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# A STUDY ON CUSTOMERS' AWARENESS LEVEL TOWARDS GREEN BANKING PRACTICES IN MAYILADUTHURAI DISTRICT

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**ABSTRACT**

*In this paper clearly indicates the various aspects of awareness level of paperless banking services offered by the banking sector. The recent developments in Indian banking technology have transformed banking from the traditional system towards a more inclusive one incorporating the interests of customers, the bank and the environment. Nowadays, banking operations can be carried out through various banking delivery channels away from the bank branches. ATM is the most popular banking delivery channel and the extraordinary success of ATMs had made the banking sector courageous to develop more innovative alternative delivery channels such as Internet banking, mobile banking, Green channel counters, kiosk banking, credit card, debit card, online bill payment services etc. In the environment friendly society, Green Banking has become relevant in each and every aspect of business. Green banking plays an important role in our country. Adopting of greener banking practices will not only be useful for environment, but also beneficial for greater operational efficiencies, a lower vulnerability to manual errors and fraud and cost reduction in banking activities. Green banking refers to making the banking transactions easily and to avoid paper transactions instead of papers using through the electronic devices using in the day to day activities in the banking sector.*

**Keywords:** Green banking, ATMs, EFT, Online payments, etc.

## INTRODUCTION

Green Banking is an umbrella term referring to practices and guidelines that make banks sustainable in economic, environment, and social dimensions. It aims to make banking processes and the use of IT and physical infrastructure as efficient and effective as possible, with zero or minimal impact on the environment. Sustainable development and preservation of environment are now recognised globally as overriding imperatives to protect our planet from the ravages inflicted on it by mankind. Various global initiatives are underway to counter the ill effects of development that ween counter to day such as global warming and climate change. A common thread running across all these initiatives is the focus on reducing the demand for fossil fuels by implementing the3R'sviz.Reduce, Reuse and Recycle. Banks and financial institutions can play a major and decisive role in these global efforts to make our planet a better place to live in. As providers of finance, banks can ensure that businesses adopt environment-friendly practices.

## STATEMENT OF THE PROBLEM

In an increasingly eco-conscious market, many businesses are finding creative ways to go green. It may be improving their energy efficiency, buying organic products, composting or just turning off electricity at night, being green means all sorts of things to different people. The banking sector can play an intermediary role between economic development and environmental protection, for promoting environmentally sustainable and socially responsible investment, banking of this kind can be termed as "Green Banking". Green Banking refers to the banking business conducted in selected area and manner that helps the overall reduction of external carbon emission and internal carbon footprint. To aid the reduction of external carbon emission, bank should finance

green technology and pollution reducing projects. Besides being environmentally friendly, it's also incredibly convenient.

## NEED OF THE STUDY

Banks in India are playing a vital role towards sustainable development by introducing various green banking practices. Adoption of these green banking practices by the customers will result savings of energy, fuel, paper and other natural resources. Though, many studies have been made in the field of green banking globally but there have been very few studies done in India, especially in Mayiladuthurai District of Tamil Nadu. The researcher realizes that no study has been carried out on environmental aspects of various green banking practices introduced by the banks in Tamil Nadu. Therefore, it is the high time to carry out study on green banking practices to make the people perception about their benefits to the users as well as the environment. Such study will surely help the banking sector, customers, policy makers and the society as a whole.

## OBJECTIVES OF THE STUDY

1. To understand the customers awareness level on Green banking services.
2. To find out the factors influencing customers towards Green banking services.
3. To analyse the awareness of the customers concerning the information security in Green banking services.

## METHODOLOGY

The present study is descriptive and analytical in nature as it attempts to understand the customers' perception towards green banking in Mayiladuthurai District. For that purpose, a questionnaire tool has prepared and collects the opinion of the customers who have been utilizing the Green banking services. The sample size of 50 customers was chosen for this research. Opportunistic sampling technique has been used in this research. The secondary data were collected by the researcher from various sources like magazines, journals, textbooks and websites.

