

A STUDY ON CUSTOMER AWARENESS AND PERCEPTIONS TOWARDS GREEN BANKING WITH REFERENCE TO SATHYAMANGALAM

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Abstract— *The modern banking system and the philosophy of green banking in particular are key to achieving sustainable development. Green banking is a form of environmentally responsible banking that helps clients lower their carbon footprints. The banking industry has an impact on the quality and quantity of economic expansion and development. Banks, industries, and the economy as a whole stand to gain from implementing the principles of "Go Green Banking." Green banking is a future-proof strategy for improving the quality of banks' assets while also ensuring that industries are green. This paper aims to investigate customers' knowledge of and satisfaction with green banking options at nationalized institutions in the Sathyamangalam taluks of the Erode district. Both primary and secondary sources are used to compile this information for the benefit of the company and its clients. The research comes to the conclusion that customers of banks are aware of the green banking services that are available to them.*

Keywords— *Banks, Customers, Education, Rural Areas, Digital Banking, Go Green, and Eco Friendly.*

Introduction

Green banking is a subset of the larger banking concept that aims to promote environmental sustainability in today's increasingly interconnected financial system. The growth of the economy is largely attributable to the business and banking sectors. The country's economy has been supported in large part by the banking sector, which has been a driving force in the country's long-term growth and stability. The banking sector has been noted to play a crucial role in both qualitative and quantitative economic growth, as it not only influences rapid economic expansion but also promotes environmentally sustainable and socially responsible investment. Internal environmental impacts are primarily minimal and benign due to extremely conservative energy, paper, and water consumption. Banks, businesses, the economy, and society can all benefit from protecting the natural environment, so the term "Green Banking" is used to describe the industry-wide initiative to do so. Green banking, a relatively new concept, helps banks improve the quality of their assets while also ensuring the rapid expansion of their consumer base's businesses.

Green Banking:

"Green banking" is a term used to describe the practice of financial institutions implementing sustainable and environmentally friendly practices. This type of banking encompasses a wide range of activities that seek to minimize the environmental impact of banking activities and promote sustainable development. The main benefits of green banking are reducing the environmental footprint of banking activities, increasing the efficiency of operations, improving customer service, and creating opportunities for new revenue streams. Additionally, green banking helps reduce the negative social and economic impacts of unsustainable banking practices, while improving public health and promoting economic development. By investing in green banking, financial institutions can proactively create a sustainable future for their customers and communities.

Benefits of Green Banking:

- **Reduced Environmental Impact:** Through green banking, financial institutions can reduce their environmental footprint, including reducing greenhouse gas emissions, conserving water, and reducing waste.
- **Increased Efficiency:** Green banking practices can help improve the efficiency of banking operations, including reducing energy consumption and improving operational processes.

- Improved Customer Service: Financial institutions can leverage green banking practices to improve customer service by providing customers with more sustainable banking products and services.
- New Revenue Streams: Green banking can create opportunities for financial institutions to generate new revenue streams, such as selling renewable energy certificates.
- Reduced Social and Economic Impacts: By investing in green banking, financial institutions can reduce the negative social and economic impacts of unsustainable banking practices, such as poverty and inequality.
- Improved Public Health: Green banking can help reduce air and water pollution and improve public health by promoting sustainable banking products and services.
- Economic Development: Green banking can help promote economic development by increasing access to sustainable banking products and services and creating new employment opportunities.

Review of Literature

Prof. Bimal Jaiswal and Ms. Noor Us Saba (2016) in their research article entitled “Role of Green Banking in Economic Growth and Environmental Sustainability”, highlighted that green banking brings economic, social, and environmental sustainability. The main objective of green banking is to prevent environmental degradation by reducing carbon footprints and conserving natural resources like- water, electricity, etc. It is a smart and proactive way of thinking and decision-making for future sustainability by making technological and operational processes. The authors have concluded that in 2007 the Reserve Bank of India issued a circular specifying the need for banks to participate and contribute to sustainability. Generally, the banking sector is considered environmentally friendly and the environmental impact of banking is not because of internal banking activities but due to the customers’ activities. Environmental management in the banking sector is like risk management. It improves the quality of loans and increases the earning and value of the bank. Hence, banks should encourage environment-friendly investments by taking the initiative of going green by adopting Green Banking activities.

