from many decades and people as well as vendors are accepting and giving cash as mode of transaction, the decisions like demonetization of currency is effecting them severely to improve the condition people should have a backup plan to go cashless. There are many street vendors who are moving towards cashless payment by opting PayTM, Oxigen etc. E-wallet

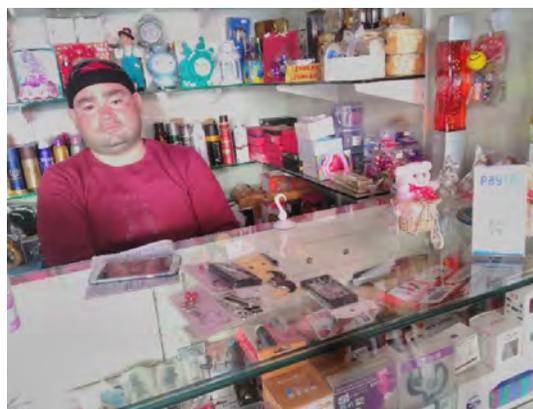


Fig. 12. Image showing shopkeepers start taking payments though E-wallet like PayTM.



Fig. 13. Image showing Street Vendors start taking payments though E-wallet like PayTM.



Fig. 14. Image showing Street Vendors start taking payments though E-wallet like PayTM

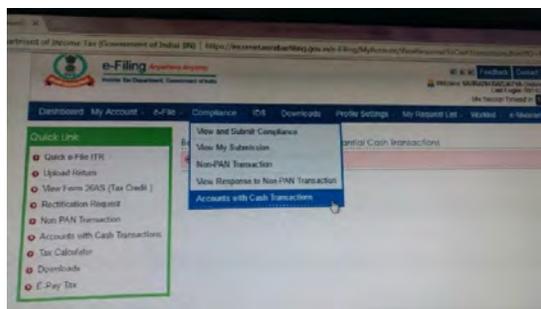


Fig. 15. Image showing new tab in the income tax e-filing home page “Amount with cash Transaction”



Fig. 16. Image showing Street Vendors start taking payments though E-wallet like PayTM

The above mentioned images are indicating that people are moving towards cashless society,

Advantage of E-wallet First, e-Wallet is a prepaid account. Hence, there is absolutely no question of denial of services and goods. Unlike credit cards, where any intended or unintended default may block the card for further use, e-Wallet is never denied service. Second, e-Wallet provides a large variation in limit. People can create their e-Wallet with amounts as low as Rs. 10 and as high as Rs. 10,000 or more. It is simple to use and even simpler to get it. There is no credit history check or demand of numerous documents.

Types of E-Wallet

There are three type of e-wallet available in current scenario- *Generic online E-Wallet* - Oxigen , PayTM , etc. *Company specific E-Wallet* - companies provide e-Wallet specifically to be used with that company only. For example, Meru cab's e-Wallet can be used with Meru cab services. Shopping store specific lie Walmart etc. *Bank E-Wallet* - ICICI Bank, SBI , Axis etc all have e-wallets.

Indian E-Wallet Services- Paytm, FreeCharge [Snapdeal], MobiKwik , Airtel Money, Vodafone M-pesa, Chillr, Oxigen Wallet, PayU Money, Pockets by ICICI Bank, mRuppee, Citrus Pay [6]

V. PURCHASING TRENDS AFTER DEMONETIZATION

After demonetization, there is a change in the purchasing trends of good and services in market vendors and shopkeeper are accepting payment through credit / debit card as well as through e-wallet. People especially youngsters are opting the cashless route of payment for goods and services. There are many offers and incentives offered by the e-wallet companies like pay through us and get “x” amount as cash back for making the transaction.



Fig. 17. Image showing Street Vendors start taking payments though E-wallet like PayTM

Fig. 18. Image showing offering like “cashback” and “discounts” if payments though E-wallet like Freecharge

The above image shows if you use “freecharge” you will get some discounts in return, like freecharge is offering cashback offer on various outlets like, at **HP petrol pump** - 10%, at **McDonald** - 50%, **Domino’s Pizza** - 20%, **Vishal Megamart** - 20%, **Barista** coffee - 20%, **Cafe Coffee Day** - 15%, **Fun Cinema** - 10%, **Book my show** - flat 100 Rs. Off, **Haldiram** - 20% and at **OYO** rooms - 10% Cashback is offered. Freecharge is now offering shop online on **eBay India** using FreeCharge After demonetization people are moving towards this kind of apps and e-wallets, and the company who offers these services are motivating the users to make transaction through them. We can see there is a fast growth in these kind of e-wallet or apps for making payments. Other than this the government is also asking the system to go cashless and providing all the necessary support to the people for cashless economy.



