



## GREEN BANKING INITIATIVES: CUSTOMER KNOWLEDGE AND PERCEPTION IN INDIA

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**Abstract:** Green banking initiatives 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 public and private sector banks in Tamilnadu. The study aims at measuring the level of knowledge 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. This study find out that operationalization of customer satisfaction in banking sector is somewhat hazy, and it should be operationalized along the same dimensions that constitute service quality.

**Key Words:** Green banking initiatives, customer knowledge and perception of green banking services, facilities of green banking services, etc.,

### 1. INTRODUCTION:

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 grow green and in the process restore the natural environment. This concept of Green banking initiatives 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.

Green banking initiatives promotes environmental-friendly practices and reduces the carbon footprints form the banking activities. The aim of green banking is to improve the banking operations and use the technology efficiently by making the activity of the clients eco-friendlier in the banking business.

### 2. REVIEW OF LITERATURE:

**Siew Peng Lee, Mansor Isa, (2017)**, the results suggest that there are significant similarities with minor differences in terms of factors determining bank margins between conventional and Islamic banks in Malaysia. The margins for conventional banks are influenced by operating costs, efficiency, credit risk, degree of risk aversion, market share, size of operation, implicit interest payments and funding costs. For Islamic banks, the margin determinants are found to be operating costs, efficiency, credit risk, market share and implicit interest payments. This means that more factors influence the margins in conventional banks compared to Islamic banks. Although bank diversification activities have increased in recent years, their impact on bank margins is minimal.

**May Wang, Stella Cho, Trey Denton, (2017)**, this paper examines the impact of service personalization on consumer reaction to the e-banking service indicating that the personalization leads to increased performance expectancy and decreased effort expectancy, which lead to increasing intention to continue to use e-banking services.

**Payam Hanafizadeh, Ahad Zare Ravasan, (2018)**, a multitude of factors influence the information technology outsourcing (ITO) decision. Organizations must systematically evaluate these factors prior to making the ITO decision. The purpose of this paper is to provide an in-depth analysis toward understanding the



critical factors in affecting ITO decision in the context of e-banking services. The results of the data analysis illustrated that nine out of 11 assumed factors (i.e. perceived complexity, perceived cost, service observability to the client, cultural fit between client and supplier, perceived loss of organizational knowledge, prior outsourcing experience, external pressure, market volatility, and suppliers’ power) influence the outsourcing decision of e-banking services. The findings also confirmed that the nature of the service and client IT capabilities did not exert any influence on the outsourcing decision.

**Javier A. Sánchez-Torres, Francisco-Javier Arroyo Canada et. All (2018)**, this study is to examine the adoption of e-banking in Colombia, including a comprehensive analysis of consumer trust in this type of transaction and of the impact of the current government policy to promote e-commerce. The proposed model was validated in that the factors hypothesized to build trust in the use of electronic banking were shown to be significant: trust, performance expectancy and effort expectancy had a positive impact on the use of financial websites in Colombia, while government support did not have a significant impact. This study is one of the first to present empirical findings on the acceptance of e-banking in Latin America; it further presents a model that integrates the most important variables needed for an analysis of the acceptance of e-banking.

**2.1. OBJECTIVES OF THE STUDY :**

- To study the green banking initiatives of public and private sector banks in the study area
- To analyse the customer knowledge and perception of green banking initiatives

**3. RESEARCH METHODOLOGY**

The research was undertaken on the basis of data collected from both primary and secondary sources. The primary data were collected from 100 customers in both public and private sector banks, the help of interview schedule. The secondary data were collected from bank official website, journals and online journals.

**4. DATA ANALYSIS AND DISCUSSION**

*4.1 Gender of the respondents*

**Table 1**

| S. No | Gender       | No. of Respondents | Percentage  |
|-------|--------------|--------------------|-------------|
| 1     | Male         | 43                 | 43          |
| 2     | Female       | 57                 | 57          |
| 3     | Transgender  | 0                  | 0           |
|       | <b>Total</b> | <b>100</b>         | <b>100%</b> |

