

A Study on Awareness of Customers towards Green Banking With Special Reference to SBI in Nagercoil

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Abstract-*Green banking is emerging concept for environment sustainability it means promoting environment friendly practices for sustainable growth and reduces the carbon footprint from the banking industry. Green banking is considered one of the tools of ensuring sustainable development where economic activity will not have any negative impact on the environment. Green banking is all about going beyond to keep the world livable without any significant damage. The scope of the present study will be limited to analyze the green banking initiatives taken by the State Bank of India. The study aims at measuring the level of awareness and perception and also it focuses to identify the motivating factors of the customers towards green banking services. The research was undertaken on the basis of data collected from both primary and secondary sources. The primary data were collected from customers who use using green banking services namely ATMs, Online banking, Mobile banking, Green channel counter, Cash Deposit Machine and Green remit card with the help of interview schedule. The secondary data were collected from bank official website, journals and online journals. The analysis was carried out by using statistical tools like ANOVA, 'T' test and Garrett ranking. It is found that the important level of awareness of green banking among the male and female customers is ATMs and green channel counter.*

Keywords: *Green Banking, Online banking, Mobile banking, Green channel counter*

1. INTRODUCTION

Green banking is emerging concept for environment sustainability it means promoting environment friendly practices for sustainable growth and reduces the carbon footprint from the banking industry. Using online banking instead of branch banking, paying bills online instead of mailing them, opening online bank account are now added advance to the banking technology or contributing the environment sustainability.

Banking sector is generally considered as environment friendly in terms of emission and pollutions. Internal environmental impact of the banking sector such as use of energy, paper and water are relatively low and clean. This is an effort by the banks to make the industries green and in the process restore the natural environment. This concept of Green banking will be mutually beneficial to the Consumers, banks, industries and the economy. For consumers this shift towards green banking means that more deposit and loan products will be available through online and mobile banking. It also means better deposit rates on CDs, money market accounts and savings accounts. Green banks should also have lower fees and give rate reductions on loans going towards energy-efficient projects. This is banking beyond pure profit. Another important aspect of green banking is the involvement and outreach from the individual banks to their local community.

2. STATEMENT OF THE PROBLEM

Banks can play a major and decisive role in the global efforts to make the planet a better place to live in. As major implementers of technology, banks themselves can adopt green practices and thereby lead the way in this global initiative. Product innovation and leveraging on the use of technology enable the banks and their customers today to reduce the usage of resources such as paper, thereby aiding in environmental protection. Reserve Bank of India provides a lot of guidelines for making the banks green for environmental sustainability and environmental protection. As providers of finance, banks can ensure that businesses adopt environment-friendly practices. Green banking is considered one of the tools of ensuring sustainable development where economic activity will not have any negative impact on the environment. Green banking is all about going beyond to keep the world livable without any significant damage. Banks in India are playing a vital role towards sustainable development by introducing various green banking practices. Adoption of these green banking practices by the customers will result savings of energy, fuel, paper and other natural resources. During their day to day business banks heavily contributes towards the carbon emission in terms of use of paper, electricity, stationary, lighting, air conditioning, electronic equipment, etc. even though this is moderate

compared to other carbon sensitive industries like steel, oil and gas, etc. In the case of banks, the direct interface with the environment has considerably increased due to rapid growth of the banking industry. Being a major source of fund provider, banks can play a crucial role in ensuring environmentally sustainable and socially responsible investments in the economy. It is at the interest of the banks to practice green banking and thereby avoiding the aforesaid risks involved in the banking sector. Thus, now a days, banks are gradually coming to realize that there is an immediate need for a shift from 'profit, profit and profit' motive to 'planet, people and profit orientation' for sustainable development in the long-run. In this context, an attempt has been made to study the awareness of customers towards green banking with special reference to SBI in Nagercoil.

3. SCOPE OF THE STUDY

The scope of the present study will be limited to analyze the green banking initiatives taken by the State Bank of India. The study aims at measuring the level of awareness and perception and also it focuses to identify the motivating factors of the customers towards green banking services.

4. OBJECTIVES OF THE STUDY

The study has the following objectives.

- To study the level of awareness of customers of SBI on green banking
- To identify the factors motivating for using green banking services

5. HYPOTHESES

- There is no significant difference in level of awareness of green banking among different gender group of SBI customers in Nagercoil.
- There is no significant difference in level of awareness of green banking among different literacy level of SBI customers in Nagercoil.
- There is no significant difference in factors motivating for using green banking services among different gender group of SBI customers in Nagercoil.

