

## **TRANSITION TOWARDS GREEN BANKING SERVICES IN INDIA – AN ANALYSIS OF CUSTOMER PERSPECTIVES**

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### **Abstract:**

The present paper focuses on the customers opinions towards usage and benefits of green banking services in India. Banks sustainable in economic, environment and social dimensions. It aims is to make banking process and use of IT and physical infrastructure as efficient and effective as possible, with zero or minimal impact on the environment. Green banking is that form of banking which will benefit the country for protecting the environment in today's era or globalization as we are in 21st century but we are in a condition where depletion of green resources is very high. Green banking is among the latest in a series of recent mobile technology wonders. Although automated teller machine (ATM), telephone, and internet banking offer effective channels for traditional banking products, but as the newest delivery countries, mobile banking is likely to have significant effects on the market. In particular, the expanded uses of smart-phones has increased demand for Green banking services. Thus, the analysis is made with the help of structured questionnaire and finally, the paper offers some suitable suggestions and recommendations for the improvement of the services of green banking products in India

**Key Words:** Environment, Green Banking, Internet Banking, Mobile Technology and Smart Phones

### **INTRODUCTION**

Environmental management in the banking business is considered likely to be risk management. It increases the enterprise value and lowers loss ratio as higher earnings. In the process of economic development it has led undesirable effects on environment and creates the issues of increased carbon emission, global warming, climate change, etc., as a quality of environment damage at the global context. This go green approach popularly known as Green banking or sustainable banking varies from organization to organization.

Green banking as a term covers several different areas but in general refers to how environmentally friendly and committed to green policies there institutions. Green banking is like a normal bank which considers all the social and environmental factors. It also called ethical bank. Ethical banks have started with the aim at protecting the environment. Bank in the area that is talking the biggest steps to support local green initiatives. Foreign banks are practicing green banking on a much serious note. The Indian banks are still taking baby steps into this form of banking. The Beginning of 21<sup>st</sup> century brought with a number of activities. The use of ATM, internet banking, online transfer, debit card and credit card become popular innovative product is time saving create less cost to the bank as well as to the consumer. The banking industry influence economic growth and development both in terms of quality and quantity leading to a change in the nature of economic growth.

## Review of Literature

**Depika (2019)** made a study on “**A study of various strategies adopt by banks for sustainable development**”, this paper covers the recent developments are made by Indian banks in sustainable development and challenges faced by banks in implementation. There is utmost need to create awareness, implement and follow green banking as much as possible in today’s business world of innovative technologies so as to make our environment human friendly and enrich the sustainability.

**V. Kanchana Naidu** made a study on “**A study of green Banking Trends in India**”, in this paper she found exploitation of the natural environment which in turn has disturbed the ecological balance. This in turn has raised an important issue of environmental protection among environmentalist government and organization from all over the world.

**Suresh Chandra Bihari and Bhavna Pandey (September 2022)** made a study on “**A study of Green banking in India**”, this paper explained environmentalism is a social movement that shows the concern for environmental conservation and improvement of the state of the environment to circumvent the global warming trap, the impulse of going green is running faster than expected amongst all the big giant industries every industry is moving fanatically ahead with its own green initiatives.

**Jeena Gupta (2023)**, made a study on “**A study role of green banking in environment sustainability**”, in this paper she explained green banking plays a very important role in the growth of Indian economy. The concept of Green banking which not only reduces the cost of banking activities. It is paper less banking, which not only reduces the cost of banking activities but also helps in environment sustainability.

**Kavita S. Vardrale and Dr. V.P. Katti (August 2023)**,made a study on“**Green Banking initiatives by Indian public and private sector Banks**”, in this paper they described the importance of green banking initiatives in banking business and this in turn helps for overall reduction of external carbon emission and internal carbon footprint.

## Statement of the problem

Green banking system in the developing world is scare because the system. Even less attention has been paid to the social, economic and cultural contexts surrounding the use of system.The green banking uses are important determination of their adoption decision and that understanding customer perception of green banking services will enable service provides to plan their marketing strategies.

Customer propensity to use mobile device to conduced banking function depends on the sophistication of the device and the consuming age that users with smart phones are more likely to use the device for green banking then those with ordinary cell phones.

## Objectives of the study

1. To study the concept of green banking in India.
2. To identify the necessary steps to adopt green banking in India.
3. To analyse the opinions of customers towards green banking services of the bank
4. To offer some suggestions in the light of the findings of the study.

## Scope of the study

The present study is restricted to Bhadravathi taluk. The study was related to analyse the changes and evolution towards green banking services of Bank of Baroda in Bhadravathi.

