



A study on awareness and perception of customers towards green banking practices of selected banks in Anand district

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Abstract

Banks play a prominent role in the Indian economy. Green banking practices through banks try to reduce the environment's carbon footprint. The researcher tries to check the customer's awareness and perception of green banking practices. The researcher collected primary data through a questionnaire. The data was collected from the customers of public & private sector banks in the Anand district. The sample size of customers was 174. The convenient sampling method is used as a sampling technique. The researcher analyzed data through frequency, independent samples T-Test, and one-way ANOVA. The researcher evaluated that there is no significant difference between the awareness and perceptions of the customers.

Keywords: Green Banking practices, Indian banks, Customers, Awareness, Perception.

1. INTRODUCTION

Green banks are mission-driven financial firms that utilize innovative finance to speed the transition to sustainable energy and combat climate change. They are mission-driven, which means they care more about installing renewable energy than making a profit. They are continually developing a pipeline of clean projects and looking for market prospects. The focus of green banking is to combat climate change.

The term green banking is prevalent worldwide. Every organization is more focused on green activities. (Bihari & Swayin, 2020) To encourage the reduction of external carbon emissions, banks should finance projects using green technology and reduce pollution. (C & Jeba Melvin, 2022) Banks are non-polluters and environmentally friendly regarding their internal activities. But their external activity by their customers on the environment is enormous and tough to estimate. According to (Jain & Sharma, 2023) the study analyzes the mediating effect of day-to-day operation and funding or investing in green projects in assessing the relationship between green banking policy and banks' environmental performance.

1.1 Meaning of Green Banking

Green banking means promoting environmentally-friendly practices and reducing the carbon footprint from banking activities. It is also called ethical banking or sustainable banking. Green banking is a category of banking practices that considers all the social and ecological factors to defend the environment and preserve natural resources. It is also called ethical banking or sustainable banking.

Green Bank looks at green banking in three areas - operational, technological, and client acceptance. Improvements have been made in the operational area, such as replacing daily courier service with scans and electronic delivery.

There are different ways to become green with banking:

- A. Green accounts
- B. Online statements
- C. Internet banking registration

1.2 Objectives of Green Banking

Green banking saves costs, minimizes risk, enhances banks' reputations, and contributes to the common good of environmental sustainability. So, it serves both the commercial objective of the bank as well as its social responsibility.

1.3 Advantages of Green Banking

1. Green banking avoids paperwork and makes use of online transactions such as internet banking and SMS.
2. Banking and ATM banking. Paperless banking helps in controlling deforestation.
3. Free electronic bill payment services.
4. Provides loans at concessional rates to environment-friendly products and projects.
5. Banks can create awareness about the benefits of green banking among employees and customers.
6. Banks around the world are going green by launching environmentally friendly initiatives and providing innovative green products.
7. Resources can be conserved and utilized more efficiently by using paperless banking.
8. E-statement will be generated and sent to the customers' email.
9. The banking industry can contribute to saving the Earth by taking environment-friendly initiatives.
10. Green banks give more importance to environmentally friendly factors like ecological gains.
11. The loan is comparatively less. Generate a clean and hygienic environment for environmental conservation and protection of ecological balance.
12. Online account opening form for opening a green account.
13. Cashback will be credited to all new customers opening "green accounts".

2. REVIEW OF LITERATURE

Kuriun, (2022) studied "A study on customers' knowledge, Awareness & perception regarding green banking". The researcher's main objective was to determine the level of understanding of customers regarding green banking & green services about the environment. They collected data through a questionnaire & they used convenience sampling techniques. The sample size was 120 respondents. They used percentage analysis & garret ranking for analyzing data. They concluded that the RBI and the government should play a prominent role in promoting green banking by formulating green policy guidelines.

