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A Study on Customer Awareness towards E-Mandate Registration with Reference towards Tiruchirappalli District

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Abstract

E-mandate registration is a digital process enabling automated, recurring payments for services such as subscriptions, loan repayments, and utility bills. Governed by frameworks like the National Automated Clearing House (NACH) and regulated by the Reserve Bank of India (RBI), it offers a secure, efficient, and paperless mechanism for authorizing and managing payments. Customers provide consent through net banking, debit cards, or Aadhaar-based authentication, facilitating seamless transactions. Enhanced guidelines by the RBI ensure customer protection through features like additional factor authentication, pre-debit notifications, and flexible modification or cancellation options. E-mandate registration streamlines payment systems, benefiting both customers and businesses by ensuring timely payments, reducing manual intervention, and enhancing the overall financial ecosystem.

Keywords: E-Mandate Registration, Recurring Payments, National Automated Clearing House, RBI Regulations, Paperless Payments

I.INTRODUCTION

In today's digital age, automation and convenience have become integral to financial transactions. E-mandate registration is a revolutionary approach to managing recurring payments, allowing customers to authorize periodic debits from their bank accounts without manual intervention. This process is powered by the National Automated Clearing House (NACH) or other electronic payment platforms and is regulated by the Reserve Bank of India (RBI) to ensure security and transparency. E-mandates simplify the process of paying for recurring services such as subscriptions, insurance premiums, EMIs, and utility bills. By leveraging digital platforms, customers can provide their consent for these payments through online methods like net banking, debit cards, or Aadhaar-based authentication. The system eliminates the need for physical paperwork, reduces delays, and ensures error-free transactions. With growing adoption in India, e-mandates represent a significant step towards a cashless economy, offering enhanced convenience for customers and improved operational efficiency for businesses. This introduction provides a foundation for exploring the mechanisms, benefits, and regulatory framework of e-mandate registration.

What Is e-Mandate?

While availing a personal loan, there was a time when the repayment needed to be done through cheques. The bank or financial institution would create physical mandates for loan repayments. This was applied to both secured and unsecured loans. In simple words, the application of loan, documentation, disbursement and repayment involved a lot of paperwork. However, this is no longer the case. Individuals can now apply for an instant loan and upload the documents through a personal loan app as well. This is also applicable for repayments, which is precisely where an e-mandate comes in. For first-time loan applicants and credit card users, e-mandate is a new concept.

What are the Benefits of an e-Mandate?

- **Hassle-free Process:** The entire e-mandate registration and the process is simple and seamless. All the applicant needs is a bank account with net banking access. This process is a one-time process, thus making future payments hassle-free. Also, if there are any further changes to the bank account, the applicant can have it done without having to visit the branch.
- **Time-Saving:** One of the drawbacks of the physical mandate process is that verification would take time. From the time the form was duly filled, submitted and approved, it would take weeks for the lender to start the auto-debit process. However, this is not the case with e-mandates. The e-Mandate form can be approved within a matter of hours. Pan India presence: e-mandates make it easier for you to make pan Indian payments. Hence, it does not matter if you reside in one state and need to make recurring

payments in another. All you need to do is follow the eMandate process and registration, and continue making payments.

- **Increase customer retention:** During your e-mandate registration, you will receive a one-time password (OTP). With this one-time authentication, lenders, services, and businesses can auto-debit the amount due from the applicant's bank account. This means that the customer can reap the benefits of service without interruption. Moreover, the customer does not need to keep making physical payments against the service, thus increasing customer retention and building loyalty.
- **Track transaction:** Being a digital process, customers can track every transaction as it is captured online. This helps in reconciliation and avoids the usage of multiple cards and tools.

Statement of the Problem

The increasing reliance on digital payments has highlighted the need for seamless and secure mechanisms to handle recurring transactions such as subscriptions, utility bills, and loan repayments. While e-mandate registration offers a promising solution to automate these processes, several challenges persist that hinder its widespread adoption and effectiveness.

Despite the regulatory framework provided by the Reserve Bank of India (RBI) and the technological advancements through platforms like the National Automated Clearing House (NACH), issues such as limited awareness among users, inconsistent implementation by service providers, and technological barriers impede its efficiency. Furthermore, customers often face concerns regarding data security, unauthorized debits, and lack of control over recurring payments. Businesses, on the other hand, encounter challenges in integrating e-mandate systems, ensuring compliance, and addressing payment failures.

This research seeks to address these gaps by analyzing the effectiveness, challenges, and user experience of e-mandate registration systems. The study aims to identify the underlying problems and propose solutions to enhance adoption, security, and reliability, thereby contributing to the evolution of a more efficient digital payment ecosystem.

