

# A Study on Customer Awareness and Perception on Green Banking

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**Abstract:** The concern for environmental sustainability by the banks has given rise to concept of Green Banking. The concept of “Green Banking” will be mutually beneficial to the banks, industries and the economy. Green financing is the part of green banking. Green banking means promoting environmental friendly practices and reducing carbon footprints from banking activities. Green banking aims at improving the operations and technology along with making the clients habits environment friendly in the banking business. This survey studies the Green banking initiatives taken by the bank and the awareness and perception of its customers towards such initiatives. It also helps to know the satisfaction level of the customers on Green Banking practices.

**Keywords:** Green Banking, Environment.

## 1. Introduction

The attack of human beings on nature is the cause of Environmental deterioration. This leads to global warming and climate change. Combined efforts of governments, corporate sector and individuals can help in minimizing the environment deterioration. As part of the role to be played by the corporate sectors, banks and financial institutions should accept Green Banking adopting process and strategies that promote environment friendly practices to help in reducing carbon emission. Hence, for promoting socially responsible investment and environmentally sustainability banks play a vital role in it. As a step banks has started Green Banking services, which helps in avoiding paper work and contributes the lower the cutting of trees. Green banking mainly focuses on promoting environmental friendly banking. It is also known as ethical banking. The Green Banking practices such as online banking, mobile banking, Green channel counters, e-statement, green loans, ATM'S. Realizing its importance more and more people are gradually becoming computer literate and number of mobile and internet users is increasing day by day, thereby, facilitating widespread implementation of Green Banking practices throughout the country.

## 2. Objectives

- To identify the awareness and opinion of customers with respect to Green Banking concept.
- To analyze the level of satisfaction of customers with regard of Green Banking.

- To identify the problems faced about Green Banking practice

## 3. Methodology

The study is analytical in nature. For the purpose of study both primary data and secondary data is used. Primary data is collected from using questionnaire and secondary data from various web sites, newspapers and journals etc. has been collected. The study concentrated among 50 customers residing at Mangalore of Dakshina Kannada district.

## 4. Limitations

- Only 50 respondents were taken for the purpose of study.
- The study is only limited to the people residing in Mangalore.
- The study is limited to the information provided by both primary and secondary data.

## 5. Green banking

India is known worldwide for unity in diversity. India has many resources like Human resources, natural resources, mineral resources. These resources are polluting and at the stage of vanishing because of human activities. It is the time now that one should take major steps to save the Environment, apart from their financial Project. Green Banking coverage includes:

- Carbon credit business
- Green Banking Financial Products
- Green mortgage
- Social Responsibility services
- Carbon Footprint Reduction
- Green loans
- Green credit cards
- Green cash deposits
- Online banking
- Green saving accounts
- Mobile banking

*Methods of Green Banking:*

- Go online
- Use of Green checking accounts

- Use green loans for home improvements power saving equipment's
- Use of green credit card
- Saving paper
- Mobile banking
- Direct deposits
- Use of solar and wind energy
- Online (net) banking

are qualified till PUC and remaining 24% respondents are under graduated.

An analysis of Table 4 reveals that out of 50 respondents, majority of respondents earns income between Rs.10000-Rs.25000 i.e., 72%, 20% respondents earns income below Rs.10000, 04% respondents earns income between Rs.25000-45000 and remaining 04% respondents earns income above Rs.45000.

A. Data Analysis and Interpretation

Table 1  
Age wise classification

Age (In Years)	No. of Respondents	Percentage (%)
Below 20	02	04
20-30	28	56
30-45	12	24
Above 45	08	16
<b>TOTAL</b>	<b>50</b>	<b>100</b>

N= 50 Source: Survey

An analysis of Table 1 reveals that out of 50 respondents, majority of respondents are aged from 20-30 years i.e., 56%, 4% respondents are of age below 20 years, 24% respondents are of age 30-45 years and remaining 16% respondents are of age above 45 years

Table 2  
Age wise classification

Gender	No. of Respondents	Percentage (%)
Male	14	28
Female	36	72
<b>TOTAL</b>	<b>50</b>	<b>100</b>

N= 50 Source: Survey

An analysis of Table 2 reveals that out of 50 respondents, majority of respondents are female i.e., 72% and remaining 28% are male.