Fig. 19. Image showing circular from RBI to all the banks to remain open on holidays

The above mentioned circular clearly mention that the bank will remain open on Saturday and Sunday for transactions, it is from RBI [Reserve Bank of India] after the announcement of demonetization on 9, November 2016. The government is taking all the required steps to maintain equilibrium but the pressure of large population and old market practices and putting some resistance and this will require some time to be in equilibrium.

प्रीचार्ज मोबाइल वॉलेट : इन 10 तरीकों से कीजिये हर तरह के भुगतान आसान

प्रीचार्ज पर ऑफर

- पानी की बोतलें खरीदें: 10% ऑफर
- मेकअप खरीदें: 50% ऑफर
- टीवी खरीदें: 20% ऑफर
- फ्लैगशिप खरीदें: 20% ऑफर
- किराने की सामान खरीदें: 10% ऑफर
- ऑनलाइन खरीदें: 10% ऑफर
- फ्लैगशिप खरीदें: 10% ऑफर



डिजिटल भुगतान से जोड़कर कैशलेस सोसायटी का निर्माण

जिला कलेक्टर गौरव गोलत ने अफसरों की बैठक में दिशे

फोटो रिपोर्टर : अजय

जिला कलेक्टर गौरव गोलत ने कृष्ण के प्रत्येक ग्राम पंचायत को डिजिटल भुगतान से जोड़कर कैशलेस सोसायटी का निर्माण किया जाय। गौरव को कलेक्टर के पदधारण में अर्जित विक्रम अभिकारियों की बैठक में उन्होंने कृष्ण के अभिकारिक भुगतान के 'पे-वॉश' को प्रत्येक गांव तक पहुंचाया। प्रत्येक ग्राम पंचायत स्तर पर इस से बम दो बैकिंग सर्विसेस 'बीएमए' बैंक निव की सेवाएं उपलब्ध होने चाहिए। कृष्ण लेन्ड के स्थान पर आधार काड अकाउंट, डिजिट बैंकिंग, प्रीपेड एवं एटीएम काड, गुरामएटी 'स्टार 99 हेम' एमबीआई इडी जैसे यूआई से भुगतान प्रक्रिया अपनाया सरल है। उन्होंने कहा कि भुगतान के माध्यम से किए जाने वाले कार्यों की गुणवत्ता गढ़ी होने के साथ ही कामत भी उचित होनी चाहिए। यह कार्य समय पर पूरे किए जाए।



कलेक्टर गौरव गोलत ने अफसरों की बैठक में दिशे

नगरों में श्रमिकों का प्रतिशत बढ़ाया जाना आवश्यक है। कैशलेस के कार्य पूर्ण किए जाने के प्रयास किए जाने चाहिए। वे कार्य जो पूर्ण होने की प्रक्रिया में नहीं है उन्हें निरस्त करने का प्रयास किया जाय। प्रत्येक ग्राम पंचायत परियोजना को पूरा किया जाय। स्वच्छ भारत अभियान के तहत निर्मित शौचालयों के लिए प्रोत्साहन राशि वसूली के अन्तर्गत प्राप्त व्ययों को ऑनलाइन भुगतान के द्वारा वितरित की जानी चाहिए। प्रधानमंत्री आवास योजना के आवेदकों की भी जो डेटिंग की जाए। इस अन्तर्गत पर अतिरिक्त जिला कलेक्टर अशु सुविधान चौधन, जिला परिषद के मुख्य कार्यकारी अधिकारी निरंजन गोलत एवं जनप्रतिनिधि उपस्थित थे।

Fig. 20. Image showing local administration is started acting for cashless payments

The government machinery is started acting to make a platform for cashless society, all the villages are made equipped to cashless money transfer all the payment will be routed through cashless transfer and government is making provision to make this happen in the real sense.