6. METHODOLOGY

The research was undertaken on the basis of data collected from both primary and secondary sources. The primary data were collected from customers who use using green banking services namely ATMs, Online banking, Mobile banking, Green channel counter, Cash Deposit Machine and Green remit card with the help of

interview schedule. The secondary data were collected from bank official website, journals and online journals. The analysis was carried out by using statistical tools like ANOVA, 'T' test and Garrett ranking.

7. SAMPLING

The researcher has selected sample of 150 respondents. Sampling method was adopted and respondents were chosen simple random sampling. Questionnaires were used to collect data from the respondents. Structured questionnaire were framed from various researches to suit this specific study. Self-administered questionnaires were distributed to the respondents for the study.

8. AREA OF THE STUDY

The study area chosen is Nagercoil which is located in the Kanyakumari District.

9. LIMITATIONS OF THE STUDY

Every researcher has to face several limitations. Some limitations can be controlled and some limitations are out of control of the researcher. In this particular study the researcher had some limitations as follows:

- 1) The study area was restricted to Nagercoil only.
- 2) The study may suffer from the element of biasness.
- 3) The study covers only SBI customers and the other banks were not included in the study.
- 4) The sample size is limited to 150 respondents only.
- 5) The study also suffers from time and money constraints.

10. ANALYSIS AND INTERPRETATION

A) LEVEL OF AWARENESS OF GREEN BANKING AMONG DIFFERENT GENDER GROUP OF CUSTOMERS

In order to find out the significant difference in level of awareness of green banking among different gender group of SBI customers in Nagercoil, 't' test is attempted with the null hypothesis as, "There is no significant difference in level of awareness of green banking among different gender group of SBI customers in Nagercoil". The result of 't' test is presented in Table 1.

Table 1: Level of awareness of green banking among different gender group of SBI Customers

| Particulars | Gender (Mean Score) | | T-Statistics |
|-----------------------|---------------------|--------|--------------|
| | Male | Female | |
| ATMs | 4.0333 | 4.0000 | 0.144 |
| Green Channel Counter | 3.7889 | 3.8667 | 0.487 |
| Cash Deposit Machine | 3.7778 | 3.7333 | 0.235 |
| Online Banking | 3.3222 | 3.4833 | 0.852 |
| Mobile banking | 3.4222 | 3.4667 | 0.234 |

Source: Computed data

*-Significant at five per cent level

The table 1 shows that the important level of awareness of green banking among the male customers are ATMs and green channel counter and their respective mean scores are 4.0333 and 3.7889 and among the female customers, ATMs and green channel counter and their respective

mean scores are 4.0000 and 3.8667. Regarding the level of awareness of green banking, no significant difference among the different gender group of customers, are identified in the case of ATMs, green channel counter, cash deposit machine, online banking and mobile banking since the respective 'T' statistics are not significant at 5 per cent level, the null hypothesis is accepted.

B) LEVEL OF AWARENESS OF GREEN BANKING AMONG DIFFERENT LITERACY LEVEL OF CUSTOMERS

In order to find out the significant difference in level of awareness of green banking among different literacy level of SBI customers in Nagercoil, 'ANOVA' is attempted with the null hypothesis as, "There is no significant difference in level of awareness of green banking among different literacy level of SBI customers in Nagercoil". The result of ANOVA is presented in Table 2.

Table 2: Level of awareness of green banking among different literacy level of customers

| Particulars | Literacy Level (Mean Score) | | | | | F Statistics |
|-----------------------|-----------------------------|----------|---------------|--------|---------|--------------|
| | Upto HSC | Graduate | Professionals | ITI | Diploma | |
| ATMs | 4.5000 | 4.0000 | 4.1739 | 2.9167 | 4.2500 | 2.563* |
| Green Channel Counter | 3.9167 | 3.7571 | 3.7609 | 4.0000 | 4.2000 | 0.646 |
| Cash Deposit Machine | 3.8333 | 3.7714 | 3.8261 | 3.5000 | 3.6000 | 0.256 |
| Online Banking | 2.6667 | 3.6286 | 3.3043 | 3.1667 | 3.2000 | 2.327* |
| Mobile banking | 2.8333 | 3.8286 | 3.3245 | 3.0000 | 2.6000 | 5.448* |

Source: Computed data

*-Significant at five per cent level

The table 2 shows that the important awareness of green banking among the customers who had upto HSC are ATMs and green channel counter and their respective mean scores are 4.5000 and 3.9167, among the customers who are graduates, ATMs and mobile banking and their respective mean scores are 4.0000 and 3.8286. The important awareness of green banking among the customers who are professionals are ATMs and cash deposit machine and their respective mean scores are 4.1739 and 3.8261, among the customers who are ITI qualification, green channel counter and cash deposit machine and their respective mean scores are 4.0000 and 3.5000 and customers who have diploma qualification are ATMs and green channel counter and their respective mean scores are 4.2500 and 4.2000. Regarding the level of awareness of green banking, the significant difference among the different literacy level of SBI customers are identified in the case of ATMs, online banking and mobile banking since the respective 'F' statistics are significant at 5 per cent level, the null hypothesis is rejected.

