

Study on Awareness in Green Banking System

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Abstract

Green banking system brings interaction between bankers and customer, and bankers and businesses, still as in internal banking operations, to simplify and progress the banking services. An attempt made by banks through the green banking system. It brings lot of convince, customer centricity, augmented service quality and price effectiveness. A structured questionnaire was utilized in collecting the relevant data from the public and students respectively. This paper examines the awareness in green banking. The sample size of the study is 100; the data is gathered through Google forms.

Keywords: Green banking, Customer awareness, Paperless statement.

1. Introduction

Green Banking is like a normal bank, which considers all the social and environmental factors; it is also called as an ethical bank. Ethical banks have started with the aim of protecting the environment. These banks are like a normal bank which aims to protect the environment and it is controlled by same authorities as what a traditional bank do. Green banking is like a normal bank, which considers all the social and environmental/ecological factors with an aim to protect the environment and conserve natural resources. It is also called as an ethical bank or a sustainable bank. They are controlled by the same authorities but with an additional agenda toward taking care of the Earth's environment / habitats/ resources. For banking professionals green banking involves the tenets of sustainability, ethical lending, conservation and energy efficiency. There are many differences compared with normal banking, Green Banks give more weight to environmental factors, their aim is to provide good environmental and social business practice, they check all the factors before lending a loan, whether the project's environmentally friendly and has any implications in the future, you will award a loan only when you follow all the environmental safety standards.

Defining green banking is relatively easy. Green Banking means promoting environmental – friendly practices and reducing your carbon footprint from your banking activities. This comes in many forms:

1. Using online banking instead of branch banking.
 2. Paying bills online instead of mailing them.
 3. Opening up accounts at online banks, instead of largamente-branch banks
 4. Finding the local bank in your area that is taking the biggest steps to support local green initiatives.
- Green banking can benefit the environment either by reducing the carbon footprint of consumers or

banks. Either a bank or a consumer can conserve paper and benefit the environment. Ideally, a green banking initiative will involve both.

THE EMERGING TREND OF “GREENBANKING”

The term "Green Banking" is being heard more often today. According to Indian Banks Association (IBA, 2014) “Green Bank is like a normal bank, which considers all the social and environmental / ecological factors with an aim to protect the environment and conserve natural resources”. It’s also known as ethical bank or sustainable bank. Green banking can benefit the environment either by reducing the carbon footprint of consumers or banks. On-line banking is an example of an initiative of Green Banking.

Benefits of online banking include less paperwork, less mail and less driving to branch offices by bank customers, which all have a positive impact on the environment. Interestingly, online banking can also increase the efficiency and profitability of a bank. A bank can lower their own costs that result from paper overload and bulk mailing fees if more of their customers use online banking.

GREEN BANKING STRATEGIES ADOPTED BY INDIAN BANKS

The Reserve Bank of India document titled ‘Policy Environment’ dated 8th November, 2010 includes on Pages No. 56 and 57 a reference to Green Banking and Green IT initiatives for banks in India. Like any other Corporate, banks in India too are adopting the principle of Corporate Social Responsibility (CSR) and are concerned about the protection of environment. Mainly, the computerized environment and facilities like on-line banking are helping the banks to promote the green banking concept [Saline Mehta (2011)]. Paper work is being reduced consciously at all levels by bankers and customers. In addition to providing of on-site and off-site ATMs, some banks have gone ahead with innovative ideas like installing Bio-metric ATMs, Solar-based ATMs, White-labelled ATMs, Brown ATMs, SMS alerts, Mobile Banking etc. for the convenience of their customers [Ashok Singh (2010)]. Besides reducing any environmental pollution, these initiatives are helping the banks in reduction in their cost of operations and delays which results in increased customer satisfaction too [Deva Prakash R. (2008)]. While offering several simple suggestions for practicing green banking arrangements, the specific initiatives taken by banks in India are - IndusInd Bank introducing solar powered ATMs, SBI adopting green banking policy and offering green home loans, Union Bank of India’s energy efficiency measures, IDBI Bank’s membership in National Action Plan on Climate Change, ICICI Bank’s Corporate Environmental Stewardship initiatives and also Clean Technology Initiatives, YES Bank’s community development initiatives, ABN Amor Bank’s (now Royal Bank of Scotland) launching of Indian Sustainable Development Fund as also the Role played by RBI in these initiatives.