Vijayakumar (2016) studied the awareness level and satisfaction of Karnataka about green banking services and green banking initiatives by banks. It was found that the Majority were aware of the green checking account as one of the initiatives of banks under green banking, followed by

A cash deposit system and online banking. It was determined from the sample respondents that there exist no significant differences in awareness between green banking initiatives like e-statement, green loans, net banking, and Gender. Technical issues and lack of education were the major obstacles to availing of green services. It was concluded that Banks should strictly follow the equator principle and there exists a good opportunity in reducing carbon footprints.

Arthi and E. Kavitha (2018) have studied ‘A Study on Customer Satisfaction towards Mobile Banking’ in the emerging technology the banks marked around the globe by Mobile banking(m-banking). Banks conduct financial services through wireless and instant as per the convenience of customers between smartphones and tablets the influence of Mobile banking towards customer satisfaction is the purpose of this research and also identifies the key factors of mobile technology. Mobile banking is the interface between financial services and telecoms. In Mumbai, 29th March 2012, Dr.K C Chakrabarty, Deputy Governor of the Reserve Bank of India, summit “Regulation of cross-border mobile payments and regional financial integration”

at International Banking, out of it the regulations and rationale have been framed for Mobile Banking. Reserve Bank of India (RBI) has authorized 154 banks in the country to undertake mobile banking services. Mobile banking penetration in the country is greater than the global

average of 40% at more than 50%. The research is to conduct the customer satisfaction level towards the m-banking, for that 146 Questionnaires are used to conduct data collection and then analyzed using statistical techniques: regression analysis, correlation, and factor analysis. The significance of customers is concerns about security, innovative services, customer trust, and risk are the key indicators of technology adoption.

Bukhari, S. A. A., et al. (2019) in their attempted to examine how organizational adoption determinants and the adoption of green banking. According to the findings of this study, stakeholder involvement is crucial in influencing and supporting the adoption of green banking and should be prioritized to ensure its uptake. The study suggests, based on the body of available research, that various stakeholder pressures may have a favourable impact on the adoption of green banking.

Redwanuzzaman, M. (2020) attempted to evaluate the impact of environmental issues on Bangladesh’s adoption of green banking. The survey portion of the analysis used a constructed questionnaire to deliver a straightforward random sample procedure to 323 respondents. According to the study's findings, the key environmental elements that influence

Bangladesh's adoption of green banking include consumer pressure, competitor pressure, and community pressure. The adoption of green banking is more or less favorably connected with variables measuring competitor pressure, community pressure, and customer pressure.

Objectives of the Study:

1. To be familiar with green banking.
2. To identify the vital 'Green Banking' options open to residents of the Sathyamangalam taluk.
3. To learn how customers feel about eco-friendly banking options.
4. To examine consumers' level of grasp of green banking.

Limitations of the Study:

5. The research was conducted with a subset of customers at a nationalized bank in the Sathyamangalam Taluk.
6. The State Bank of India, Corporation Bank, Canara Bank, Syndicate Bank, and Vijaya Bank all contributed to the data pool used in this analysis because they are all government-owned financial institutions.
7. A small sample of residents in the target area participated in the study.

Hypotheses:

H₀: There is no significant difference between the sexes in terms of familiarity with eco-friendly banking options.

H₁: There is a significant difference between the sexes in terms of familiarity with eco-friendly banking options.

H₀: There is no significant distinction between geography and people's awareness of environmentally friendly banking facilities.

H₁: There is a significant distinction between geography and people's awareness of environmentally friendly banking facilities.

