1.1 INTRODUCTION

India is moving forward on the way of the most significant digital revolution and digital payment system will be an important landmark in the regime of cashless economy in the coming years. Digital payment system is an electronic medium that allows consumers to make electronic commerce transactions for their purchase and also financial transactions. The development of the digital payment in India is anticipated to be driven by digital payment service providers, effective banking regulatory mechanism and experience of consumers and these are also growth enhancing factors for digital payment in India . Digital payment system has remarkable momentum particularly after demonetization in India. The Government of India is taking various steps for efficient utilization of digital payment platforms to wipe out corruption and black money from the Indian economic system. Presently, around 60 per cent of the transactions in India are taken place through digital platforms. Though digital payment is generally accepted by public, there are few criticisms about processing of digital payment system. To popularize and speed up of adoption of digital payment, there are many number of digital payment systems are launched in India.

The last decade has seen tremendous growth in use of internet and mobile phone in India. Increasing use of internet, mobile penetration and government initiative such as Digital India are acting as catalyst which leads to exponential growth in use of digital payment. Electronics Consumer transaction made at point of sale (POS) for services and products either through internet banking or mobile banking using smart phone or card payment are called as digital payment. The consumer perception of digital payment has a significant and positive impact on adoption of digital payment.

The Digital Nation is flagship programme of the government of India with a vision to rework India into a digitally authorized society and data economy. “Faceless, Paperless, Cashless” is one among professed role of Digital India. Payments square measure created victimization payment instruments. Cash, let us say, may be a payment instrument. Therefore too square measure checks. However, digital payments do not seem to be one instrument however rather associate degree umbrella term applied to a spread of various instruments employed in alternative ways. Since there is nobody commonplace definition of a digital or e-payment, you must decide on a transparent and implementable definition at the beginning of any measure exercise. The topic matter is advanced, however there square measure two key dimensions of categorization that square measure most important: Neither term includes a commonplace definition; however, each square measure typically accustomed mean identical thing—transfers valuable that square measure initiated and/or received victimization electronic devices and channels to transmit the directions. Thus during this manual they are interchangeable. Note that digitizing is usually applied to processes except payments: Thus, a government might change its method of accounting; however still build payments by paper (check or cash). For additional on e-payments, Narrow choice- 'Paper' vs 'non-paper': Instruments that have faith in a paper-basis for authorization, reminiscent of checks, traveler's checks, and cash orders, square measure thought to be 'non-digital' and every one different instruments square measure thought to be 'digital'.

Digital payment system is an electronic medium that allows consumers to make electronic commerce transactions for their purchase. The rate of adoption of digital payment is positively and significantly affected by perception of consumers. At the same time, the digital payment system should adopt appropriate measures to overcome undue delay in processing payments. Hence, this study helps to identify the consumers' perception on digital payment, factors influencing cashless transactions and also identify the level of awareness of the consumers .

1.2 STATEMENT OF THE PROBLEM

The Digital India programme is a flagship programme of the Government of India with a vision to transform India into a digitally empowered society and knowledge economy. ". As part of promoting cashless transactions and converting India into less-cash society, various modes of digital payments are available. Demonetization has presented a unique platform for adoption of digital payment as an alternative to cash for Indian consumers. The demonetization resulted in unprecedented growth in digital payment..Hence therefore the study is aimed at getting information about consumer perception towards digital payment in Kannur District area..

1.3 SIGNIFICANCE OF THE STUDY

According to the Government of India the digital payment will increase the employment, reduces risk related to cash like corruption, robbery, and carrying or storage of large amount of cash and made all transactions to be done cashless or digitalized which helps the people to transfer the money with security and safety at high speed. The impact of this policy is a step towards the modernization and globalization by making the economy cashless. The present study titled "A STUDY ON CONSUMERS PERCEPTION TOWARDS DIGITAL PAYMENT WITH SPECIAL REFERENCE TO KANNUR DISTRICT AREA" attempt to analyse the perception of consumers towards digital mode. This study is relevant in the present scenario because the digital payment changed the buying behaviour of Indian society. It prevents black money market. On the earlier, when digital payment introduced people hesitate to change their transaction habit but after demonetization, they force to do their transaction with digital payment. This study helps us to know the perception of consumers towards digital payment and also analyse the obstacles and difficulties in digital payment.

1.4 SCOPE OF THE STUDY

This study covers consumers in Kannur District area in Kerala who use digital payment modes for transaction. This study gives due importance to the consumers perception towards digital payment in Kannur District area.

1.5 OBJECTIVES OF THE STUDY

- To study the awareness and perception towards digital payment among consumers.
- To study the impact of demonetisation on adoption of digital payment among consumers.

- To analyze the major obstacles faced by consumers while using digital payment.
- To find out the major reason for adopting digital payment by consumers

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