Environmental management in the banking sector is like risk management because it reduces the credit risk, improves the asset quality and increases the enterprise value. Biwa’s (2011) revealed some strategies for the adoption of environmental management in the banking sector:

Green Banking implementation year	Names of the banks operating in India
1996	Union Bank of India
2003	Citi Group INC, HSBC, ING Vyasa, RBS, Royal bank of Canada, Syndicate Bank, Standard Chartered Bank
2005	Yes bank, Corporation Bank
2006	Bank Of America, JP Morgan
2007	ICICI, OBC, SBI
2008	Bank Of Baroda, Karnataka Bank, Industrial Bank, Dena Bank
2009	HDFC, Indian Overseas, Indus’s land Bank, PNB, ABN Amro, Karur Vyasa, Andhra bank.
2010	Axis bank, Kotak Mahindra, South Indian Bank
2011	Canara Bank, IDBI, EXIM
2013	IDFC

REVIEW OF LITERATURE:

According to RBI (IRDBT, 2014), green banking is to make internal bank processes, physical infrastructure and IT infrastructure as effective and efficient as possible, with zero or minimal impact on the environment. They had introduced green rating standards for Indian banks, which are termed as ‘Green Coin Ratings’. Under this rating system, banks are judged on the basis of carbon emissions from their operations and on the amount of recycling, refurbishment and reuse material being used in their building furnishings and in the systems used by them like servers, computers, printers, networks, etc. They are also being judged on the amount of green projects finance by them and rewards or recognitions given to borrowers for turning their businesses greener.

Green banking services helps the banks towards the sustainable developments of the banks. In this context many authors expressed their opinions on the previous and recent developments and trends in the banking sector relating to the green banking.

Ela Sen (2010) Besides several benefits of computerization like speed, accuracy, ambience, efficient handling of sizeable business, etc., there is a factor like paper-less business resulting in waste management, eco-friendliness and pollution control.

Goyal KA and Vijay Joshi (2011) One side bankers are expecting more business through customer satisfaction but on the other side, the technology effect makes the customers not coming to the bank but bank is going to the doorstep of the customers.

Nigam Anda Biwas (2011) interpreted Green Banking as combining operational improvements, technology and changing client habits in market place. Adoption of greener banking practices will not only be useful for environment but also benefit in greater operational efficiencies, a lower vulnerability to manual errors and fraud and cost reductions in banking activities. He stated that the concept of green banking will be mutually beneficial to the banks, industries and economy. Not only green banking will ensure the greening of the industries but it will also facilitate in improving the asset quality of the bank in future. He has listed several benefits of green banking.

Alice Mani (2011) indicated that as Socially Responsible Corporate Citizens (SRCC), banks have a major role and responsibility in supplementing governmental efforts towards substantial reduction in

carbon emission. Bank's participation in sustainable development takes the form of Green Banking. The author examined and compared the green lending policies of banks in India in the light of their compliance and commitment to environment protection and environment friendly projects. It was opined that Banks in India can implement green lending.

(UNEP) Green Finance or Green Banking refers to diverse financial services and products provided by financial institutions for sustainable development (UNEP FI, 2007). Lymperopoulos et al. (2012) verified empirically that banking initiatives that are green result in a favourable, green image. His green bank marketing construct is comprised of green corporate social responsibility (GCSR), green internal process (GIP) and green product development (GPD).

According to (Dewi & Dewi, 2017), green banking promotes environment-friendly practices in banking sector. He further postulated that green banking guides the bank's core operation towards sustainability. Kumar and Prakash (2018) have studied the adoption level of sustainable banking tools and categorized 40 criteria into five heads. They further used content analysis to evaluate the sustainable practices of Indian banks and concluded that green banking adoption is still at the nascent stage in Indian banking.

STATEMENT OF PROBLEM:

Due to covid-19 situation we are not able to direct contact to respondents. So that the researcher gets information through the Google form. The research studies the current level of awareness towards green banking system among the customers in bank, public. In traditional banking, the customer has to visit the branch of the bank in person to perform the basic banking operation, viz. account enquiry, fund transfer, cash withdrawals etc. but in green banking services enables customers to perform the basic banking transactions by sitting at their office or home through viewing their account details and perform the transaction through electronic devices.