## LIMITATIONS OF THE STUDY

The study is subject to the following limitations:

1. The study area is confined only to Mayiladuthurai District.
2. The sample size is restricted to only 50, due to time and cost factors.
3. The finding of the study depends purely on the response given by the sample respondents and hence cannot be generalized.

**GENDER WISE CLASSIFICATION OF RESPONDENTS**

| S.No | Factors | Respondents | |
|---|---|---|---|
| | | in No. | in % |
| 1 | Male | 29 | 58% |
| 2 | Female | 21 | 42% |
| **Total** | | **50** | **100%** |

**Source:** Primary data

The above table shows that 58% of the respondents are belongs to the male category and 42% of the respondents are female category.

It is understood from the above analysis that most of the respondents taken in to study are male.

**AGE OF THE RESPONDENTS**

| S.No | Factors | Respondents | |
|---|---|---|---|
| | | in No. | in % |
| 1 | Upto 25 years | 10 | 20% |
| 2 | 26 to 35 years | 26 | 52% |
| 3 | 36 to 45 years | 11 | 22% |
| 4 | Above 45 years | 3 | 6% |
| **Total** | | **50** | **100%** |

**Source:** Primary data

From the table depicts that out of 50 respondents, 52% belonged to age category of 26 to 55 years, 20% of the respondents are belonged to the age category of upto 25 years, 22% of customer belonged to the age category of 36 to 45 years and the rest of 5% pertaining to the age category of above 45 years.

**EDUCATION WISE CLASSIFICATION OF RESPONDENTS**

| S.No | Factors | Respondents | |
|---|---|---|---|
| | | in No. | in % |
| 1 | Upto school level | 6 | 12% |
| 2 | Graduate | 20 | 40% |
| 3 | Post graduate | 13 | 26% |
| 4 | Professionals | 7 | 14% |
| 5 | Others | 4 | 8% |
| **Total** | | **50** | **100%** |

**Source:** Primary data

From the table, it can be inferred that 40% of the respondents are graduate, 26% of the respondents are completed their post graduate degree, 14% of the respondents are professional people, 12% of the respondents are come under the category of up to school level education and the remaining 8% representing the other, which includes diploma certificate programming, etc.,

**OCCUPATIONAL STATUS OF RESPONDENTS**

| Sl.No | Factors | Respondents | |
|---|---|---|---|
| | | in No. | in % |
| 1 | Employees | 18 | 36% |
| 2 | Profession | 6 | 12% |
| 3 | Business | 10 | 20% |
| 4 | Agriculturist | 3 | 6% |
| 5 | Others | 13 | 26% |
| **Total** | | **50** | **100%** |

**Source:** Primary data

From the table, we came to know that 36% of the respondents were salaried employees, 26% were comes under other category, which includes students, house wife, etc., 20% were doing their own business, 12% of respondents were professionals and 6% of respondents were agriculturalist.

**MONTHLY INCOME OF RESPONDENTS**

| Sl.No | Factors | Respondents | |
|---|---|---|---|
| | | in No. | in % |
| 1 | Upto Rs.10,000 | 19 | 38% |
| 2 | Rs.10,001 to Rs.20,000 | 17 | 34% |
| 3 | Rs.20,001 to Rs.30,000 | 9 | 18% |
| 4 | More than Rs.30,000 | 5 | 10% |
| **Total** | | **50** | **100%** |

**Source:** Primary data

From the table portrays that out of 50 respondents, 38% belonged to the category of upto Rs.10,000, 34% respondents belonged to the category of Rs.10,001 to Rs.20,000, 18% respondents belonged to the category of Rs.20,001 to Rs.30,000 and 10% customer belonged to the category of more than Rs.30,000.

**SOURCES OF INFORMATION**

| Sl.No | Factors | Respondents | |
|---|---|---|---|
| | | in No. | in % |
| 1 | Banking officials | 12 | 30% |
| 2 | Friends & Relatives | 23 | 46% |
| 3 | Internet | 4 | 8% |
| 4 | Advertisement | 8 | 16% |
| 5 | Other sources | 3 | 6% |
| **Total** | | **50** | **100%** |

**Source:** Primary data

From the above table illustrate the source of information from where they got information about the green banking services. It was noted that 46% of the respondents said they got information from the friends and relatives, 24% got information through Banking officials followed by 16% were from advertisement and rest 6% got information from other sources.