Objectives of the Study

- To study the awareness of the customers towards E-mandate Registration Process.
- To evaluate how e-mandate registration simplifies recurring payment processes and its impact on customer satisfaction and adoption rates.
- To examine the purpose of E-mandate Registration
- To determine the customer satisfaction towards E-mandate Registration.

Significance of the Study

- E-mandate registration promotes automation and digitization in financial transactions, aligning with India's goal of becoming a cashless economy.
- By eliminating manual payment processes, e-mandates simplify recurring payments, reduce missed deadlines, and enhance customer satisfaction. Research can highlight its impact on user behaviour and adoption patterns.
- The system operates under stringent guidelines by the Reserve Bank of India (RBI), ensuring secure and transparent transactions. A detailed study can explore how these regulations protect customers and influence trust in digital payments.
- Investigating the limitations, such as technical issues, lack of user awareness, and integration complexities, can provide actionable insights for improving the e-mandate framework.
- The insights gained from this research can benefit stakeholders across the digital payment landscape, fostering innovation, improving user experiences, and supporting the development of a robust and inclusive financial ecosystem.

Review of Literature

Verma, S., & Chatterjee, N. (2020). Adoption of E-Mandates in Emerging Markets: Challenges and Opportunities. *International Journal of Financial Inclusion and Digital Payments*, Volume 12, Issue 1, Pages 56–75, March 2020 The adoption of e-mandates in emerging markets presents both significant opportunities and challenges. This paper explores the factors influencing the acceptance of e-mandates in these markets, with a focus on technological infrastructure, regulatory frameworks, and consumer behavior. The study identifies key barriers, such as inadequate internet connectivity, lack of financial literacy, and concerns over data security. However, it also highlights opportunities for growth, including the rise of mobile payments, increasing smartphone penetration, and evolving fintech innovations. The authors propose strategies for overcoming these challenges and maximizing the potential of e-mandates to drive financial inclusion and economic growth in emerging markets.

Rajasekaran, P. (2021). E-Mandates in India: Regulatory Framework and Market Trends. *Indian Journal of Banking and Digital Finance*, Volume 7, Issue 3, Pages 45–62, October 2021 This paper examines the regulatory framework and market trends surrounding e-mandates in India, highlighting their transformative impact on recurring payment systems. It provides an in-depth analysis of the Reserve Bank of India's guidelines and their implications for stakeholders, including financial institutions, merchants, and consumers. The study identifies key drivers of e-mandate adoption, such as increasing digitalization and consumer demand for convenience, while addressing challenges like compliance, cybersecurity risks, and technological readiness. By combining qualitative insights with quantitative data, the paper offers a comprehensive view of the evolving e-mandate ecosystem in India and its potential to reshape the financial landscape.

Parmar, Nilam & Machhar, Suresh. (2022). A Study on the Adoption of E-Payment Systems in India: A Literature Review. 2. 1-12. This Paper Aims A Literature review on the adoption of e-payment systems in India. The literature analysis till April 2022 has been reviewed using different electronic databases such as ACM digital library, EBSCO, Emerald Insight, Google scholar, JSTOR, ProQuest, SAGE Journal, Science Direct (Elsevier), Springer link, Taylor and Francis online, Wiley online library, Websites. Reviewed past research papers and different websites many studies were conducted around the world by research scholars on the adoption of e-payment systems. This study mainly concentrated on the Indian perspective and the findings of all literature will be discussed in the full paper. The study result can be useful for future research on using qualitative data on the adoption of e-payment systems.

Kumar, S., & Roy, B. (2024). Consumer Concerns in Automated Transactions: The Case of E-Mandates. *Journal of Financial Technology and Consumer Behavior*, Volume 9, Issue 2, Pages 87–10, July 2024 . The findings emphasize the need for clear communication of terms, enhanced security protocols, and simplified processes to build trust and confidence among users. Addressing these concerns is essential to promoting the adoption of automated payment systems and ensuring a seamless consumer experience. The study also highlights the role of regulatory frameworks and financial literacy initiatives in mitigating consumer apprehensions, paving the way for more inclusive digital ecosystems. Kumar and Roy highlighted the persisting concerns around data privacy and unauthorized transactions. Their research advocated for stronger regulatory mechanisms and consumer awareness campaigns to build trust in e-mandate systems.