OBJECTIVES OF THE STUDY:

To study on awareness in green banking system the following objectives are framed.

- To identify the awareness of green banking system.
- To study the level of awareness of the customers using green-banking services.
- To identify factors influencing the awareness and usage of green banking.
- To give suggestions to improve the service quality of green banking.

METHODOLOGY:

The study includes primary and secondary data. However, the Primary Data was collected from the respondents by way of circulating the questions in Google form. The secondary data is obtained from websites as well as from books, magazines, periodicals, brochures etc. The data collection is classified as Primary data and Secondary data. Primary data are collected directly by way of using questionnaires. So, it will be reliable and accurate and can easily be responded to. Here secondary data were collected from the newspapers, official website of Banks, and other web sites and also from previous project reports in related areas.

RESEARCH DESIGN:

A research design is a basic framework, which provides guidelines for the rest of the research process. The research design specifies the method of study. Research design is prepared after formulating the research

problem and need to be most suitable to solve the problem. Population here the researcher selected 100 Respondents from various sector.

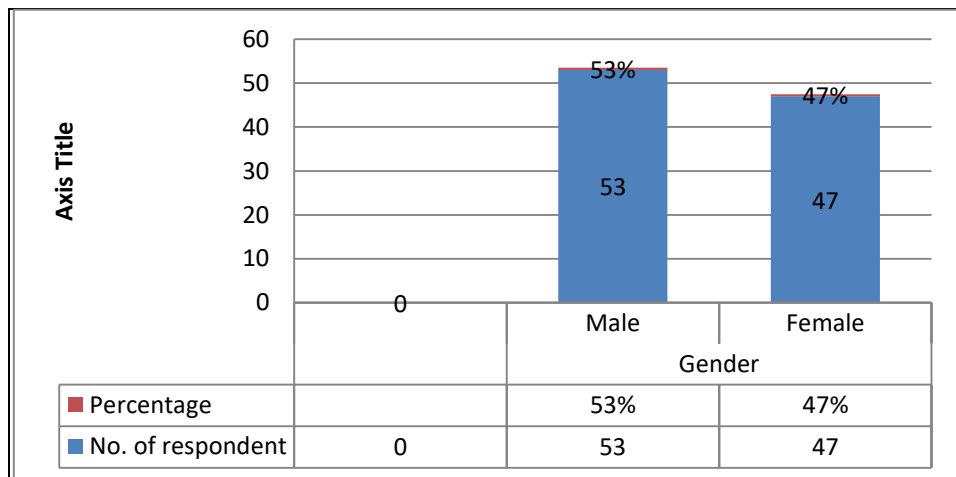
SAMPLE SIZE:

It refers to the number of items to be selected from the universe to constitute a sample. An optimum sample is one, which full fills the requirement of efficiency, representative, reliability and flexibility. So, the researcher selected 100 respondents as sample from the population.

ANALYSIS OF TOOLS WITH INTERPRETATION:

Table 1 Frequency Distribution of Gender

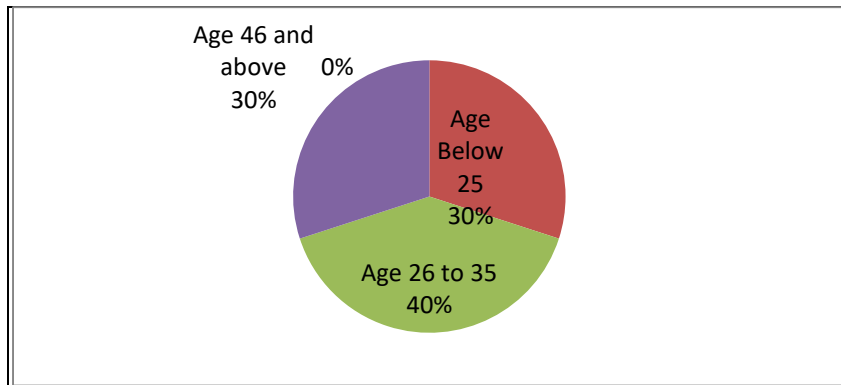
Personal factor	Classification	No. of Respondent	Percentage
Gender	Male	53	53%
	Female	47	47%



The above table shows the respondents of the gender 53 percentages of the respondents are male. 47 percentages are female.