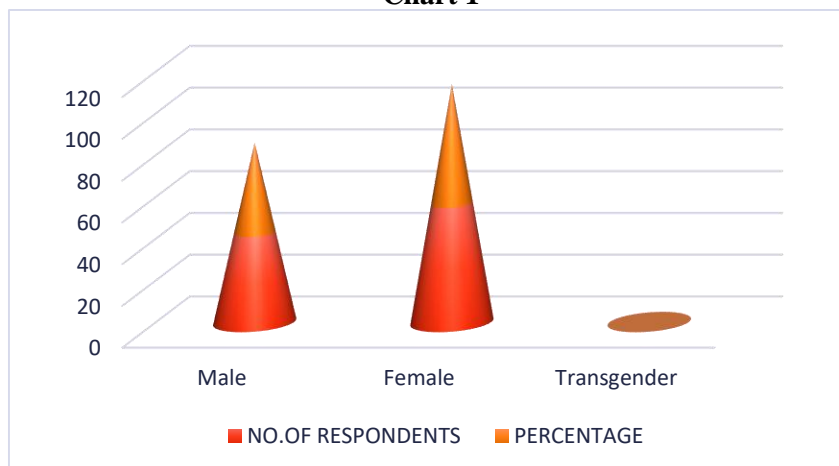
**Sources: Primary Data**

The above table shows that, about the gender of the respondents among the 100 respondents, 43 respondents are male (43 %), 57 respondents are female (57%) and nil respondents of transgender (0 %).

In other words 43 % of the respondents are in the gender of male, 57 % of the respondents are in the gender of female.

**It is inferred that the majority of the respondents 57 (57 %) are female.**

**Chart 1**



**Sources: Primary Data**



#### 4.2 Age Group of the Respondents

For the purpose of this study, the public and private sector bank customers are considered as the target respondents. Since the perception and satisfaction of respondents varies from one age group to another, the respondents have been categorized into five groups as presented in Table 2

**Table 2**

| S. No | Age Group of Respondents | No. of Respondents | Percentage  |
|-------|--------------------------|--------------------|-------------|
| 1     | 18 – 25                  | 28                 | 28          |
| 2     | 26 – 35                  | 29                 | 29          |
| 3     | 36 – 45                  | 25                 | 25          |
| 4     | 46 – 55                  | 10                 | 10          |
| 5     | Above 55                 | 8                  | 8           |
|       | <b>Total</b>             | <b>100</b>         | <b>100%</b> |

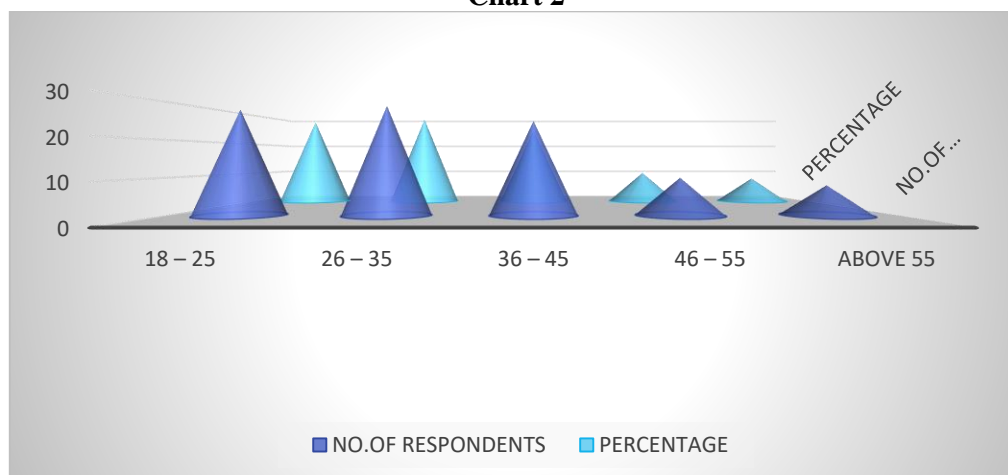
#### Sources: Primary Data

The above table shows the age of the respondents. The age of respondents are divided into five groups. They are age of 18 – 25, 26 – 35, 36 – 45, 46 – 55, and above 55.

Among the 100 respondents, 28 respondents are in the age group of 18 – 25, 29 respondents are from the age group of 26 – 35, 25 respondents are from the age group of 36 – 45, 10 respondents are from the age group of 46 – 55, and 8 respondents are from the age group of above 55. In other words, 28 % of the respondents are in the age group of 18 – 25, 29% percentage of the respondents are in the age group of 26 – 35, 25% percentage of the respondents are in the age group of 36 - 45, 10 % of the respondents are in the age group of 46 – 55, and 8 % percentage of respondents are in the age group of above 55.

**It is inferred that more number of the respondents 29 (29%) from the age group of 26 – 35.**

**Chart 2**



#### Sources: Primary Data

#### 4.3 Category of Banking Services Preferred the Respondents

The green banking services are usage of the customers in public and private sector banks. The following use often in E - banking services given below table 3.

