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Abstract

**CURRENCY CUES: THE ATTRIBUTES THAT INFLUENCE SAVING
AND SPENDING PATTERNS IN INDIAN CURRENCY NOTES**

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Abstract

Purpose: Currency is culturally significant (i.e., represents identity) and can also be a source of pride. While previous research has focused on the economic issues associated with currency, limited research has been conducted on how the design, colour, size and condition of banknotes affect the psychology of spending or saving in India. This study explores the attributes of Indian currency notes (design, colour, size, condition, and denomination) and spending and saving behaviour.

Study Design: This study used a mixed-methods approach, conducting three FGDs and validating findings through quantitative measures: collecting a sample of 121 and analysing the data for associations.

Findings: The data show statistically significant associations between spending behaviour and lower denominations, as well as purchasing additional items due to change and an association between saving behaviour and the condition of the note. Most currency attributes exerted perceptual influences on consumers when making decisions about spending or saving. Even though digital payments are on the rise, cash continues to coexist and appears to hold its ground as a payment method in India.

Originality: The research encompasses underexplored aspects of currency, including its behavioural and psychological dimensions and considerations, providing deeper insight into how currency functions beyond traditional economic analysis. This will be of great use to both policymakers and financial institutions seeking to enhance currency design and management, while also offering further insight into understanding consumer behaviour regarding currency in India.

Keywords: Currency, Consumer, Spending, Saving, Cash, Behaviour

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