Table 2 Frequency Distribution of Age

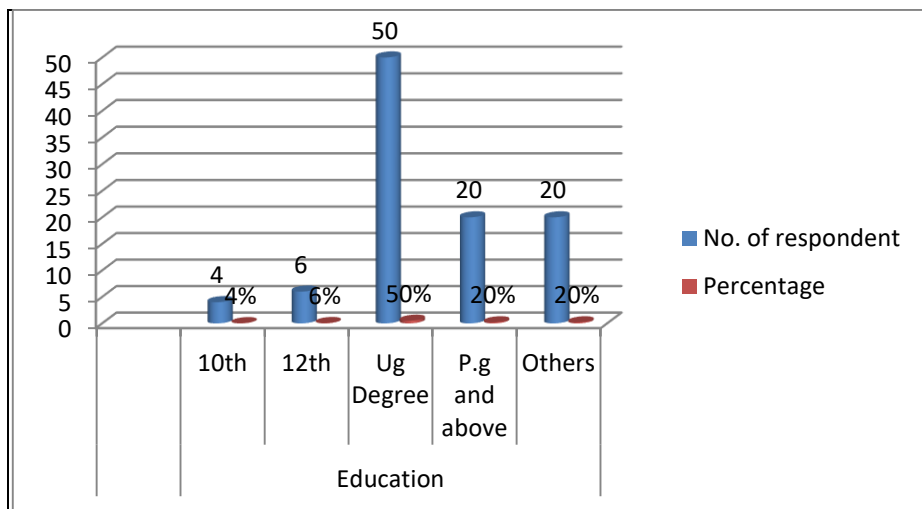
Personal factor	Classification	No. of respondent	Percentage
Age	Below 25	30	30%
	26 to 35	40	40%
	46 and above	30	30%



The above table shows the age of the respondents.30 percentages of the respondents are in the category of below 25 years.40 percentages of the respondents are in the category of 26 - 35 years.30 percentages of the respondents are in the category of 46 and above years.

Table 3 Frequency Distribution of Education

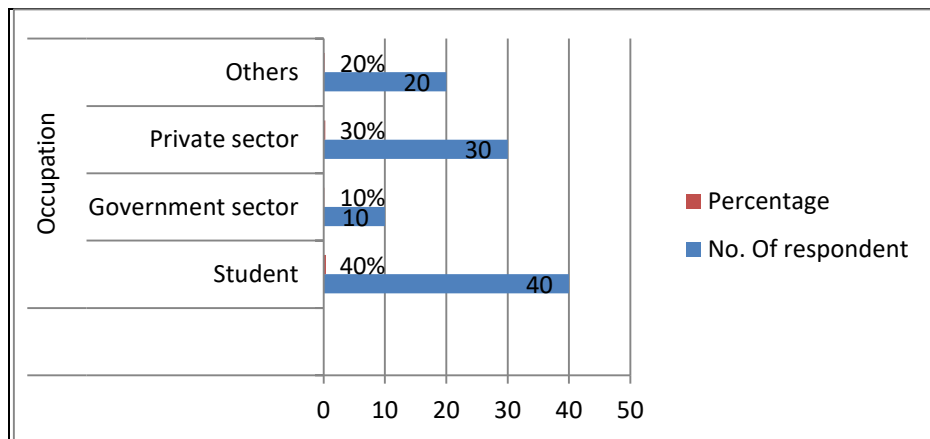
Personal factor	Classification	No. of Respondent	Percentage
Education	10 th	4	4%
	12 th	6	6%
	Ug Degree	50	50%
	Pg. and above	20	20%
	Others	20	20%



The above table shows the Educational Qualification of the respondents.4 percentages of the respondents are in the category of 10th standard.6 percentages of the respondents are in the category of 12th standard. 50 percentages of the respondents are in the category of degree.20 percentages of the respondents are in the category of post graduate and above.20 percentages of the respondents are in the category of others.