**Table – 3**

| S. No | Category of banking sector | No. of respondent | Percentage   |
|-------|----------------------------|-------------------|--------------|
| 1     | Public sector bank         | 39                | 39           |
| 2     | Private sector bank        | 47                | 47           |
| 3     | Both                       | 14                | 14           |
|       | <b>Total</b>               | <b>100</b>        | <b>100 %</b> |

#### Sources: Primary Data

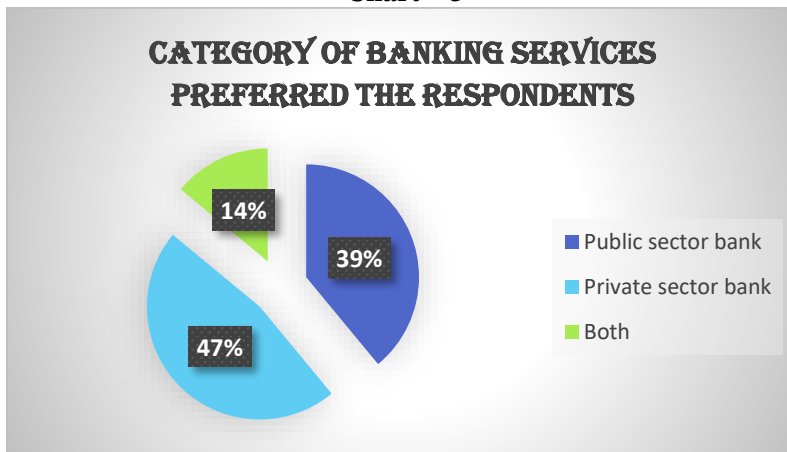
The above table shows the category of banking sector preferred the respondents. The green banking services usage the customers divided the three categories. They are: public sector, private sector and both. Among the 100 respondents, 39 of the respondents are preferred the banking sector of public sector, 47 of the respondents are preferred the banking sector of private sector bank and 14 of the respondents are preferred the banking sector of both



in public and private sector bank. It is derived, 39 % of the respondents are preferred the banking sector of public sector, 47 % of the respondents are preferred the banking sector of private sector bank and 14 % of the respondents are preferred the banking sector of both in public and private sector bank.

It is inferred that the majority of the respondents 47 (47 %) are have preferred the Banking sector of private sector banks.

Chart – 3



Sources: Primary Data

4.4 Usage of Green Banking Services of Customers

The green banking services are often use of the customers in public and private sector banks. The following use often in E - banking services given the classified and detailed given below table 4

Table – 4

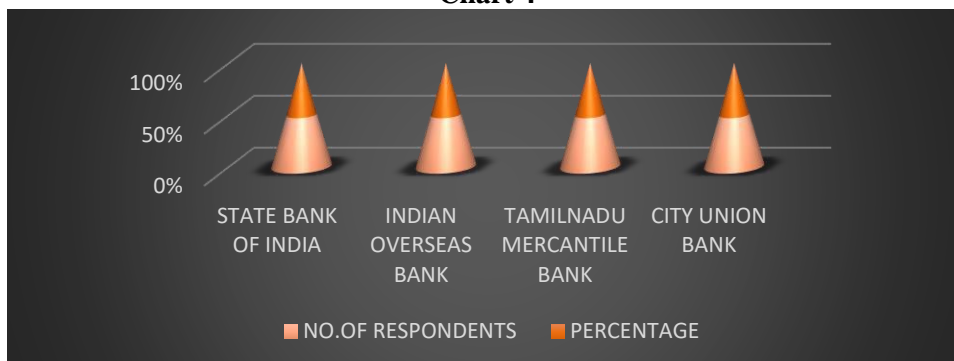
| S. No | Banks                     | No. of respondents | Percentage   |
|-------|---------------------------|--------------------|--------------|
| 1     | State Bank of India       | 16                 | 16           |
| 2     | Indian Overseas Bank      | 16                 | 16           |
| 3     | Tamilnadu Mercantile Bank | 33                 | 33           |
| 4     | City Union Bank           | 15                 | 15           |
|       | <b>TOTAL</b>              | <b>100</b>         | <b>100 %</b> |

Sources: Primary Data

The above table shows the banking sector preferred the respondents. The green banking services usage the customers divided the four categories. They are: state bank of India, Indian overseas bank, Tamilnadu mercantile bank and city union bank. Among the 100 respondents, 16 of the respondents are using the E- banking services of state bank of India, 16 of the respondents are using the E - banking services of indian overseas bank, 33 of the respondents are using green banking services of Tamilnadu mercantile bank and 15 of the respondents are using green banking services of city union bank. It is derived, 16 % of the respondents are using the E- banking services of state bank of India, 16 % of the respondents are using the green banking services of indian overseas bank, 33 % of the respondents are using green banking services of Tamilnadu mercantile bank and 15 % of the respondents are using green banking services of city union bank.