**AWARENESS ABOUT GREEN BANKING**

| Sl.No | Factors | Respondents | |
|---|---|---|---|
| | | in No. | in % |
| 1 | Yes | 41 | 82% |
| 2 | No | 9 | 18% |
| **Total** | | **50** | **100%** |

**Source:** Primary data

From the table clearly shows the awareness about the Green banking services, it was noted that 82 percent of the respondents more aware about the Green banking services and the rest were unaware about the Green banking services.

**INFLUENCING FACTORS TO PREFER GREEN BANKING**

| Sl.No | Factors | Respondents | |
|---|---|---|---|
| | | in No. | in % |
| 1 | Convenience | 21 | 42% |
| 2 | User friendly | 13 | 26% |
| 3 | Environmental concern | 7 | 14% |
| 4 | Time & Cost saving | 9 | 18% |
| **Total** | | **50** | **100%** |

**Source:** Primary data

From the table it shows the adopting factors of Green banking services, it clearly indicates that 42% of the respondents are opined that the convenience is the main factor to induce to use green banking services, followed by 26% of the respondents opined that the easy use, followed by 18% were saving of time and cost and the rest were opined that environmental wellness.

**PURPOSE OF USING GREEN BANKING SERVICES**

| Sl.No | Factors | Respondents | |
|---|---|---|---|
| | | in No. | in % |
| 1 | Online bill payment | 12 | 24% |
| 2 | Net banking | 19 | 38% |
| 3 | Electronic fund transfer | 9 | 18% |
| 4 | Mobile banking | 4 | 8% |
| 5 | Other services | 6 | 12% |
| **Total** | | **50** | **100%** |

**Source:** Primary data

The above table clearly shows the purpose of using green banking services, it was noted that 38 percent of the respondents are opined that their purpose is to use Net banking, followed by 24 percent of the respondents are prefer to use green banking services to remitting utility bill payments, 18 percent of the respondents are prefer to use others such as bank to bank transfer, 12 percent of the respondents are opined that their purpose is other

services and it was noted that only 8 percent of the respondents opined that they use mobile banking applications through green banking services.

**AWARENESS AMONG GREEN BANKING PRODUCTS**

| S.No | Products | Respondents | | |
|---|---|---|---|---|
| | | Aware (in No.) | Unaware (in No.) | Total |
| 1 | Online bill payments | 44 | 6 | 50 |
| 2 | Online SB account | 41 | 9 | 50 |
| 3 | Net banking | 47 | 3 | 50 |
| 4 | Green home loan | 9 | 41 | 50 |
| 5 | Green car loan | 7 | 43 | 50 |
| 6 | Green mortgage | 10 | 40 | 50 |
| 7 | Paperless statement | 39 | 11 | 50 |
| 8 | Mobile banking | 44 | 06 | 50 |
| 9 | Solar ATM | 6 | 44 | 50 |
| 10 | EFT | 44 | 06 | 50 |
| 11 | Cash deposit system | 31 | 19 | 50 |
| 12 | Entry System | 21 | 29 | 50 |

**Source:** Primary data

From the table clearly shows the awareness among the various green banking products offered by the bank. It reveals majority of the respondents are opined that they are well aware about the Net banking, EFT, mobile banking, CVM, paperless statement and it was noted majority of the respondents opined that they unaware about the green banking products like green home loan, green car loan, solar ATM and green mortgages.

