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## **Cash vs. Credit: Does the Way You Pay Change How You Value a Purchase?**

If you donate to a charity by check, are you more likely to donate to the same charity in the future than if you had used a credit card? According to a recent study in the [Journal of Consumer Research](#), paying by cash or check (versus credit or debit card) increases your emotional attachment to a purchase.



“While the convenience of going cashless is undeniable, it comes with an inadvertent downside—we tend to value purchases less when using a card than when we pay via the more ‘painful’ methods of cash or check,” write authors Avni M. Shah (University of Toronto), Noah Eisenkraft (University of North Carolina), James R. Bettman, and Tanya L. Chartrand (both Duke University).

Through several studies, the authors explored the consequences of paying with plastic. In one study, consumers were sold identical mugs for \$2. Half were told they could only pay by cash; the other half were told they could only pay by credit or debit card. When later asked to sell the mugs back, consumers who had paid by cash asked for an average of \$3 more for their mug than the card-using buyers did.

In another study involving charitable donations, consumers were given either \$5 cash or a \$5 voucher and asked to donate to one of three charities previously unknown to them. When asked how connected they felt to their chosen charity, the participants who donated by cash reported feeling more connected to their charity than those who donated by voucher—an especially interesting response given they hadn’t even used their own money.

“The form of payment clearly influences the subsequent value of the purchase to the consumer, even when the objective monetary cost remains constant. Using cash or check seems to increase the psychological ‘pain’ or sacrifice of the act and creates more affinity with the product or brand,” the authors conclude.

Avni M. Shah, Noah Eisenkraft, James R. Bettman, and Tanya L. Chartrand. “[‘Paper or Plastic?’ How We Pay Influences Post-Transaction Connection.](#)” *Journal of Consumer Research*: February 2016.



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