

"A man is
great by
deeds, not by
birth"

-Chanakya

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**The Return of Cash with the Declining Effect of Crisis:
Rise and Fall of Digital Payments in India post Demonetization**

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Abstract:

The cash crisis in demonetization led to the rise of digital payment adoption in India. Similarly, across the globe, the diffusion of information technology has often been initiated by environmental shocks from crises and disasters. Nevertheless, the impact of the initial shock reduces over time. This results in a gap that challenges the future of the technology, whose primary diffusion had been triggered by the crisis. While the information systems (IS) literature heavily focuses on technology usage during and immediately after crisis situations, the phenomenon of dying effect of the initial push by a shock is rarely investigated, which is the purpose of this paper. We investigate this phenomenon using the cash withdrawal patterns of ATMs located in a state in India, for a period of three continuous years post-demonetization. The findings suggest that the demonetizations' pushing effect on mobile payments has gradually dampened over the years. This study contributes to the prior IS literature on technology diffusion post-crisis and digital payment continuity. The government and policymakers promoting digital payment diffusion can gain insights from the study, and understand the dying effect of crisis-induced technology adoption.

Keywords: Technology diffusion; Cash withdrawals; Information technology in Crisis; Digital payments

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