Narayanan & Chandrasekaran, (2022) in their paper entitled “Green Banking Initiatives on Perception: A Conceptual Model of Customer Knowledge on Green Banking System Towards Public Sector & Private Sector Banks in Southern Districts of Tamil Nadu”. The researcher's main aim was to study the perception of customers of green banking initiatives. They collected primary data through a structured questionnaire. They used convenience sampling techniques & they collected 100 respondents as a sample size for the study. they concluded that young respondents frequently adopt green banking initiatives, whereas senior or middle-aged customers still prefer traditional practices.

Sunil & Durgalashmi, (2022) have studied ‘A Study on consumers’ awareness, perception & attitude towards green banking with special reference to SBI in southern Kerala’. They collected information from 200 people from different branches of SBI in southern Kerala. They used Judgmental sampling techniques. They used the descriptive method. They analyzed data through percentage analysis and one-sample T-test. The researcher concluded that few control environment-related issues by assessing projects & and lending.

Ellahi et al., (2021) have studied “Customer awareness on green banking practices”. The researcher's main aim was to discover people's awareness regarding green banking in Pakistan & examine the individual's perceptions & responses to the green banking practices adopted by banks. They collected 400 responses through a structured questionnaire. The research is exploratory. The researcher analyzed data through a structural equation model. They concluded that education appears to have a significant positive impact on green banking awareness.

C. & Sathiyabama, (2020) have studied “Perception on green banking practices in selected commercial banks in Kerala”. The main objective was to know the perception of selected customers towards green banking practices in Kerala. The researcher collected data through a structured questionnaire. The sample size of the study was 300 respondents. The data analysis was done through percentage analysis & garret rank Analysis. They concluded that bank employees should motivate the customers to use green banking services and appoint special staff who can separately devote time to counsel & guide the customers on green banking execution.

3. RESEARCH METHODOLOGY

3.1 Objectives of Study

1. To examine the awareness level of customers of green banking practices.
2. To evaluate the perception of customers regarding green banking practices.

3.2 Hypothesis of the Study

H₀₁: There is no significant difference between types of banks & perception of customers of green banking practices.

H₀₂: There is no significant difference between the awareness of customers & perception of customers regarding green banking practices.

3.3 Data Collection & Techniques

The primary data was collected through a structured questionnaire. The sample size of the respondents was 174. The first part of the questionnaire was demographic variables & second part in questions related to awareness & perception. The customers who have bank accounts are respondents in this study. Convenient sampling is used for collecting data from the Anand district. The frequency, independent sample T-test, and ANOVA were applied to data analysis with the use of SPSS.

3.4 Results and Discussion of the Findings

Table 1 Gender

		Frequency	Percent
Valid	Male	70	40.2
	Female	104	59.8
	Total	174	100.0

Interpretation -A total of 174 respondents were in the study. 70 (40.2 %) were Male & 104 (59.8 %) were Female.

Table 2 Educational Qualification

		Frequency	Percent
Valid	Less than 9 Standard	1	.6
	HSC	2	1.1
	Undergraduate	19	10.9
	Postgraduate	137	78.7
	Ph. D.	15	8.6
	Total	174	100.0

Interpretation -The Total respondents was 174. In which More respondents' education was post-graduate (78.7 %), 10.9 % of respondents were Undergraduates, 8.6 % were Ph.D. holders & respondents 2(1.1 %) were HSC & 0.6 % were less than 9 standards.

Table 3 Occupation

		Frequency	Percent
Valid	Student	131	75.3
	Government Employee	13	7.5
	Private Employee	16	9.2
	Businessman	1	.6
	Other	13	7.5
	Total	174	100.0

Interpretation -Out of 174 respondents, there were 131(75.3 %) students, 16 (9.2%) were private employees, 13 (7.5 %) were government employees,1 person was businessman (0.6%) & 13(7.5 %) respondents were other categories like, professional persons, housewife.

