

# Customer Awareness on Green Banking: A Study on Perceptions of Customers and Bankers in Mangalore

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**Abstract:** This paper presents customer awareness on green banking with a study on perceptions of customers and bankers in Mangalore.

**Keywords:** Green Banking ATM cards, Debit and Credit cards

## 1. Introduction

Green Banking is also a normal bank. It considers environmental as well as social factors. It is an ethical bank. Because ethical banks also have an objective of protecting the environment. Green Banks also work like traditional banking system and controlled by the authorities concerned. Green banking is like a normal bank considers all environmental, social and ecological factors to conserve natural resources and to protect environment. Environment sustainability can be defined as taking decisions for reducing business's negative impact on environment. It also means to develop a step which provides a sustainable growth in future. With this objective the 21st century brought innovative changes in banking activities. Due to this tremendous change bank has shifted towards the innovative banking products. They are, internet banking the use of ATM, debit card and credit card, online transfer, utility bill payments through internet banking, Telebanking SMS banking, E-ticketing, Premium savings etc. Comparing to normal banking, Green Banks give more weight age to environmental factors, their aim is to provide good environmental social business practice. Green banking is comparatively new development in the financial world. The activities of. the banks are associated with environmental protection and sustainable development. Green banks seek to reduce energy costs for ratepayers, stimulate private sector investment and economic activity, and expedite the transition to a low-carbon economy

Various Green Banking Initiatives Taken up by Banks

- Internet Banking, ATM cards
- Net Banking
- SMS Banking
- Missed Call operations for queries and advisory services
- Green Loans.

## 2. Objectives of the study

- To study the initiatives taken up by the Syndicate Banks with respect to Green Banking.
- To evaluate the benefits of green banking to the banks and customers.
- To analyze the customer's awareness on green banking.

## 3. Research methodology

### A. Primary Data

100 customers and 10 banks are randomly selected in convenient sampling method. Questionnaires are distributed to the respondents and opinions are taken. Simple percentage analysis is made to satisfy the objectives. Opinions are collected from bank officials regarding benefits, strength, opportunities and challenges of Green Banking.

### B. Secondary Data

Previous projects are referred for Literature review and used as evidence to support the findings of this study.

Table 1  
Demographic Profile of Customers

Variables	Parameters	Frequency	Percentage
Age	Below 25 years	20	20%
	26 – 35 years	30	30%
	36 – 45 years	30	30%
	Above 45 years	20	20%
Gender	Male	60	60%
	Female	40	40%
Marital Status	Married	70	70%
	Unmarried	30	30%
Education	Below PUC Level	10	10%
	Diploma	20	20%
	Undergraduates	30	30%
	Postgraduates	40	40%
Income Level(monthly)	Below - Rs. 20000	30	30%
	Rs. 20000-Rs. 30000	20	40%
	Rs. 30000-Rs. 40000	20	20%
	Rs. 30000-Rs. 40000	10	10%
	Above-Rs. 40000		

Source: Survey

Table 2  
Showing Awareness about Green Banking

Customers perceptions	Yes	No	Total
1. Do you know about Green Banking?	72	28	100
2. Do you heard about Net Banking?	80	20	100
3. Do you aware online bill payments?	75	25	100
4. Do you know about debit and credit cards?	80	20	100
5. Do you heard about EFT and NEFT etc ?	60	40	100
6. Do you know about Mobile banking ?	60	40	100
7. Do you know the importance of paperless transactions?	60	40	100
8. Do you aware about Green Loans	10	90	100

Table 3  
Showing Sources from which Green banking Awareness is created by banks

Sources	No of Customers(100)
Media	10
Friends and relatives	15
Magazines	05
Online information and cell phone messages	25
Bank Employees and others	45

Table 4  
Showing Benefits of Green Banking – Customers Perceptions

Perceptions	Strongly Disagreed	Disagreed	Neutral	Agreed	Strongly Agreed
Easy to access online banking statements	-	20%	12%	38%	30%
Faster services to the customers	-	10%	-	60%	30%
Convenient in terms of long hours of waiting at bank counters	-	-	10%	60%	30%
Saves time and money (postage, envelope, travelling)	-	30%	-	50%	20%
Enhances security measures	-	-	04%	60%	36%
Reducing wastages by eliminating paper statements	-	10%	-	80%	10%
Automatic deposit- easy to access pay checks	-	20%	-	60%	20%
More benefit our future generation	-	-	-	80%	20%

Table 5  
Showing Benefits of Green Banking to customers from bankers point of view

Perceptions	Strongly Disagreed	Disagreed	Neutral	Agreed	Strongly Agreed
Great positive impact on environment	-	-	10%	60%	30%
Avoids paper work	-	10%	-	60%	30%
Saves time	-	20%	-	50%	30%
Less manpower requirements to handle paper work	-	20%	-	60%	30%
Enables to do a environmental friendly business practice	-	-	-	60%	40%
Creates awareness to business people about social responsibility by lending Green loans	-	10%	-	80%	10%
Increases profitability	-	30%	-	60%	10%
Generates clean and healthy environment	-	-	-	80%	20%

Table 6  
Showing the Challenges of Green Banking- Bankers point of view

Challenges ahead	Yes	No	Total
Customers will take time to adopt it as it is a new concept	90%	10%	100
Green Banking requires costly and advanced technology	80%	20%	100
It demands renewable and recycling techniques	50%	50%	100
Bank employees need training to practice Green Banking techniques	90%	10%	100
Protection of Data is a challenge	90%	10%	100
Operational cost is high	86%	14%	100
Reputational Risk	76%	24%	100

Source: Survey

#### 4. Data analysis

##### A. Analysis of Customers Perspective

##### B. Green banking in the bank's perspective

A survey was conducted in Mangalore and opinions of bankers of local branches are collected regarding green banking

initiatives taken up by them, Benefits of Green Banking to the customers and banks and the challenges ahead. Banks were asked about how many customers at present are using Internet and Mobile banking services. Most of the banks responded that 60% to 70% are using internet banking services, 50% to 60% of customers using mobile banking services, 90% to 95% of

customers are having Debit and Credit cards. Only 5 to 10% of customers are taking the benefits of Green loans every year.

### **5. Suggestions**

- Educating the people through the bank's intranet and Public website
- Develop a website for creating awareness about green banking among the customers.
- Organize awareness programs on Green Banking to the people
- Create customer awareness through media
- Promote different forms of electronic banking

### **6. Conclusion**

“Go Green” is an organization wide initiative that moving banks, their processes and their customers to cost efficient

automated channels to build awareness and consciousness of environment, nation and society. Green banking is really good for people to get more awareness about global warming; each businessman will have his contribution to the environment and make this earth a better place to live. They believe that every small “GREEN” step taken today would go a long way in building a greener future.

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