Table 3  
Education of the respondents

Education	No. of Respondents	Percentage (%)
SSLC & below	04	08
PUC	06	12
Undergraduate	12	24
Postgraduate	28	56
<b>TOTAL</b>	<b>50</b>	<b>100</b>

N= 50 Source: Survey

Table 4  
Income of the respondents

Income (Rs.)	No. of Respondents	Percentage (%)
Below 10000	10	20
10000-25000	36	72
25000-45000	02	04
Above 45000	02	04
<b>TOTAL</b>	<b>50</b>	<b>100</b>

N= 50 Source: Survey

An analysis of Table 3 reveals that out of 50 respondents, majority of respondents are post graduated i.e., 56%, 8% respondents are qualified till SSLC& below, 12% respondents

Table 5  
Awareness about Green Banking

Particulars	No. of Respondents	Percentage (%)
Yes	40	80
No	10	20
<b>TOTAL</b>	<b>50</b>	<b>100</b>

N= 50 Source: Survey

An analysis of Table 5 reveals that out of 50 respondents, majority of respondents are aware about green banking i.e., 80%, and remaining 20% respondents are not aware about green banking.

Table 6  
Sources of awareness about Green Banking

Particulars	No. of Respondents	Percentage (%)
Bank officials	20	50
Advertisement	08	20
Relatives	10	25
Friends	02	05
<b>TOTAL</b>	<b>40</b>	<b>100</b>

N= 40 Source: Survey

An analysis of Table 6 reveals that out of 40 respondents, majority of respondents get to know about green banking by Bank officials i.e., 50%, 25% respondents get to about green banking through Advertisement, 20% respondents get to know about green banking by their Relatives and remaining 05% respondents get to know about Green banking by their friends.

Table 7  
Reasons for not aware about green banking

Particulars	No. of Respondents	Percentage (%)
Lack of knowledge	26	52
Not interested	10	20
Lack of facility	14	28
Others	0	0
<b>TOTAL</b>	<b>50</b>	<b>100</b>

N= 50 Source: Survey

An analysis of Table 7 reveals that out of 50 respondents, majority of respondents are not aware about green banking for the reason of lack of knowledge i.e., 52%, 20% respondents are not interested in Green Banking, and remaining 28% respondents lack with facility required for Green Banking.

Table 8  
Factors for using Green Banking

Particulars	No. of Respondents	Percentage (%)
Time saving	26	65
Reduced costs	08	20
Quick access	16	40
Convince	10	25

N= 40 MRR=1.5 Source: Survey

An analysis of Table 8 reveals that out of 40 respondents, majority of respondents get to know about green banking by

Bank officials i.e., 50%, 25% respondents get to about green banking through Advertisement, 20% respondents get to know about green banking by their Relatives and remaining 05% respondents get to know about Green banking by their friends.

Table 9  
Services used by the respondents

Particulars	No. of Respondents	Percentage (%)
Debit cards	30	75
Net banking	18	45
Direct deposits	02	05
Others	--	--

N= 40 MRR=1.25 Source: Survey

Note:

1. Percentage is not equal to 100 because of Multiple response
2. Multiple Response Rate is equal to total number of responses divided by the number of respondents.

An analysis of Table 9 reveals that out of 40 respondents, majority of respondents use debit card services i.e., 75%, 45% respondent use net banking and remaining 05% respondents use direct deposits.

Table 10  
Opinion of respondents about Green banking

Opinion	No. of Respondents	Percentage (%)
Environment protection	36	90
E- banking	10	25
Paperless banking	06	15
Use of renewable resources	02	05
All	04	10

N= 40 MRR=1.45 Source: Survey

An analysis of Table 10 reveals that out of 40 respondents, majority of respondents get to know about green banking by Bank officials i.e., 50%, 25% respondents get to about green banking through Advertisement, 20% respondents get to know about green banking by their Relatives and remaining 05% respondents get to know about Green banking by their friends.

### 6. Major findings of the study

- Majority of the respondents belong to the age 20-30 years.
- Majority of the respondents are Female.
- Majority of the respondents are having the educational qualification of Post-Graduation.
- Majority of respondents income are in between Rs.10000- Rs.25000

- The majority of the respondents are aware about green banking.
- The majority of the respondents are aware about green banking by bank officials.
- Majority of the respondents are not aware about green banking services because of lack of knowledge.
- The majority of the respondents are using the green banking services for the reason of time saving.
- The study exhibits that majority of the respondents use debit cards services.
- The respondent's opinion about the green banking services is to protect the environment.

### 7. Suggestions

- Government should create awareness to business people about environment and Social Responsibility enabling them to do an eco-friendly business practices.
- RBI should create guidelines for Green Banking practices.
- Encourage customers to go green.
- Provide customer education.
- Banks should provide training and development facility to the employees.

### 8. Conclusion

Currently we can see a lot changes taking place in Banking Sector. This survey shows the result that the customers are satisfied with the banking activities. Green Banking services helped them to reduce banking related problems and it increased efficiency of banking activities. At present customer are more aware about the Green Banking Services. The attitude of the customers towards green banking is positive on the new developments. Moreover the success of the services would depend on how efficiently banks are handling the core issues.

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