ICICI Bank seeks to digitise 100 villages in 100 days

Mumbai: ICICI Bank on Monday said it will run a project to transform 100 villages across the country into digital villages in as many days. The project envisages enabling villagers to use digital channels for banking and payment transactions. ICICI Bank will open accounts for all and enable cashless payments to retail stores through messaging-based applications that can run on basic phones. "Besides creating a cashless payment system, we will provide vocational training and credit linkages to make villages

digital," said Chandra Kochhar, MD & CEO, ICICI Bank. She added that the bank would draw from its experiences in Akodara village in Gujarat's Sabarkanta district where it ran a pilot project on digital villages. In the next 100 days, the bank will provide vocational training to 10,000 underprivileged villagers from largely agrarian states. The announcement is part of the bank's continuing effort to provide a digital ecosystem across the country, including rural India, in the wake of demonetisation of high value currencies, Kochhar said. To provide mobile banking access to the underprivileged, the bank plans to use SMS and USSD banking solutions. USSD (Unstructured Supplementary Service Data) is a technology that enables communication between the mobile phone and the bank's servers in a manner similar to how a mobile user checks his balance taking. In the first phase, ICICI Bank will use tablet-based banking and Aadhaar-based e-KYC to help villagers open accounts without submitting physical documents. All adults in the villages will have savings accounts, which will be linked to Aadhaar to enable direct transfer of government benefits.

Fig. 21. Image showing announcing efforts by ICICI bank to digitalize 100 villages in 1000 days

Not only government but also the private players like ICICI bank is also making the move to make 100 villages in 100 days, "besides creating a cash less payment system, we will provide vocational training and credit linked to make villages digital" - Chandra Kochar, ICICI Bank. In the first phase ICICI Bank will use the tablet - based banking and Aadhar based e-KYC to help villagers open accounts without submitting physical documents. All the adults in the village will have savings accounts which will be linked to Aadhar to enable direct transfer of government benefits.

पीओएस मशीन 16.5% सस्ती होगी

वर्कड प्रैमिंट को बढ़ावा देने के लिए शुल्क दरों में कटौती करेगा सरकार



वर्कड प्रैमिंट को बढ़ावा देने के लिए शुल्क दरों में कटौती करेगा सरकार

2.1 कांस्ट्रक्शन लागू करने से

वर्कड प्रैमिंट को बढ़ावा देने के लिए शुल्क दरों में कटौती करेगा सरकार

Fig. 22. Image showing announcing lowering down the price of POS machine

POS [point of sale] machine, is used to make payment through credit / debit cards while making the purchase. It can be commonly seen at the petrol pump or in shopping malls. To make the digital cashless payment government has offered a discount on the POS machines so that the machines will lower down in their cost by 16.5%, the merchants or vendors can purchase them to get the payment from the customers.

अब कैशलेस डिजिटल अर्थव्यवस्था के प्रयास तेज



Fig. 23. Image showing improvement in the direction of cashless economy in India

Kirana store as neighborhood bank, Banking paraphernalia required for this 'micro ATM': a smart phone, a small biometric fingerprint reader and a tiny printer.

The banking paraphernalia required for this 'micro ATM': a smart phone, a small biometric fingerprint reader and a tiny printer. All of these are so compact that the store owner has started taking it to the neighborhood mosque and self-help groups to recruit new customers. To deposit or withdraw cash, customers only need to provide their Aadhaar numbers. The store owner authenticates their identity by scanning a fingerprint before depositing or withdrawing cash. Any sum from Rs 100 to Rs 10,000 can be handled in a single transaction. Each transaction is tracked at Novopay's NOC (Network Operations Centre) in Bangalore.

The bank-in-a-kirana-store model is bringing financial inclusion nearer to the doors of the underprivileged like Sarwade in a country where about half the 1.3 billion people have no access to banking. The simple low-cost banking



solution has its backend based on the Aadhaar platform and is mounted on an Android phone.[7]



Fig. 24. Image showing news about government's E-wallet like PayTM and subsidy on smartphones in villages.