Table 4 Frequency Distribution of Gender

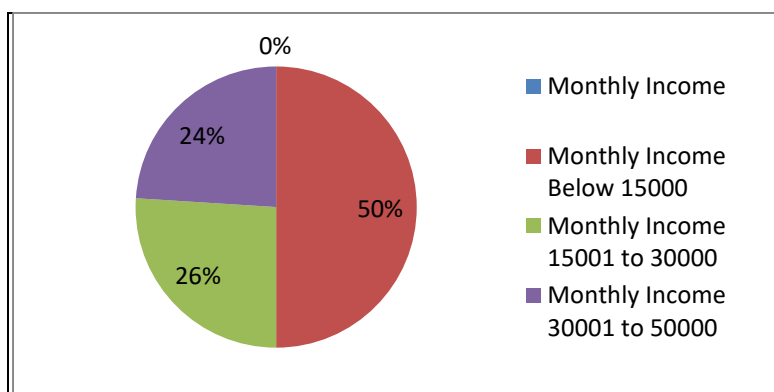
Personal factor	Classification	No. Of Respondent	Percentage
Occupation	Student	40	40%
	Government sector	10	10%
	Private sector	30	30%
	Others	20	20%



The above table shows the Occupation of the respondents. 40 percentages of the respondents are in the category of students. 10 percentages of the respondents are in the category of government sector. 30 percentages of the respondents are in the category of private sector. 20 percentages of the respondents are in the category of others.

Table 5 Frequency Distribution of Monthly Income

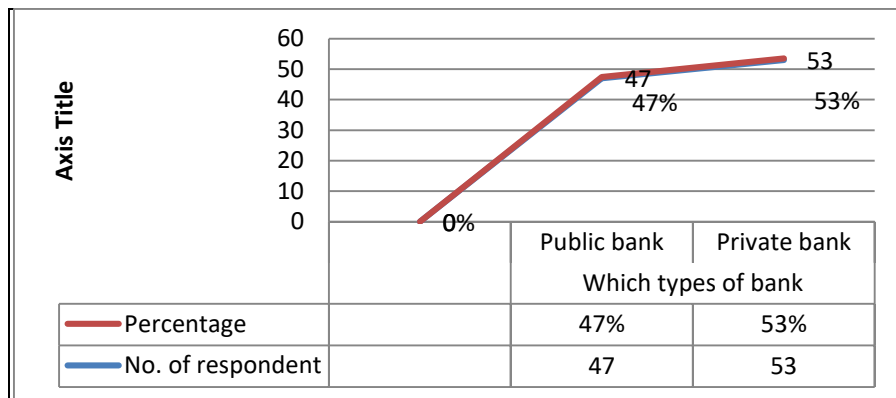
Personal factor	Classification	No. of Respondent	Percentage
Monthly Income	Below 15000	50	50%
	15001 to 30000	26	26%
	30001 to 50000	24	24%



The above table shows the Monthly income of the respondents. 50 percentages of the respondents are in the category of below 15000.26 percentages of the respondents are in the category of 15001 to 30000.24 percentages of the respondents are in the category of 30001 to 50000.

Table 6 Frequency Distribution of Types of Banking

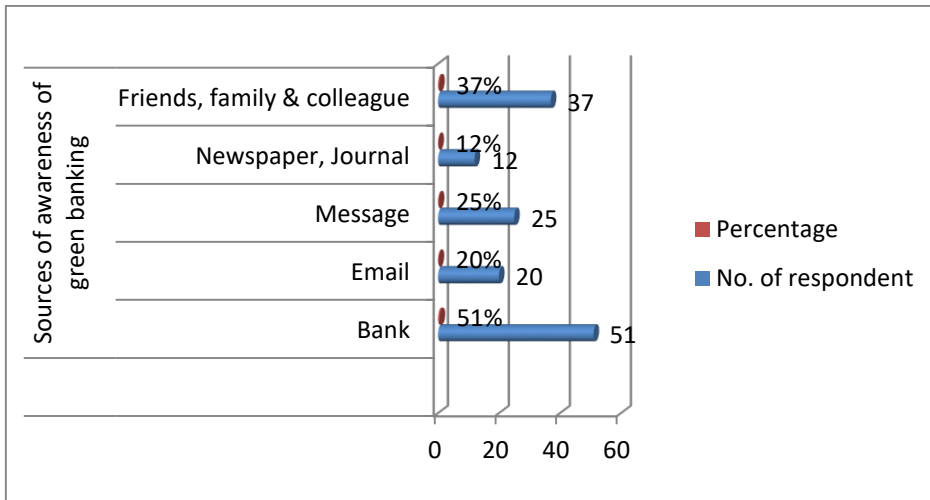
Personal factor	Classification	No. of respondent	Percentage
Which types of banks	Public bank	47	47%
	Private bank	53	53%



The above table shows the types of banks of the respondents.47 percentages of the respondents are replied has public bank.53 percentages of the respondents are replied has private bank.