Research methodology:

In this particular investigation, both primary and secondary sources of information were used to compile the research that was analyzed. The primary data were gathered using a structured questionnaire method, and the secondary data were gathered using published and non-published sources. Journals, magazines, books, and even online resources fall under the category of published sources. To acquire extensive knowledge regarding the current state of green banking.

Sample Size: Total Sample Size is 250 respondents

Method of Sample Collection: Simple Random Sampling

Tools of Analysis: Simple Percentage, Average, and Chi-Square.

Data Analysis and Interpretation:

Response data were tabulated, analyzed, and presented, and hypotheses were tested using statistically significant criteria. Finally, the study's findings have been listed. Furthermore, recommendations were made for bolstering green banking consciousness, and conclusions were drawn from the data.

Table No 1: Socio-Economic Profile			
Variable	Parameters	No. of Respondents	Percentage (%)
Gender	Male	132	52.8
	Female	118	47.2
	Total	250	100
Age	18 to 24	63	25.2

	25 to 35	79	31.6
	36 to 45	68	27.2
	above 45	40	16
	Total	250	100
Education	Illiterate	22	8.8
	Primary	38	15.2
	Secondary	76	30.4
	Graduate	69	27.6
	Master	45	18
	Total	250	100
Geography	Rural	152	60.8
	Urban	98	39.2
	Total	250	100

Source: Field Survey, N = 250

The demographic information about bank customers is displayed in Table No. 1, including their gender, age, level of education, and geographic origin. The gender breakdown of those who took part was as follows: men (52.8%) and women (47.2%). Most of the survey participants were between the ages of 25 and 35, as indicated by the distribution of responses based on age bracket. As can be seen, 61 percent of respondents hail from non-urban areas. Thirty-four percent of those who answered the survey had only completed high school.

Variable	No. of Respondent	Percentage (%)
YES	195	78
NO	55	22

Source: Field Survey, N = 250

According to table no. 2, it was found that 78% of bank customers are aware of the concept of green banking, while the remaining 22% are not aware of the concept of green banking.

Particulars	No. of Respondent	Percentage (%)
Friends	65	26
Newspaper	35	14
Social Media Post	40	16
Advertisement	20	8
Bank Employees	5	2
Posters	10	4
Leaflets and Brochures	15	6
websites	10	4

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Word of mouth	50	20
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Source: Field Survey, N = 250

The majority of people are aware of green banking from the sources listed in Table No. 3 above, including 26% of friends, 14% of the newspaper, and 16% of social media posts, with the remaining categories all falling below 10%.

Particulars	Aware	Not Aware
ATM	92.33	7.67
Mobile	82	18
Internet	53	47
Debit and Credit	100%	0%
NEFT/RTGS	35.44	64.56
Paperless Banking	54.33	45.67
All	68	32

Source: Field Survey, N = 250

In Sathyamangalam taluk residents' familiarity with eco-friendly banking options is shown in table no. 4 above. According to the data above, 92.33 percent of people are familiar with ATM banking, while 18.83 percent are not. Among those surveyed, 53% are already familiar with Internet banking, while 47% are still in the dark. Only 35.44 percent of respondents are familiar with NEFT or RTGS, while 64.56 percent are not. In a survey, 54.33 percent of people said they were familiar with paperless banking, while 45.67 percent were not. Since most respondents have some understanding of how debit and credit cards work, it's safe to assume that all of them use at least one of these payment methods. In conclusion, in Sathyamangalam Taluk, 68% of respondents are aware of all of the aforementioned services, while 32% are not.

