

A Study of Awareness on Green Banking among Banking Customers

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Abstract

Environment is the surroundings or conditions in which a person, animal or operates. The quality of our life is mainly depends on the environment we live. It is the duty of every individual that not to harm the environment. In this context banking companies or sectors have taken initiative to protect the environment through the adoption of green banking system. Green banking aims at protecting the environment for future generations. The present study aims at knowing the awareness level if green banking services and products among the customers of bank in Mysore city. The questionnaire method was used to collect the data and One Sample t-test has been deployed to get expected results. The analysis of the study reveals that the banks' customers have high level of awareness about the green banking services and green banking products. The study suggests the bank should take further steps to increases the level of awareness by conducting various awareness programme.

Keywords: Green Banking, Environment protection, Sustainability, Awareness and Green Products.

Introduction

It is known that, the existence of banking in India rooted before its independence. Banking is one of the sectors which boost the economy of a nation. Since then to now, there were major changes have witnessed in the operations of banking. As technology developing, the banks are also getting to adopt it. Banking is one of the types of business where it protects the money of an individuals, generates interest in order to creates profits for them and also to its customers. As an institution it can create credit and provide loans for different projects. Banks take this work for making profit, but, profitability is not only the main objective 'of banking but sustainability is also important. Sustainability is one of the requirement and need of the hour. To gain sustainability banks have initiated green banking approach in its operations to safeguard the environment and also reduces the carbon foot print by reducing the cutting down of trees. The concept of green banking was first time introduced by Uk Government. In India The Indian Renewabale Energy Development Agency announced plans to become India's first 'green bank' in May 2016. In India the covid pandemic situations made the banks to provide online or green banking services to its customers. Increase in the rate of deforestation led the way for greener future. The RBI has issued

guidelines for banks to promote the environment protection. Though many banks in India have taken green banking initiatives, the less awareness among the customers. There are many studies have been conducted to know the level of awareness and usage of online services since the beginning. But there are studies revealed that there is less awareness among the customers. Hence the study has taken up to know the level of awareness about initiatives of green banking and online services.

Review of Literature

Mahale and Hebbar(2020) conducted study to know the level of awareness among the banking employees of SBI in Uttar Kannada District. From the study it is known that there is a poor level of awareness among the employees.

Chandran and Sathiyabama(2020) studied the customers usage and source of information awareness about green banking products in Kerala. The study revealed that there is a less awareness among the customers.

Eswari and Priya (2019) identified motivating factors like time saving and energy, reduction in transaction cost, environmental protection, carbon footprint etc., were the major factors to use the green banking in nagercoli.

Venkatesan (2019) highlighted the green initiatives of private banks in Vellore district, Tamilnadu. The study reveals that, out of total respondents only few customers are using online banking. Further, the study suggested that, the government should create awareness among the customers about green banking.

Kamal and kumar (2020) conducted study on green banking initiatives by various banks in India. Interview method was used to collect the responses from the bank employees. From the study it is observed that, green banking is required for sustainability.

Trehan(2015) highlighted the various aspects about green banking in his articles like significance, initiation of green banking along with government role . the study concluded that every banks should follow guidelines and parameters to safeguard the environment. The study also highlighted that the government should give more focus on a) green jobs, b) green funds and c) green buildings.

Dipika (2015) explained green banking strategies developed by Indian banks. The study is descriptive in nature and it is revealed that green banking helps in improving the assets quality of banks in future.

Objectives of the study

The study has intended with the following objectives.

1. To know the level of awareness of green banking services among the banking customers.
2. To know the awareness of green banking products among the customers.

Hypotheses of the study.

The study has formulated the following hypotheses for testing of significance.

1. H0: Customers are not aware of green banking services
H1: Customers are aware of green banking services
2. H0: Customers are not aware of green products initiated by banks
H1: Customers are aware of green products initiated by banks

Research methodology

The study has used both Primary and Secondary data for the collection of data. The structured questionnaire were distributed among customers to know their level of awareness. The five point likert scale like Highly Aware(1), Aware(2), Neither Aware or Nor Unaware(3), Less Unaware(4) and highly Unaware(5) has been used. The convenient sampling technique has been deployed. The data has been analysed through one sample t-test and cron-bach alpha reliability test was conducted to know the reliability of questionnaire which stood at 0.98.

Data Analysis and Interpretation Table Showing the awareness on green banking services

Variables	N	Mean	SD	t	Sig (p-Value)
I know how to do payment of bills through online	100	1.60	0.66	24.00	.000
Am aware of opening of online savings account	100	2.00	0.68	29.341	.000
I know about NEFT/RTGS/IMPS	100	1.81	0.99	18.249	.000
I know how to download bank statement from online banking	100	1.93	0.19	16.200	.000
I know how to apply for cheques through online	100	1.94	0.77	24.995	.000
I am aware of e-services of banks	100	1.60	0.66	24.000	.000
I am aware of security alerts of banking	100	2.0	0.68	29.341	.000

The above table reveals that respondents i.e., customers of bank are aware about green banking initiatives to protect the environment and sustainability. Since the all statements are significant at 5% of level of significance i.e., p-value of each statement are stood at 0.00 which is less than 0.05 (significant value) indicates customers are having awareness about payment of bills through online, opening of inline savings account, transfer of funds through NEFT, downloading the accounting summary or statement through online, applying of cheques through online, e-services offered by bank and security alert and automation of transactions. From the study the Null Hypothesis i.e., “Customers are not using green banking services “ is rejected and Alternative hypothesis “Customers are using green banking services” is accepted.

Table showing Awareness about Green Banking products

(Source: Primary data)

Green Banking products	N	Mean	SD	t	Sig (p-Value)
Green Mortgages	100	1.3500	.57516	23.472	.000
Green Loans	100	2.5000	1.40346	17.813	.000
Green Credit Cards	100	2.2500	1.34371	16.745	.000
Green savings Account	100	2.5000	1.43900	17.373	.000
Green Checking account	100	1.9100	1.15553	16.529	.000
Green Cash deposit	100	2.1900	1.31576	16.644	.000
Green Money Market	100	2.9100	1.30341	22.326	.000
Green Finance	100	1.4000	.49237	28.434	.000

The above table reveals that customers are more aware about the green banking products initiated by banks. The calculated p-value for all the variables stood at 0.00 which is stood at less than 5% level of significance. Hence the Null Hypothesis “ the customers are not aware of green products initiated by banks” is rejected and Alternative hypothesis “The customers are aware of green products initiated by banks” is accepted.

Findings of the Study

The study has end with the following findings

1. Majority of the respondents are of age group of 30-40.
2. Out of 100 respondents most of them are graduates.
3. The income level of the customers is between 25000-35000.
4. The customers are aware of green banking services initiated by banks and are getting benefit out of it in various ways.
5. The banking customers are more aware of banking services and Green products

Conclusion.

The transformation in technology brought significant changes in banking sector. In order to be competitive in today's world digital transformation is necessary or inevitable. One such transformation is green banking initiatives. Banking authorities should take more initiatives to educate their customers for using the green banking facilities such as mobile banking, online transfer, ATM withdrawal etc., (Girish 2016) It mainly has greater impact on environment protection and has a motto of sustainable development. Green banking is not only beneficial for banking sectors even it is beneficial for various sectors like companies, Insurance sectors, industries etc.

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