According to the news in daily local, the government is also planning to bring out its own e-wallet like PayTM to move towards cashless economy in India. This is again one step towards cashless economy, most of the people are still effected by demonetization specially in villages the government is planning to give subsidy on smartphone so that people can have it for the cashless transaction. According to the news, people are using debit cards more than 9 times than credit card. According to the statistics given here people are withdrawing money or making purchase 75 crore from debit card and 2.63 crore from credit cards, from the above state fats and figure it is clear that people are opting plastic money for making their purchase.



Fig. 25. Image showing “*99# is a USSD (Unstructured Supplementary Service Data)”

www.npci.org.in/documents/FAQs-NUUP.pdf

*99# is a USSD (Unstructured Supplementary Service Data) based mobile banking service from NPCI that brings together diverse ecosystem partners such as Banks & TSPs (Telecom Service Providers). Using *99# service, a customer can access financial services by dialing *99# from his/her mobile registered with the bank. The service works across all GSM service providers and handsets.

Step 1: Dial *99# with your registered number and wait for 3-5 seconds.

Step 2: Enter the three letter abbreviation of your bank name or first four-letter of bank IFSC or first two digits of bank's numeric code and hit send or call button.

Step 3: You will see some options for the services. It can be different for different banks. These options are-

- Account Balance
- Mini statement
- Send money using MMID
- Send Money using IFSC
- Send money using Adhar Number
- Show MMID

- Change M-PIN
- Generate OTP

From here, the process will be different for every service.



FUNDS TRANSFER (MOBILE NUMBER & MMID)



Fig. 26. Image showing “*99# is a USSD (Unstructured Supplementary Service Data)” operating instructions

VI. GROWTH OF ALTERNATIVE OPTIONS AFTER DEMONETIZATION



Fig. 27. Image showing growing trend of purchasing through debit and credit cards “cashless” payments.

<http://paper.bhaskar.com/detail/1095121/11252525015/>



Fig. 28. Image showing Airtel Payment Banks Source: [http://www.airtel.in/about-bharti/media-centre/bharti-airtel-](http://www.airtel.in/about-bharti/media-centre/bharti-airtel-news/corporate/airtel+payments+bank+announces+addition+benefit+on+savings+deposits#)

[news/corporate/airtel+payments+bank+announces+addition+benefit+on+savings+deposits#](http://www.airtel.in/about-bharti/media-centre/bharti-airtel-news/corporate/airtel+payments+bank+announces+addition+benefit+on+savings+deposits#)

The above image is showing the advertising from mobile company Airtel, stating that your mobile number is your bank account, Airtel payments bank is offering 7.25 % bank interest and 1 lakh rupees personal accidental insurance along with 1 minute talk time one every deposited money in your mobile account.

New Delhi/Jaipur, December 2, 2016: Airtel Payments Bank, the first payments bank in India to go LIVE, today announced a major additional benefit on savings account deposits, offering unmatched value to customers.

Any customer opening a savings account with Airtel Payments Bank, will get one minute of talk time* on his/her Airtel mobile for every Rupee deposited. For e.g. if a customer opens an account with a deposit of Rs 1000 then he/she will get 1000 minutes of free talk time on his/her Airtel mobile number. The talk time can be used for calling all over India. This benefit is applicable on first time deposits only. [9]



Fig. 29. Image showing advertisement of car manufacturer with Zero down payment and acceptance of Cheques/ DD/ Credit and Debit Cards

After demonization, there is a squeeze in the cash in hand of people and car manufacturer are facing a dip in the % growth in this quarter to cope up with the situation they are providing car in zero down payment and accepting cheque, demand draft, credit cards and debit cards.



Fig. 30. Image showing news and website home page with a new concept of delivering cash at home if people make purchase from their website

Src: <http://www.tailmill.com/>

“Cash at your home” people are making new business opportunities after demonization a Noida based startup “www.tailmill.com” who is providing the “Home delivery of



cash” all you have to do is shop from their website. It is a new concept and developed to cash the opportunity created by demonetization to sell their product online people can pay the amount online. Tailmill.com users can choose to get cash of upto Rs.1000 delivered with their orders



Fig. 30. Image showing 'Cash@Home'
Src: www.snapdeal.com

E-commerce major Snapdeal has recently announced the launch of 'Cash@Home' service, which allows users to order cash and have it delivered at their doorstep for a nominal charge of Rs 1.