### Methodology of the study

**Sources of Data: Primary Data:** this data collected by preparing the structured questionnaire.

**Secondary data** - The present study uses various books, journals, newspapers, manuals and newsletters of bank etc. **Sample Size/Design** - The present study selects 40 respondents as sample by using random sampling technique.

### Analysis and Interpretation

**Table 1: Gender of the of Respondents**

Sl. No.	Gender	No. of the Respondents	Percentage (%)
1	Male	22	44
2	Female	18	36
<b>Total</b>		<b>40</b>	<b>80</b>

**Source:** Field survey

From the above table it is clearly shows that out of 40 respondents, 44% of respondents are male and remaining 36% of respondents are female category.

It is interpreted that among 40 respondents majority of male having regular income and habit of saving.

**Table 2: Age of the Respondents**

Sl. No.	Age in years	No. of Respondents	Percentage (%)
1	Below 20	08	16
2	21to 30	20	40
3	31 to 40	04	08
4	Above 41	08	16
<b>Total</b>		<b>40</b>	<b>80</b>

**Source:** Field survey

From the above table it is clearly shows that out of 40 respondents, 16% of respondents are between the age group of below 20 years and 40% of respondents are between the age group of 21-30 years and 8% of respondents are between the age group of 31-40 years and remaining 16% of respondents are more than above 41 years.

It is interpreted that majority of 40% were between the age group of 21-30 years. Most middle age people are becoming the customer of bank in order to get the benefits from bank.

**Table 3: Qualification of the Respondents**

Sl. No.	Qualification	No. of respondents	Percentage (%)
1	SSLC	10	20
2	PUC	07	14
3	Graduate	18	36
4	If any other specify	05	10
<b>Total</b>		<b>40</b>	<b>80</b>

**Source:** Field survey

From the above table it is clearly shows that out of 40 respondents, 20% of respondents SSLC qualified, 14% of respondents PUC qualified and 36% of respondents Graduate and 10% of respondents others.

It is interpreted that the highest 36% of respondents are Graduate. 20% of respondents are SSLC.

**Table 4: Occupation of the Respondents**

Sl. No.	Occupation	No. of respondents	Percentage (%)
1	Student	04	08
2	Professional	09	18
3	Businessman	14	28
4	Agriculture	08	16
5	If any others	05	10
<b>Total</b>		<b>40</b>	<b>80</b>

**Source:** Field survey

From the above table it shows that out of 40 respondents, 8% of respondents are students 18% of the respondents are professional, 28% of the respondents are Businessman, 16% of the respondents are agriculture and 10% of them carries other occupation.

It is clear that majority of the 28% respondents are business man because transaction of in green banking.

**Table 5: Annual income of the Respondents**

Sl. No.	Income (Rs.)	No. of respondents	Percentage(%)
1	Up to 1,00,000	29	58
2	2,00,000to 3,00,000	5	10
3	3,00,000to4,00,000	3	9
4	Above 4,00 ,000	3	9
<b>Total</b>		<b>40</b>	<b>80</b>

**Source:** Field survey

From the above table it is clear that out of 40 respondents,58% of the respondents having annual income up to 1,00,000, 10% of respondents having annual income between 1,00,000to 2,00,000 and 9% of the respondents having annual income between 3,00,000to4,00,000 and remaining 9% of respondents having annual income of above 4,00,000.

It is interpreted that majority of the respondents income is up to 1, 00,000 compare to others.

**Table 6: Means to know about green banking**

Sl. No.	Sources of information	No. of respondents	Percentage (%)
1	Through bank officials	25	50
2	Television	4	8
3	News paper	10	20
4	Other	1	2
<b>Total</b>		<b>40</b>	<b>80</b>

**Source:** Field survey

From the above table it is clear that out of 40 respondents,50% of the respondents comes to know about green banking services through bank officials, 8% of respondents comes to know about green banking services by television, 20% of respondents comes to know about green banking services through newspapers remaining 2% of respondent respondents comes to know about green banking services by other means like internet, friends and relatives etc.

It is interpreted that most of the respondent comes to know about green banking services through bank officials and when they visit to bank.

**Table 7: Uses of Green Banking**

Sl. No.	Uses	No. of respondents	Percentage (%)
1	Balance enquiry	20	40
2	Requesting cheque book	3	9
3	To payment of bill	10	20
4	Any other	7	14
Total		40	80

**Source:** Field survey

From the above table it is clear that out of 40 respondents, 40% of the respondents using green banking services for balance enquiry, 9% of the respondents using green banking services for requesting to cheque book, 20% of the respondents using green banking services for the payment of bill and 14% of the respondents using green banking services for other uses like internet banking, remittance of cash etc.