**REASONS FOR NON-USAGE**

| Sl.No | Factors | Respondents | |
|---|---|---|---|
| | | in No. | in % |
| 1 | Lack of Knowledge | 26 | 52% |
| 2 | Insecurity | 6 | 12% |
| 3 | Lack of documentary evidence | 8 | 16% |
| 4 | Awkward procedure | 4 | 08% |
| 5 | Obsession to use | 6 | 12% |
| **Total** | | **50** | **100%** |

**Source:** Primary data

From the clearly shows the reasons for non-usage of green banking services, it was observed from the table more than 50 percent of the respondents opined that their major reason is to avoid green banking services is lack of complete knowledge about the green banking products, followed by 16% and 12% were opined that lack of documentary evidences, obsession to use and insecurity respectively and only 8% were opined that their reason to avoid is awkward procedures.

**LEVEL OF SATISFACTION**

| Sl.No | Factors | Respondents | |
|---|---|---|---|
| | | in No. | in % |
| 1 | Dissatisfied | 6 | 12% |
| 2 | Satisfied | 30 | 60% |
| 3 | Highly Satisfied | 14 | 28% |
| **Total** | | **50** | **100%** |

**Source:** Primary data

The above table clearly depicts that 60% of the respondents are satisfied with the green banking services, 28% of the consumer considered for the study viewed that they are dissatisfied with green banking services and the remaining 12% of the respondents opined that they are dissatisfied with the green banking services.

## FINDINGS

- It is understood from the above analysis that most of the respondents taken in to study are male.
- This analysis clearly reveals the most of the sample respondents i.e., 52% are representing the age category of 26 to 35 years.
- This analysis clearly indicates that all the respondents considered for the study are literate.
- It clears that the maximum number of respondents taken under study were employees.
- This analysis reveals that most of the respondent's monthly income was between upto Rs.10,000.
- This analysis clearly envisage that most of the respondents taken into study got information about the green banking through friends & relatives.
- It was noted that 82 percent of the respondents more aware about the Green banking services.
- Out of 50 sample respondents, 44 percent of the respondents using green banking services between 1 to 3 years and it was observed only 12 percent of the respondents use green banking services more than 5 years.
- 42% of the respondents are opined that the convenience is the main factor to induce to use green banking services.
- It was noted that 38 percent of the respondents are opined that their purpose is to use Net banking.
- It reveals majority of the respondents are opined that they are well aware about the Net banking, EFT, mobile banking, CVM and paperless statement.
- It was noted majority of the respondents opined that they unaware about the green banking products like green home loan, green car loan and solar ATM and green mortgages.
- It was observed from the table more than 50 percent of the respondents opined that their major reason is to avoid green banking services is lack of complete knowledge about the green banking products.
- 60% of the respondents are satisfied with the green banking services and the remaining 11% of the respondents opined that they are dissatisfied with the green banking services.

## SUGGESTIONS

- Training to the employees of the bank is also important, so that they can encourage customer for usage of Green banking services. Bank employees should help their customers in educating them about the paperless transactions.
- There are many services in Green Banking, not all are known to customers of bank, therefore awareness programs should be conducted for customers to make them use of green banking services.
- The automatic cheque depositing machines are the most recent service provided by the banks and many of the customers are aware on the usages of it. So, installing such machines will help in work reduction of the banks and also create customer involvement with their banks.
- Periodic campaigns have to be made mandatory by the banks to educate people about the green banking services.
- Automatic cheque and Automatic cash deposit can be made without paper receipt; immediate SMS alert can be made instead of the receipt.
- Banks can place certificate obtained from government stating that the entire building is green. With green IT, greening buildings and green data centre.

## CONCLUSION

Banks are the only industry which is considered as non polluting industry, but due to environmental and climatic change banks need to change and adapt to environmental friendly practices. India's growth account and obligation to cut its carbon intensity by 20-25 percent from 2005 levels by 2020 provides tremendous opportunities for Indian banks from funding sustainable projects to offering innovative products and service in the areas of green banking. Initially, these commitments to environmental and social guidelines will cause a huge financial burden for Indian banks. For effective green banking, the RBI and the Indian government should play a proactive role and formulate a green policy guidelines and financial incentives. The survival of the banking industry is inversely proportional to the level of global warming. Therefore, for sustainable banking, Indian bank should adopt green banking as a business model without any additional postponement. This concept of "Green Banking" will be mutually beneficial to the banks, industries and the economy.

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