Demonetization: Snapdeal launches cash on demand service for customers. A user can request INR 2000 per booking and any bank's ATM card can be used to pay for the cash. The company said that the service is a goodwill gesture to allow users to easily access cash without having to queue up at their bank or at the ATMs. Snapdeal will be using the cash that it receives through Cash on Delivery (CoD) to operate this facility.

The amount of Rs 1 need to be paid through FreeCharge or a debit card at the time of booking the order. At the time of delivery, consumers just need to swipe their ATM card on the PoS machines, which Snapdeal's courier partners will carry for all such deliveries. The courier person will hand over INR 2000 in cash. "We aim to be the marketplace that seamlessly services every customer need. As the country transitions to a more digitally enabled economy, we've launched a series of timely initiatives – from wallet and card on delivery, to extending FreeCharge partnerships to smoothen this transition. The launch of the cash on demand service is intended to further help our consumers tide over any cash crunch that they might face in addressing their daily needs." Co-founder, Snapdeal, Rohit Bansal said.

A user can request INR 2000 per booking and any bank's ATM card can be used to pay for the cash. The service is already live in Gurgaon and Bangalore and will be extended to other major cities in the coming days, with the operative details to be updated as per user feedback and availability of currency notes. [10]



Fig. 31. Figure Showing latest technology amazon go no line no register, no cash required.

Source: <https://www.amazon.com/b?node=16008589011>

End of cash and physical wallets, just Shop and Leave...No Checkout Line – Amazon Go

In early 2017, Amazon is opening the first store without any checkout lines. You scan your smartphone on the way in, shop, and walk out when you are done. Introducing Amazon Go and the world's most advanced shopping technology. Amazon Go is a new kind of store with no checkout required. Amazon created the world's most advanced shopping technology so you never have to wait in line. With our **Just Walk Out Shopping experience**, simply use the **Amazon Go** app to enter the store, take the products you want, and go! No lines, no checkout. As the customer walks out the store the purchase amount of the items will be added and debited from the credit card or bank account with immediate transaction details. Amazon Go is currently open to Amazon employees in our Beta program, and will open to the public in early 2017.

This unique concept will change the way of shopping, our shopping trends changes after generation to generation, like people used to go city market and to product specific they used to go to the market which is famous for that thing, after the shopping mall culture, having experience of shopping in air conditioned environment but they have line to pay the amount, this is a unique concept from Amazon.

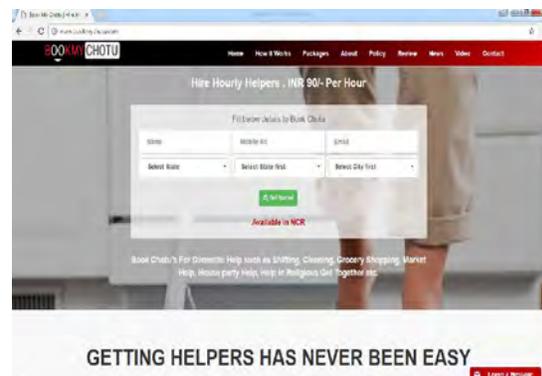


Fig. 32. Image showing new concept of getting help from startup bookmychotu.com for banking operations

Src: www.bookmychotu.com



Bookmychotu
 Are you short of cash ?
 Need a Helper to stand in Queue of the bank / atm till the time your turn comes??
www.bookmychotu.com
 First on demand helper booking service
 Hire Hourly Helpers @INR 90 per hr
 Available in DELHI NCR

****Please note our boys will not go inside bank , they will just stand in the queue for our customers as we understand that there can be some emergency and our helpers can help you in the same by saving your valuable time . Also chotu is just a name , all our helpers are above 18yrs of age

Timeline Photos · Yesterday at 12:41pm ·

[View Full Size](#) · [More Options](#)

Fig. 32. Image showing new concept of getting help from startup bookmychotu.com for banking operations
 Src: www.bookmychotu.com – Social Media

Again a new alternative to handle the situation, getting help with the “Chotu’s” on hourly payment basis all you have to do is Log On to our website www.bookmychotu.com or call on +91-8587028869, Enter your basic details like name, time, date, address etc. Get confirmation and relax the job has been done. Hire Hourly Helpers. INR 90/- Per Hour. This company has it android app too to help the people on the move with their mobile devices. after demonetization the people were standing in a long queue for exchanging their old currency note from the new one or in front of ATM to get cash, many senior citizen are having trouble in standing in line and wait for their turn, or some people cannot leave their offices for 3-4 long hours to sand in line this opportunity has been cashed by this company to stand in a long queue of banks/ ATM till the persons turn comes. The person who book "chotu" for standing in line in spite of him has to pay on hourly basis, the chout's will not enter in the banks but help in saving your valuable time.