Table 4 Income

		Frequency	Percent
Valid	Less than 1,00,000	50	28.7
	1,00,001 to 2,00,000	15	8.6
	2,00,001 to 3,00,000	9	5.2
	3,00,001 to 4,00,000	8	4.6
	More than 4,00,000	10	5.7
	Not Applicable	82	47.1
	Total	174	100.0

Interpretation - Most of the respondents were students, so 82 (47.1%) persons are tick marks in the not applicable categories. 50 respondents had an income of less than 1,00,000 in a year. 15(8.6 %) of respondents had income between 1,00,001 to 2,00,000. 10(5.7 %) respondents had an income more than 4,00,000, 9(5.2%) respondents' income between 2,00,001 to 3,00,000 & 8 (4.6%) respondents' income between 3,00,001 to 4,00,000.

Table 5 Types of banks

		Frequency	Percent
Valid	Public bank	156	89.7
	Private bank	18	10.3
	Total	174	100.0

Interpretation -156 (89.7%) customers had bank accounts in public sector banks & 18 (10.3%) customers had bank accounts in private sector banks.

Table 6 Source of Awareness of Green Banking Practices/Initiatives

		Frequency	Percent
Valid	Bank official website	37	21.3
	Advertisement	28	16.1
	Social Media	58	33.3
	T.V.	8	4.6
	Friends or Relatives	17	9.8
	Other	26	14.9
	Total	174	100.0

Interpretation -In table 6, mainly 58 (33.3%) customers were aware of the green practices through social media,37 (21.3 %) customers were aware through the bank's official website,28 (16.1 %) aware through advertisements & 17 (9.8%)customers were aware through friends & relatives, & 26 (14.9 %)k aware through other platform & 8 (4.6 %) customers aware through Television.

Table 7: Methods adopted by Customers for green banking

Method	Frequency	Percentage
Use of direct deposit	47	27.2%
Pay Online bills	105	60.7%
Paperless statement	40	23.1%
Online Savings Account	51	29.5%
Green Channel Counter	16	9.2%
Mobile banking	98	56.6%

Interpretation - In Table 7,60.7 % of customers adopted paying online bills. 56.6 % of customers used mobile banking, and 29.5% of customers used direct deposit in banks. 29.5% used online savings bank accounts. & 23.1% of customers adopted a paperless statement, & 9.2% of customers used green channel counters in banks.

H₀₁: There is no significant difference between types of banks & perception of customers.

Table-8

Group Statistics					
	Types of banks	N	Mean	Std. Deviation	Std. Error Mean
Perception	Public bank	156	3.4303	.82161	.06578
	Private Bank	18	3.4722	.85487	.20149

Table-9 Independent Samples T-test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
perception	Equal variances assumed	.179	.673	-.204	172	.838	-.04193	.20536	-.44728	.36341
	Equal variances not assumed			-.198	20.791	.845	-.04193	.21196	-.48300	.39913

(Source: SPSS)

Inferences:

Independent T-test shows that the mean difference between them is not statistically significant ($p > 0.05$). this means that there is no strong evidence to suggest a difference in means between the two groups. So, the null hypothesis is accepted. it concludes that there is no significant difference between types of banks & perception of customers.

H₀₂: There is no significant difference between the awareness of customers & perception of customers regarding green banking practices.

Table-10 ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	84.715	30	2.824	1.011	.460
Within Groups	399.422	144	2.793		
Total	484.138	174			

(Source: SPSS)

Inferences:

Table 10 shows that the p-value (0.460) associated with the F-test between groups is greater than the common significance level of 0.05. The p-value greater than 0.05 suggests that there is not enough evidence to reject

the null hypothesis. So, fails to reject the null hypothesis. That means there is no significant difference between the Sources of awareness of customers and the perception of customers of green banking practices.

Conclusion

The analyses of the study concluded that the awareness level does not match the perception of the customers. So, banks should try to raise awareness the customers regarding green activities as well as adopt green services & and initiatives of the banks. There were some problems in that some customers used green practices, but they were not aware of the activities considered in green banking practices. Banking should educate the customers regarding their current activities and their upcoming investment plan in renewable energy-related projects.

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