It is inferred that the majority of the respondents 33 (33 %) are having use of E – Banking services of Tamilnadu mercantile bank.

Chart 4





**Sources: Primary Data**

*4.5 Type of Banking Channel Preferred by the Respondents*

The following table shows what type of banking channels using the customers of public and private sector bank given below.

**Table 5**

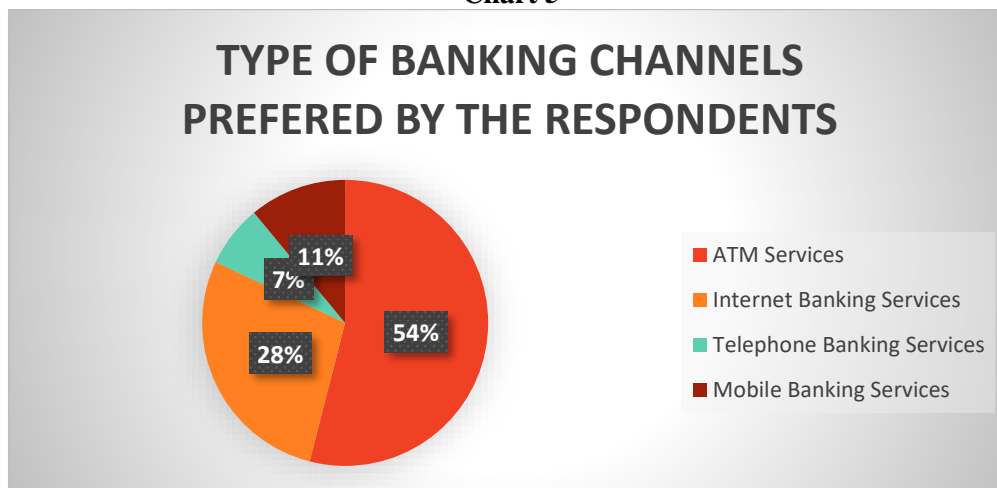
| S. No | Type of banking channels   | No. of respondents | Percentage  |
|-------|----------------------------|--------------------|-------------|
| 1     | ATM Services               | 54                 | 54          |
| 2     | Internet Banking Services  | 28                 | 28          |
| 3     | Telephone Banking Services | 7                  | 7           |
| 4     | Mobile Banking Services    | 11                 | 11          |
|       | <b>Total</b>               | <b>100</b>         | <b>100%</b> |

**Sources: Primary Data**

The above table shows what type of banking channel prefer of the respondents. The type banking channels are divided by four groups. They are: internet banking services, ATM services, mobile banking services, and telephone banking services. Among the 100 respondents, 54 respondents are prefer of ATM services, 28 respondents are prefer of Internet banking services, 7 respondents are prefer telephone banking, and 11 respondents are prefer of Mobile banking services. In other words, 54 % of the respondents are prefer of ATM services, 28 % of the respondents are prefer of Internet banking services, 7% of the respondents are prefer of telephone banking services, and 11% of the respondents are prefer of mobile banking services.

**It is inferred that the majority of the respondents 54 (54 %) prefer the ATM Services.**

**Chart 5**



**Sources: Primary Data**

**5. CONCLUSION**

The introduction of green banking initiatives customers are saving money and time since they don't have to physically visit the bank office. Every bank realizes that they must provide some kind of green banking to their customers in order to survive. Through green banking initiatives, banks can better maintain the relationship with customers because with green banking customers tend to interact more with provided services. It also increases the revenues of banks and can easily gain competitive advantage through differentiation of banking services and thereby an image improvement. Even though having the highest the highest traditional branch banking system, we are not able to fully utilize green banking system. Though the study reveals most of the people know about Green Banking initiatives, they are reluctant in marking use of Green Banking. Hence the banker should take initiative to create the benefits and importance of the Green Banking initiatives our day to day life and inn addition to the above the banker should take the effort to use these Green banking facilities with low cost so that the it can increase the users in future years to come.

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