11. GREEN BANKING COMPONENTS

An attempt has been made to find out which green banking components are mostly used by SBI customers, the data have been collected from the SBI customers and analysed with the help of Garret rank and the results are presented below.

Table 3: Green Banking Components

| Particulars | Mean Score | Rank |
|-----------------------|------------|------|
| ATMs | 60.0 | I |
| Green Channel Counter | 43.64 | V |
| Online Banking | 44.28 | IV |
| Cash Deposit Machine | 48.67 | II |
| Mobile Banking | 46.20 | III |

Source: Primary Data

It is clear that the above table shows the green banking components. Five components have been identified namely ATMs, Green Channel Counter, Online Banking,

Cash Deposit Machine, The above table shows that ATM is ranked first with a mean score of 60.2, followed by Green Channel Counter with a mean score of 48.62, Mobile Banking is ranked third with a mean score of 46.20, followed by Online Banking with a mean score of 44.28 and Cash Deposit Machine is ranked fifth with a mean score of 43.64.

11.1 Factors motivating for using green banking services among different gender group of customers

In order to find out the significant difference in factors motivating for using green banking services among different gender group of SBI customers in Nagercoil, 't' test is attempted with the null hypothesis as, "There is no significant difference in factors motivating for using green banking services among different gender group of SBI customers in Nagercoil". The result of 't' test is presented in Table 4.

Table 4: Factors motivating for using green banking services among different gender group of SBI Customers

| Factors | Gender (Mean Score) | | T-Statistics |
|-----------------------------------|---------------------|--------|--------------|
| | Male | Female | |
| To save time and energy | 4.0000 | 4.0667 | 0.385 |
| To reduce transaction cost | 4.0556 | 4.1167 | 0.358 |
| To protect environment | 4.3111 | 4.3333 | 0.163 |
| Mandatory | 4.1889 | 4.1167 | 0.439 |
| Convenient to use | 3.9222 | 3.7500 | 0.844 |
| To reducing carbon foot print | 3.4667 | 3.5333 | 0.316 |
| No Queue | 3.8556 | 3.8833 | 0.138 |
| Better customer service | 3.7889 | 3.5500 | 1.266 |
| More number services | 4.3331 | 4.2333 | 0.476 |
| Need not fill up any pay-in-slips | 4.0111 | 4.1500 | 0.800 |

Source: Computed data

*-Significant at five per cent level

Table 4 shows the mean score of factors motivating for using green banking services among different gender group of SBI customers along with its respective 'T' statistics. The important factors motivating for using green banking services among the male customers are more number of services and to protect environment and their respective mean scores are 4.3331 and 4.3111 and among the female customers, to protect environment and more number of services and their respective mean scores are 4.3333 and 4.2333. Regarding the factors motivating for using green banking services, no significant difference among the different gender group of customers are

identified. To save time and energy, to reduce transaction cost, to protect environment, mandatory, convenient to use, to reducing carbon foot print, no queue, better customer service, more number of services and need not fill up any pay-in-slips since the respective 'T' statistics are not significant at 5 per cent level, the null hypothesis is accepted.

12. SUGGESTIONS

- Customers of the SBI are to be educated enough for the proper use of green practices so that risk can be minimized.
- Seminars and workshops should be organized and public meetings are to be arranged by the SBI to make the green banking practices familiar among customers.
- The SBI can display video presentations at bank branches to project the user-friendliness of their green banking practices.
- The SBI may take the opportunity to make the customers aware about the benefits of various green banking practices through the ATMs.
- The SBI may display some congratulating statements, for examples, you have saved paper, energy, time and money by using it on the screens of the ATMs to attract them to use such green practice.
- The green banking practices are also having a dark side. The dark side is the fear of security problem. However, the security of adopting various green banking practices is mostly depends upon the users. Therefore, users should become more conscious while using green banking practices. They should strictly follow the guidelines given by the bank.

13. CONCLUSION

The important level of awareness of green banking among the male and female customers is ATMs and green channel counter. There is a need to create awareness about green banking to make our environment human friendly. Green banking if implemented sincerely opens up new markets and avenues for product differentiation. Green Banking will be mutually beneficial to the banks, industries and the economy. Green Banking will ensure the greening of the industries and improving the asset quality of the banks. Government should play major role and formulate green policy guidelines and financial incentive for going green. Proper training and educational programs by banks for the green initiatives will actually make Green Banking successful.

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