Table 6 Frequency Distribution of Source of Awareness

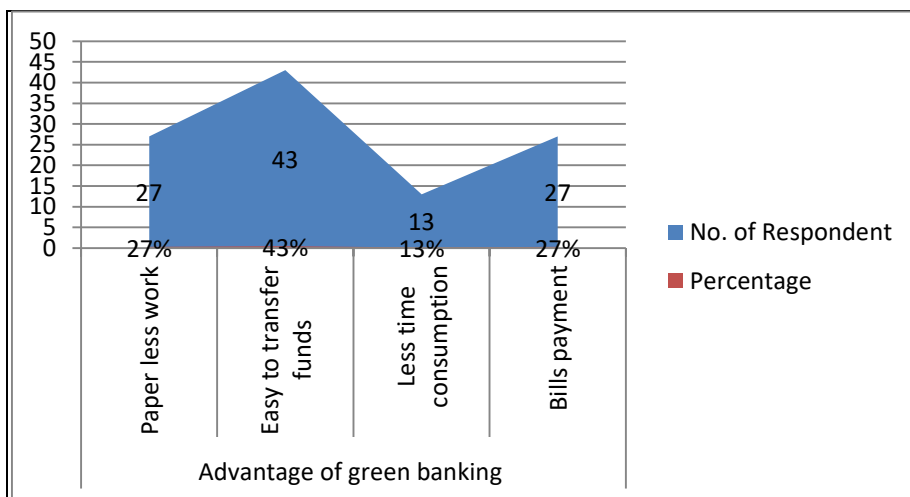
Personal factor	Classification	No. of Respondent	Percentage
Sources of awareness of green banking	Bank	51	51%
	Email	20	20%
	Message	25	25%
	Newspaper, Journal	12	12%
	Friends, family & colleague	37	37%



The above table shows the sources of awareness about mobile banking. In that 63 percentages of the respondents are got from bank. In that 38 percentages of the respondents are got from email. In that 35 percentages of the respondents are got from message. In that 12 percentages of the respondents are got from newspaper, journal. In that 43 percentages of the respondents are got from friends, family and colleague.

Table 7 Frequency Distribution of Advantage of green banking

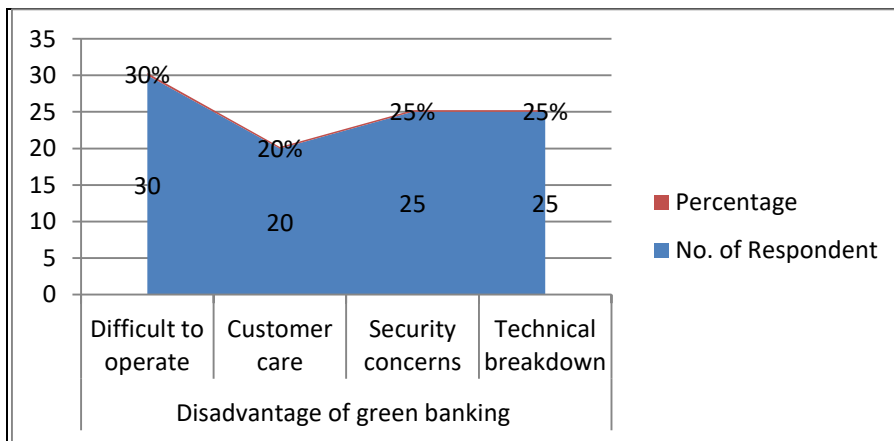
Personal factor	Classification	No. of Respondent	Percentage
Advantage of green banking	Paper less work	27	27%
	Easy to transfer funds	43	43%
	Less time consumption	13	13%
	Bills payment	27	27%



The above table shows the advantage of green banking. 27 percentages of the respondents are saying paperless work. 42 percentages of the respondents are saying easy to transfer. 13 percentages of the respondents are saying less time consumption. 27 percentages of the respondents are saying bills payment.