Choudhary, L., & Iyer, K. (2024). Usability Challenges in E-Mandate Registration. *International Journal of Digital Payment Systems*, Volume 12, Issue 4, Pages 321–340, June 2024. This study explores the challenges faced by users during e-mandate registration, focusing on interface design, accessibility, security concerns, and technical interoperability. Through a mixed-methods approach, including user surveys and task analysis, key pain points such as unclear instructions, technical glitches, and poor device compatibility were identified. The findings underscore the importance of user-centered design principles and robust infrastructure in improving the e-mandate registration experience. Recommendations for addressing these challenges are discussed, providing actionable insights for financial institutions and developers to foster greater adoption and user satisfaction.

Hypothesis of the Study

H₀₁: There is no significant relationship between Educational qualification and Overall awareness among customers towards E-mandate registration.

H₀₂: There is no significant relationship between Monthly Income and Overall awareness among customers towards E-mandate registration.

Research Methodology

A Research has to come under a 'Descriptive' type of research. Snow Ball Sampling was selected for this study to find out the awareness of customers towards E-mandate Registration. The Questionnaire was prepared to collect the data. The respondent should be the customer of and the questionnaire customers who registered under E-mandate was distributed to 50 respondents have been selected for the researchers convenient. The questionnaire was divided into two parts, which were: a) Personal information of the respondents b) Customer awareness related questions. Primary data was collected from the customer through a questionnaire. secondary data is collected from past research, journals and websites. The collected data has been analyzed through SPSS Percentage analysis and Chi Square test has been applied to find the result of the study.

Analysis and Interpretation

Table No. 1 Demographic Profile of the Respondents

Demographic variables	Category	Frequency	Percentage
Gender	Male	37	74
	Female	13	26
	Total	50	100
Age (in years)	Below 30 years	16	32
	30-40 years	26	52
	40-50	5	10
	51 and above	3	6
	Total	50	100
Educational qualification	Professional	21	42
	UG	13	26
	PG	14	28
	Others	2	4
	Total	50	100
Occupation	Government Employee	4	8
	Private Employee	4	8
	Business	23	46
	Others	19	38
	Total	50	100
Monthly Income (in ₹)	Less than ₹ 20,000	14	28
	₹ 20,001 – ₹ 35,000	4	8
	₹ 35001- ₹45,000	28	56
	More than ₹ 45,001	4	8
	Total	50	100

Source: Primary data

The above table indicates that majority of the respondents i.e., 74 percent of them were male, 52 percent of them were age between 30-40 years, 42 percent of them educational qualification is Professional, 46 percent of them were occupation is Business and 56 percent of them monthly income is more than ₹ 35,001 - ₹ 45000.

Chi-Square Test

Null Hypothesis (H_0): There is no relationship between Educational qualification and Overall awareness among customers E-mandate registration.

Table: 2 Relationship between Educational qualification and Overall awareness among customers towards E-mandate registration.

	Value	Df	Asymp. Sig
Pearson Chi-Square	23.221	9	0.005

Hence the p-value is less than 0.05, the framed null hypothesis is rejected at 5 percent level of significance. There is a significant relationship between Educational qualification and Overall awareness among customers E-mandate registration.

Major Findings

- The majority of the respondents i.e., 74 percent of them were male.
- 52 percent of them were age between 30-40 years.
- 42 percent of them educational qualification is Professional.
- 46 percent of them were occupation is business.
- 56 percent of them monthly income is more than ₹ 35,001 - ₹ 45,000.
- There is no relationship between Educational qualification and Overall awareness among customers E-mandate registration.

Suggestions

- The bank should find some kind of easy method for uneducated people.
- The bank should implement awareness programmes to retain the customers.
- The e-mandate registration process takes more time to load, so banks have to find ways to improve their services.
- The bank has to take steps to avoid technical issues.
- The bank can introduce simpler steps to make transactions.

II. CONCLUSION

For customers to fully embrace e-mandates, focused efforts are needed to educate them about the process, benefits, and regulatory safeguards in place. Awareness campaigns should highlight key features such as the hassle-free setup, real-time tracking of transactions, reduced reliance on physical paperwork, and the flexibility to modify or cancel mandates as per individual preferences. Additionally, addressing concerns around data security and fraud through transparent communication about regulatory frameworks, such as RBI guidelines, can build trust and confidence in the system. By fostering awareness, customers can make informed decisions and leverage e-mandates to streamline their financial obligations, ensuring timely payments and uninterrupted access to essential services. This, in turn, will contribute to increased adoption rates, benefiting businesses

with improved operational efficiency and customer retention. Research on customer awareness of e-mandate registration is vital for understanding barriers to adoption and developing targeted strategies to address them. Such efforts will play a crucial role in advancing digital payment ecosystems and ensuring that the advantages of e-mandates are accessible to all, ultimately driving financial inclusion and economic progress.

III. REFERENCES

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