It is interpreted that many of respondents are using green banking services for the purpose of balance enquiry.

**Table 8: Benefit of using Green Banking**

Sl. No.	Benefits	No. of respondents	Percentage (%)
1	Time saving	23	46
2	Free from travelling costs	1	2
3	24*7 services	7	14
4	Help in emergency purpose	6	12
5	Others	3	6
Total		40	80

**Source:** Field survey

From the above table it is clear that out of 40 respondents, 46% of the respondents using green banking for saving time, 2% of the respondents using green banking for saving the travelling costs, 14% of the respondents using green banking for availing 24\*7 services from bank, 12% of the respondents using green banking for emergency purposes and remaining 6% of the respondents using green banking for other reasons like easy accessibility, easy to operate, and simplicity in procedure etc.

It is interpreted that majority of the respondents using green banking for saving time.

**Table 9: Opinion towards usage of Green Banking**

Sl. No.	Particulars	No. of Respondents	Percentage (%)
1	Convenient	40	80
2	Non convenient	0	0
Total		40	80

**Source:** Field survey

From the above table it is clear that out of 40 respondents, 80% of the respondents opined that green banking offers more convenient to use the banking activity and remaining 20% of the respondents opined that green banking does not offer convenient to use the banking activity. It is interpreted that majority of the respondents opined that green banking offers more convenient to use the banking activity because it is simple and easy to operate.

**Table 10: Usage of Green Credit Card**

Sl. No.	Particulars	No. of Respondent	Percentage (%)
1	Online purchase	27	54
2	Petrol bunk	02	4
3	If any other specify	11	22
<b>Total</b>		<b>40</b>	<b>80</b>

**Source:** Field survey

From the above table it is clear that out of 40 respondents, 54% of the respondents using green credit card for online purchase, 4% of the respondents using green credit card in petrol bunk and 22% of the respondents using green credit card for other uses like payment of bill in mall, grocery shops, departmental shops etc.

It is interpreted that majority of the respondents using green credit card for online purchase as it offers convenient mode of payment.

**Table 11: Overall opinion about Green Banking Services**

Sl. No.	Particulars	No. of Respondents	Percentage (%)
1	Excellent	16	32
2	Better	14	28
3	Good	10	20
4	Poor	0	0
<b>Total</b>		<b>40</b>	<b>80</b>

**Source:** Field survey

From the above table it is clear that out of 40 respondents, 32% of the respondents opined green services offered by the bank is excellent, 28% of the respondents opined green services offered by the bank is better, 20% of the respondents opined green services offered by the bank is good and no one respondent opined green banking services are poor.

It is interpreted that majority of the respondents opined green services offered by the bank is excellent because it offers convenient services to the customers.

### Findings of the Study

- Majority of the respondents are male and are graduates.
- All selected respondents are aware about green banking services.
- Majority of the respondents use green banking for the purpose of balance enquiry.
- Most of the people strongly agreed that green banking is faster than traditional banking.
- Majority of the people opined that green banking services save time compared to traditional banking methods.
- Majority of the respondents have a positive opinion that green banking offers convenient service.
- Majority of the respondents felt green banking is very easy to operate.

- All the respondents opined that green banking is contributing to the economic growth of the country by way of green credit card facility, checking tax evasion for governmental purposes.
- Majority of the respondents are satisfied with green banking services.

### **Suggestions of the Study**

- Make customers more and more aware about green banking through their websites.
- Promoting different forms of electronic banking.
- Creating customers awareness through the media.
- Carbon footprint reduction by offering transportation services for their employees.
- Providing environment friendly rewards to customers.
- The banks should focus on providing more green banking services.
- Join hands in more environment preserving causes.
- Focus on greening IT infrastructure.
- The employees of bank that they should establish relations with the customers. This can be done by understanding and helping to solve problems of customers.

### **Limitations of the study**

- The study restricted to Bhadravathi.
- The sample size was limited.
- Many respondents fail to spend few minutes to fill up the questionnaires.

### **Conclusion**

Banking plays a very important role in economic development of the country. The entire banks main intention is to improve the individual financial status by providing various types of banking services. The study also covers the new steps taken by a bank for emotional initiatives and Green banking to get emotionally linked with their customers, in order to improve service quality and enhancing customer satisfaction level of the select public and private sector banks. Green banking is one of the powerful technologies for providing excellent services to users. Thus proper utilization of Green banking services by the people in rural, semi-urban and urban areas is very much required for developing Indian Banking systems. It refers to the initiatives taken by banks to encourage environment-friendly investment. Green banking as a concept is a proactive and smart way of thinking towards future sustainability. It is very important for the banks to be pro-active and accelerate the rate of the growth of the economy.

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