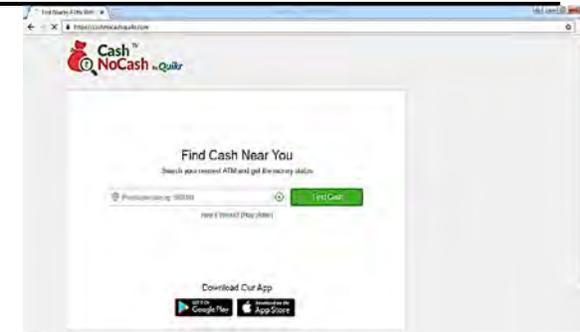


Fig. 33. Image showing new concept of getting help from startup www.cashnocash.com by Quiker to find cash in ATMs at your nearest location
 Src: <https://cashnocash.quikr.com/>

Find Cash near You, Search your nearest ATM and get the money status. This is a unique effort after demonetization, people are roaming here and there from one ATM to another in search of cash, this website provides the information where the cash can be in which location of your city, it gives the name and location of the ATM's where there is cash and which ATM is out of cash.

This is a new service, which was not available before, this was very help to the persons who are roaming here and there for getting cash out of ATM but find that the ATM is out of cash, at this time this could be very handy to find where to go and which ATM has the cash at its location. This website also has it mobile app, that can be downloaded from Google Play Store, people can now have the location and status of cash in their mobile as handy.



₹0 Cash Down Payment 100% Finance
 Hurry offer valid till 30th November 2016

SANTARA Savings up to ₹2,00,000* (D) | **VERENA** Savings up to ₹1,00,000* (P/D)

EXCLUSIVE BENEFITS*
 • Attractive Exchange Benefits
 • Monthly Benefit up to ₹10,000* & more
 • Special Offer Card (S.O.C) Road & more

ADDED BENEFITS*
 • Free Insurance & Extended Warranty*
 • 24x7 online loan facility

SPECIAL BENEFITS*
 • 1 Year 0% Rate for Car P.O. Loans
 • 2 Year 0% Rate for P.O. Loans
 • Special Rate for New P.O. Loans

FINANCE BY
 • Credit Card
 • Debit Card
 • Bank Transfer
 • M-Pesa

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For more details, visit www.maruti.com

Complete piece of mind with 100% nationwide service outlets and 5,500 sales outlets across 877 cities.

Market Region	Customer Support	WhatsApp Number	Search Number	P.O. Number
North Region	011-26151515	915000000000	7242000000	41110000000000
West Region	020-26151515	915000000000	7242000000	41110000000000
South Region	044-26151515	915000000000	7242000000	41110000000000
East Region	033-26151515	915000000000	7242000000	41110000000000

Fig. 34. Image showing advertisement of car manufacturer in Times Of India - accepting online/ debit card / credit card payment with 100 % finance

The car manufactures are also in the line of cashless transaction as the sale gown down due to demonetization effect, they are offering customers to avail discounts and accepting payments through credit cards, debit cards, or online banking. This is a good sign for the Indian economy for going cashless

INDIARETAILING.COM

Snapdeal Trends 2016: Delhi-NCR most online shopping savvy city in India
 By Indiaretail.com December 27, 2016

Snapdeal, India's largest online marketplace, has today announced its annual digital buying trends highlighting the consumer preferences and habits recorded on its platform for the year 2016.

Key Findings:
 • **Delhi-NCR** is the most online shopping savvy city in India.
 • **Online shopping** is the preferred mode of purchase for 70% of consumers.
 • **Mobile shopping** is growing rapidly, with 45% of consumers using mobile devices to shop online.

