

# A Study on Customer Knowledge, Awareness and Perception towards Green Banking

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## ABSTRACT

Green banking is a term that is becoming increasingly popular in today's environment. It differs significantly from regular or physical banking in that it promotes environmentally responsible banking. Ethical banking is another term for green banking. Banking activities are not physically tied to the environment, but their customer actions have a significant external influence. A bank is a financial entity that deals with the general public, and banks that engage in green activities can affect their clients' attitudes about the environment. This paper focuses on customers' Green Banking knowledge, awareness, and perceptions.

**KEYWORDS:** Green banking, green activities, ethical banking, physical banking.

## I. INTRODUCTION

The banking industry is typically thought to be environmentally beneficial in terms of emissions and pollutants. Internal environmental effect of the banking sector, such as power, paper, and water usage, is quite minimal and clean. This is the banks' endeavor to green the economy, as well as a way of environmental preservation. Green banking benefits individuals, banks, businesses, and the environment all at the same time. Customers will benefit from the shift to green banking since online and mobile banking will offer more deposit and lending options. Customers who want to put up solar equipment, ETPs, biogas plants, Hoffman kiln(HHK) hybrids, and other green projects can get low-interest loans from banks.

Banks' green initiatives, or a green banking idea, entail using all of the bank's resources with accountability and care, eliminating waste, and prioritizing choices that consider sustainability. It also includes promoting

ecologically friendly practices, expanding banking activity, and lowering carbon emissions. It occurs in a variety of ways. Instead of directing them to major multi-branch locations, instruct them to open CDs and money market accounts at internet banks. Its goal is to make banking procedures, as well as the usage of IT and physical infrastructure, as efficient and effective as possible while causing no or minimal environmental damage.

## II. REVIEW OF LITERATURE

According to a study conducted by **Biswas** (2011) green banking initiatives are adopted by various banks and their determinations are useful for our emerging economy. The study emphasized on various aspects such as advantages, challenges, and Green Banking strategies. The study concluded that the green banking plays a proactive role for ecology, environment, green determinations etc.

Another study was conducted by **Malhotra & Bhardwaj** (2013) suggested that banking services are not a direct contributor in the pollution of environmental changes, but these are one of the channels for facilitating industrial and personal finances. Therefore, the banks must incorporate green services and help in establishing green industries in the near future. Banks can persuade their clients for improving their asset quality and wealth management.

**Sharma and Gopal** (2014) revealed that employees and customers are aware about the green banking services and their opinion is quite positive towards green practices.

**Kaur** (2016) purported banking sector can reform the economy by commencing environment friendly services.

**Bihari and Pandey** (2015) proclaimed that there are various activities initiated by the banks must analyze a proposal before financing from in terms of environmental aspects and future implications.

Green banking is dynamism for injecting banking objectives from “profit only” to “profit with responsibility”.

### III. OBJECTIVES OF THE STUDY

The main objectives of the research work are:

- To Identify green banking knowledge and awareness among the respondents of the survey.
- To measure the level of perception with regards to the environmental concern on green banking and various services provided.
- To offer suggestions on the basis of the study.

### IV. RESEARCH METHODOLOGY

Methodology entails interview schedule creation, data collection, field work and research frame work. This research is based on both primary and secondary data. The primary data was gathered through the questionnaire. Secondary data was acquired from a variety of sources, including research, Twitter, newspapers, magazines, and documents. The convenience sampling approach was used to pick 120 participants.

### • SAMPLING TECHNIQUES

Convenience sampling is a non-probability sampling method in which respondents are chosen for their ease of access and proximity to the researcher.

### • TOOLS FOR ANALYSIS

The tools were used for this study is percentage analysis and garret ranking.

### V. DATA ANALYSIS AND INTERPRETATION:

The word analysis refers to the estimation of some metric as well as the search for pattern classes. Thus, the degree of importance to assess the validity of the data to suggest inference should be objectively checked in the context of evaluation of relationship or distinction.

### • Updates Of Green Banking And Services

The customers update their knowledge through various sources. Therefore we say knowledge is power. Due to this knowledge, the customers are able to get the correct product at the right time.