Chi-Square Testing:

Gender	ATM	Mobile	Internet	Debit & Credit	NEFT/RTGS	Paperless Banking	All	Total
Male	120	110	50	145	65	56	46	592
Female	70	40	30	105	15	40	18	318
Total	190	150	80	250	80	96	64	910

Observed	Expected	(O-E)^2	(O-E)^2/E
120	123.6044	12.99167	0.105107
110	97.58242	154.1964	1.580165
50	52.04396	4.177756	0.080274
145	162.6374	311.0766	1.9127
65	52.04396	167.8591	3.225333
56	62.45275	41.63795	0.666711
46	41.63516	19.05179	0.457589

70	66.3956	12.99167	0.195671
40	52.41758	154.1964	2.941691
30	27.95604	4.177756	0.14944
105	87.36264	311.0766	3.560751
15	27.95604	167.8591	6.004393
40	33.54725	41.63795	1.241173
18	22.36484	19.05179	0.851863

X-Squared = 22.97286138, df = 6, p-Value= 0.00080562

The chi-square has a tabulated value of 12.592 at the 5% level of significance with 6 degrees of freedom, while the calculated value is 22.9728. Our findings lead us to conclude that there is a sizable gap between the sexes regarding knowledge of environmentally friendly banking options.

Eco-Friendly Banking Services								
Gender	ATM	Mobile	Internet	Debit & Credit	NEFT/RTGS	Paperless Banking	All	Total
Rural	92	77	30	102	24	32	34	391
Urban	48	43	40	48	34	38	14	265
Total	140	120	70	150	58	70	48	656

Observed (O)	Expected (E)	(O-E)^2	(O-E)^2/E
92	83.44512	73.18594	0.877055
77	71.52439	29.9823	0.41919
30	41.72256	137.4184	3.293624
102	89.40549	158.6217	1.774183
24	34.57012	111.7275	3.231909
32	41.72256	94.52819	2.265637
34	28.60976	29.05473	1.015553
48	56.55488	73.18594	1.294069
43	48.47561	29.9823	0.618503
40	28.27744	137.4184	4.859649
48	60.59451	158.6217	2.617757
34	23.42988	111.7275	4.76859
38	28.27744	94.52819	3.342884
14	19.39024	29.05473	1.49842

X-Squared = 31.8770, df = 6

The chi-square value at a significance level of 5% and with 6 degrees of freedom is 12.592, while the calculated value is 31.877. Our findings lead us to the conclusion that knowledge of environmentally friendly banking options varies greatly by region.

Findings and Suggestions:

- The vast majority of respondents (60.8%) are not city dwellers; the vast majority of respondents (52.8%) are from rural areas. Internet banking should be more widely available in rural areas, and it should be promoted in places where it is not already widely used so that green banking services can be made more secure, convenient, and easily accessible.
- Of those polled, 26% said they learned about it through personal connections, while the remainder cited media outlets, financial institutions, and the Internet. Most respondents are taking advantage of green banking services because they are convenient, efficient, and kind to the environment. Fast network services are necessary to increase the adoption of technology-enabled services.
- The chi-square has a tabulated value of 12.592 at the 5% level of significance with 6 degrees of freedom, while its calculated value is 22.9728. Based on our research, we infer that there is a sizable gender knowledge gap when it comes to environmentally friendly banking options; the calculated chi-square value is 31.877, while the 5% significance level value is 12.592.
- Based on our research, there is a sizable geographical gap in the availability of information about eco-friendly banking options. Problems with green banking services, such as a lack of infrastructure (experienced by 25.48%) and operating knowledge (19.11%), are reported by respondents. The vast majority (97.33%) of respondents who have used green banking services had a positive impression of doing so.
- The introduction of environmentally friendly banking infrastructure, such as solar-powered ATMs, swipe machines, green channel counters, etc., should take place. More training programs, personal contact programs, and advertising for eco-friendly banking services should be implemented.

Conclusion

The concept of "green banking" represents the pinnacle of eco-friendly thinking. An enlightened clientele is crucial to the success of green banking in the countryside. Customers of nationalized banks in Sathyamangalam taluk are happy with the services provided by their financial institutions. Green banking services allowed them to save time and money while solving fewer banking-related issues. At the present time, customers have a much better understanding of green banking services, and their attitudes toward these new innovations are overwhelmingly positive. However, the success of these innovations hinges on how well banks deal with their fundamental issues.

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