Fig. 35. Image showing Snapdeal trends 2016, Delhi –NCR most online shopping savvy city Source- <http://www.indiaretail.com/2016/12/27/retail/snapdeal-trends-2016-delhi-ncr-online-shopping-savvy-city-india/>

Snapdeal, India’s largest online marketplace, it announced its annual digital buying trends highlighting the consumer preferences and habits recorded on its platform for the year 2016. Snapdeal Trends 2016: Delhi-NCR most online shopping savvy city in India. As India leapt into a digital lifestyle, the sales recorded on Snapdeal for the year 2016

revealed that Delhi-NCR topped the charts as the most online shopping-savvy metro city in India, followed by Bangalore and Mumbai. Pune emerged as a leader amongst all Tier I city shoppers.

Vodafone customers always stay ahead of the trends!

Enjoy **12% off*** on purchases at ShopClues with M-Pesa

Use code: **VFM-PESA12**

Shop now >

SHOPCLUES | Vodafone | M-Pesa

*Valid on the maximum spend of ₹700. Discount capped at ₹50. T&Cs apply.

Fig. 36. Image showing Vodafone’s offering 12% discount on purchasing from Shopclues with M-Pesa [E-wallet]

World’s number two mobile giant Vodafone is also offering the 12% off on purchase at Shopclues with M-Pesa. It is a mobile E-wallet from Vodafone, M-Pesa is also can be used in paying Vodafone bills through mobile e-wallet and it is crediting Rs.25 for the next 3 month if you pay the bills from M-Pesa. The billed amount will be debited from your credit card or bank account.

People are starting using these facilities as an alternate option to cash for paying utility bills etc. there is a growth in opting cashless transaction in daily routine purchasing and companies are also making the efforts to get the money from customers from credit / debit card or other options like PayTm etc. the effort of government is to change from cash to cashless transaction this is the changing phase and people are somewhat resistance to accept the change in general but in metro cities this trend is picking up very fast. According to the Snapdeal example quoted earlier Delhi is on the top in online purchasing than comes Bangalore. We will be able to order a host of products online, e-commerce also allows many ways to order products and services online, including the use of credit/debit cards or e-wallets, like the case of PayTM or Freecharge in India. This will allow for instant flow of money from one account to other, while being transparent to the right authorities regarding transactions taking place. Also helps in case of high value transactions where the threat for loss of cash exists

VII. QUESTIONNAIRE

Understanding the view of common people who are customer and businessman both what are their views about the present condition and how young people are reacting on the situation how the growth of alternatives payment option are growing, upto what extent the people are going to purchase cash less through alternatives. To get the opinion from people the author has floated online questionnaire to get the views about demonetization effect, here is the link for the questionnaire: - https://eSurv.org?u=Demonetization_2016.



An Empirical Study Of The Effects Of Demonetization In India In The Year 2016 and Analyzing Shifting Trends in Marketing / Purchasing to The Alternative Options

1. According to you Demonetization is

Stop printing currency notes Stop banned currency notes for legal tendering

2. According to you Indian economy will get effected due to Demonetization effect

Yes No

3. According to you Demonetization will flush out "dead deposited black money" to the system

Yes No

4. According to you due to Demonetization effect, there is a possibility of "cashless economy" in India

Yes No

5. According to you will there be any effect on parallel economy

Yes No

6. According to you due to Demonetization there will be effect on Real Estate, Gold and Luxury goods and Automobiles to certain extent

Yes No

7. According to you due to Demonetization effect people will prefer more of "Plastic Money" for purchasing

Yes No

8. According to you due to Demonetization effect the market will opt for alternative payment methods for making transactions like e-wallet, online banking and credit/ debit cards.

Yes No

9. Do you prefer using e-wallet like Paytm, FreeCharge [Snapdeal], MobiKwik , Airtel Money, Vodafone M-pesa, Chillr ,Oxigen Wallet ,PayU Money, Pockets by ICICI Bank, mRupee,Citrus Pay, *99# USSD etc. for making transactions instead of cash?

Yes No

10. Do you think the concept like "Kirana Store as Neighborhood Bank" will help in making Indian economy a cashless economy?