Table 8 Frequency Distribution of Disadvantage for green banking

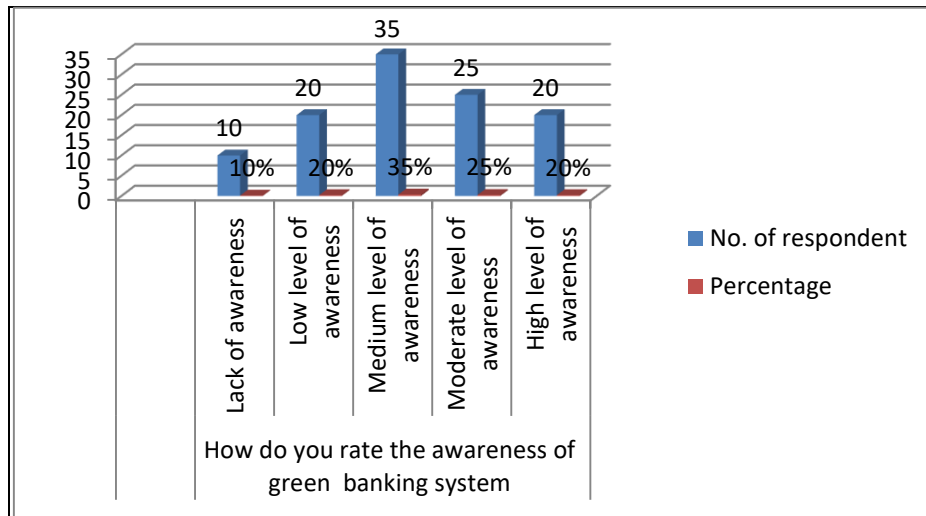
Personal factor	Classification	No. of Respondent	Percentage
Disadvantage of green banking	Difficult to operate	30	30%
	Customer care	20	20%
	Security concerns	25	25%
	Technical breakdown	25	25%



The above table shows the disadvantage of green banking. In that 30 percentages of the respondents are saying difficult to operate. In that 20 percentages of the respondents are saying customer care. In that 25 percentages of the respondents are saying security concerns. In that 25 percentages of the respondents are saying technical break down.

Table 8 Frequency Distribution of Rate of green banking

Personal factor	Classification	No. of respondent	Percentage
How do you rate the awareness of green banking system	Lack of awareness	10	10%
	Low level	20	20%
	Medium level	35	35%
	Moderate level	25	25%
	High level	20	20%



The above table shows the rating from the green banking application service user. In that 10 percentages of the respondents are saying lack of awareness. In that 20 percentages of the respondents are saying low level of awareness. In that 35 percentages of the respondents are saying are medium level awareness. In that 25 percentages of the respondents are saying moderate level of awareness. In that 20 percentages of the respondents are saying high level of awareness.

FINDINGS:

- Some customers are saying that difficult to operate green banking system.
- Customers are feeling that customer care not proper respond. So kindly see and improve it.
- In government sector employee are using little only.
- Compare to private bank, public sector bank is less usage of green banking system.

SUGGESTIONS:

- Make customers more and more aware about green banking through their website.
- Promoting different forms of electronic banking.
- Creating customer's awareness through the media.
- Carbon footprint reduction by saving energy and paper.
- Providing environment friendly rewards to customers.

CONCLUSION

Green banking is boosting to enhance the setting and promoting economic process till some years ago, most ancient banks did not observe inexperienced banking or actively get investment opportunities in environmentally-friendly sectors or business. Indian banks square measure so much behind their counterparts from developed countries. If Indian banks need to enter world markets, its necessary that they acknowledge their environmental and social responsibilities. So recently have these ways become additional current, not only among smaller various and cooperative banks, however jointly among wide ranging monetary service suppliers, quality management companies and insurance corporations.

Further, those industries that they have already become experienced and people, that square measure creating serious tries to grow experienced to be accorded priority to loaning by the banks. Green banking can make sure the greening of the industries however it will jointly facilitate in rising the quality of the banks in future.

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