**Table 5.1**  
**UPDATES OF GREEN BANKING AND SERVICES**

S.No.	Source of Information	Total score	Mean Score	Rank
1	Green Channel Counter	415	3.46	III
2	Newspaper	375	3.13	VI
3	Magazine	362	3.02	VII
4	E-network	404	3.37	V
5	Class Lecture	347	2.89	VIII
6	Bank Employees	494	4.12	I
7	E-mail	405	3.38	IV
8	Internet/ Social networking sites	420	3.50	II

Source: Primary Data

Table 5.1 indicates that ' Bank Employees ' are ranked first, ' Web and social networking sites ' are ranked second, and ' Class Lectures ' are ranked last with the average score of 4.12, 3.50 and 2.89. It can be inferred that bank employees meet

and speak with customers entering the branch and therefore word of mouth promotion plays a key role in encouraging respondents to use green banking and its services.

**Table 5.2**  
**KNOWLEDGE OF GREEN BANKING FACILITIES**

S.No.	Knowledge of green banking	Total score	Mean score	Rank
1	Solar ATM	475	3.96	VI
2	Internet Banking	527	4.39	II
3	Green Channel Counter	481	4.01	V
4	Direct Deposits	466	3.88	VII
5	Discount on Eco-friendly projects	374	3.12	X
6	Electronic Cards	530	4.42	I
7	Green checking Accounts	426	3.55	IX

8	Mobile/Phone banking	521	4.34	III
9	Green credit card	429	3.58	VIII
10	E-statement	513	4.28	IV

Source: Primary Data

Table 5.2 indicates that the survey respondents have knowledge of ' Electronic Cards ' with a mean score of 4.42, second rank of ' Internet Banking ' with a mean score of 4.39, third rank of ' Mobile / Phone Banking ' with a mean score of 4.34, out of ten Green Banking Facilities. Based on their experience and any other literature knowledge, the survey respondents were

knowledgeable and aware of green banking facilities. 'Green Credit Card,' 'Green Checking Accounts,' and 'Eco-friendly Project Discount' received the last three rankings, with 3.58,3.55 and 3.12 respectively. It can be inferred that the final three amenities are not well known, and that more attention is required.

**Table 5.3**

**PREFERENCE OF USING GREEN BANKING DUE TO ENVIRONMENTAL CONCERN**

S. No.	Variables	Positive Response (Yes)		Negative Response (No)		Total
		Count	%	Count	%	
1	Respondents	93	77.5	27	22.5	120
2	Male	64	88.89	8	11.11	72
3	Female	29	60.42	19	39.58	48

Source: Primary Data

Table 5.3 clearly shows that out of 120 respondents, 93 respondents said using green banking is a concern for the environment and the remaining 27 respondents said using green banking for less time and cost. Of the 120 respondents, 72 are male and 48 are female. Of the 72 male respondents, 64 respondents responded positively and the other 8 respondents responded negatively. Of the 48 female respondents, 29 respondents responded positively and the remaining 19 respondents responded negatively. It is concluded that the male respondents (88.89) are highly knowledgeable in contrast with the female respondents (60.42) and have a greater awareness and interpretation of green banking.

**VI. SUGGESTION**

Some suggestion for banks to encourage green banking are:

- Use the press to communicate.
- Create webpages and disseminate information.
- Use E-learning programmes to impart knowledge.
- Incorporating Green Banking into annual environmental reports.
- Development of relevant skills among bank staff through training and development.
- Banks may devise creative financial solutions that take into account environmental concerns.

- Use of paperless banking reduces the carbon footprint of internal banking processes and saves money for the bank.
- Adoption of Green Street Lending, which entails charging individuals and businesses a low interest rate in exchange for the installation of solar energy-saving equipment.

**VII. CONCLUSION**

Green banking is described as promoting eco-friendly practices and decreasing the carbon footprint of banking activities. This includes the use of online banking, mobile banking, green network counters, e-statement, green loans, solar ATMs, etc. Green banking remains a major issue and can play an important role in our country's development . Green banks in India are in the start-up stage. Even though green practices have begun to be embraced, most outlets are still unused by Indian banks to green their operations. In addition, green practices could only be adopted in selected branches. In their business operations, they should expand the use of environmental information, credit extension and investment decisions. Green banking is now restricted not only to education, but in action as well. All scheduled banks are now required not only to allocate budgets for green funding, green events or green initiatives under CSR programs, green marketing and capacity building, but also to ensure that budget allocation is used effectively. Ultimately, we may say that the

slogan of all banks should be to go clean. For effective adoption of green banking, the RBI and the Indian government should play major role and formulate green policy guidelines and financial incentives.

#### REFERENCE

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