Yes No

11. Do you think the various "Cashback" and "Discount" offers made available by e-wallet and online shopping companies are helpful in motivating people towards "Cashless" Payments

Yes No

12. Do you know about the *99# USSD services for making bank transaction that do not require Internet or Android device to complete the process?

Yes No

13. Do you know about Airtel payment bank or Vodafone M-pesa services for making transaction and their offers?

Yes No

14. Do you know about www.tailmil.com's offer about home delivery of cash if you purchase from them?

Yes No

15. Do you know about the service "Cash@Home" by Snapdeal.com?

Yes No

16. Do you know about the Amazon's upcoming store "Amazon Go" there will be end of physical wallet need, no physical lines or queues for making payments just "shop and go" feature?

Yes No

17. According to you e-wallets, online banking etc. are emerging as best alternatives to pay instead of cash

Yes No

< Finish Survey >

VIII. RESULTS OF SURVEY QUESTIONNAIRE





IX. INTERPRETATIONS

Regarding the result interpretation of the questionnaire floated online, the results came up as follows: People are very clear about demonetization, maximum people are saying that due to demonetization the Indian economy will be effected, they are also sure about the "black money" will either disintegrate or flush to the main stream, people will try to save their money even after the plenty and lock in period of 4 years as suggested by the government, the question regarding the cashless economy in India people are in favor of the same, as we have more option to make transaction in 2016 in comparison to the last time when the demonetization effect hit the Indian Economy. The question regarding parallel economy, real estate, Gold and Luxury goods and Automobiles these are the goods people used to buy with plenty of cash in hand and people also use back money to bring these assets these sectors are most likely hit by the demonetization effect in India. Plastic money, e-wallet, online banking, with "cashback" and "discounts" these are the most preferred methods by young generation and in future the study gives a sign that these transactions will grow. there are new concepts like "Kirana Store as Neighborhood Bank", *99# USSD services,

www.tailmil.com's offer, "Cash@Home" by Snapdeal.com, "Amazon Go" etc. are emerged as alternative to the cash payments which is demand of the time and slowly people are accepting and moving towards them, various "Cashback" and "Discount" offers made available by e-wallet and online shopping companies are helpful in motivating people towards "Cashless" Payments.

X. CONCLUSIONS AND SUGGESTION

Demonetization is a topic where the views can be different where you are standing on which side of the table. After the announcement of demonetization of 500/- and 100/- currency notes on 8th November 2016 the situation became very tense, all of a sudden people and marketers face problems and banks were working even in holidays for making the situation stable. This time people have alternative options to purchase the goods even with the limited cash dispensed through ATMs. If we talk about the alternative options in the market to pay "cashless" we are having E-wallets, credit and debit cards, online banking and mobile banking. People are accepting and moving towards m-commerce by using e-wallet like PayTm etc. many street vendors and shopkeepers are accepting payments through e-wallet like PayTM, Freecharge etc. news and media are publishing news about accepting the "cashless" transaction in daily routine purchases, the government is strictly working in the direction of making Indian Economy as "cashless" economy and there are various new services launched by government which were not present in earlier times like *99# USSD which do not require Internet or Android smartphone. "Kirana Store as Neighborhood Bank", www.tailmil.com's offer, "Cash@Home" by Snapdeal.com, "Amazon Go" are the latest update in this direction. Some People are suffering due to lack of information and resistance to use these alternatives, as these transactions are through bank and can be monitored by the government and there is no hope of "cash" or "black money" in online trading like the transacted amount is directly debited from one person's account and going to another person's account who have a valid bank account number with all KYC conditions satisfied. Companies like Amazon bringing up the latest technology equipped store named "Amazon Go" where there will be no queues, no cash required just shop and go, payments will auto debited from your bank account. E-wallet companies are promoting "cashless" transaction with "cashback offers" and "Discount" on the purchase and making payments through their e-wallet. This motivation drives people to pay cashless. After studying the scenario, after demonetization effect the author suggest that there is a acute need of educating people about various alternatives available in the market and making the online transaction more safe so that people can trust on this system, gradually the change will come as the new generation will grow and start using these technology nowadays we are having 4G network with high speed data connection and smartphones available, in future the purchasing trend will shift from "click" to "tap" from e-commerce to m-commerce. [12]



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