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A Study on the Customer Awareness on Green Banking Initiatives in the City of Bengaluru

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ABSTRACT
The concept of green banking has been gaining momentum in the past decade. With every passing year, its need and significance prove to be undeniably increasing due to the indifference of man towards the environment. Bank being one of the supreme institutions that has the power to impact the society, must not only plan initiatives but also make equal efforts to implement it in a successful manner. "Change is imminent in present scenario for the survival, and continuous efforts are made to the environmental management (Elkington, 1994) in a sustainable manner". Green banking is a dynamic and continuous process to achieve sustainable development. It can thus be an amalgamation of social responsibility, technological development, ethical practices, innovative thinking, awareness, etc. operating in the right proportion to make our lives eco-friendly. The paper centers it's attention on the customer awareness and involvement in the green initiatives adopted by public and private sector banks. It also suggests ways to increase the purview of green banking in India which will enable sustainable growth.

Keywords: Green banking, environment friendly, bank initiatives, customer awareness, sustainable growth.

INTRODUCTION

Banks possess a vital role not only in financing various projects but are also growing to be responsible for the impacts of the projects they fund - elimination of the carbon footprint of a bank's operation. Nowadays banks are known as low impact sector due to the increase in various green initiatives such as mobile banking, internet banking, green loans, green cards, solar ATMs, etc. and are thereby stepping into the concept of ethical banking.

Green Banking is a concept which focuses on adopting green financing, clean technologies and other initiatives which would make the bank's as well as it's client's habits environment friendly. The existence of a society would be questioned if the human race continues to sabotage the environment at the current pace. It's crucial to realize that accumulation of monetary resources at the cost of natural resources will benefit man in no way, but will only lead to serious issues and hence comes in the significance of sustainable development.

International protocols such as such as Equator principles, LEED certificates have been issued to promote the implementation of green banking initiatives. However, it is found that Indian banks are progressing at a much slower pace than countries like America, Republic of Korea, Bangladesh, etc. though there are various green measures that are adopted by Indian banks. Initiatives without sufficient awareness would never reap its benefits. Thus, bank's initiatives and customer awareness must go hand in hand to ensure success.

Nowadays banks cannot survive with their focus narrowed down to profits only, instead it must create trust and build a healthy and positive relationship with its customers. Hence adoption of various innovative and attractive green banking initiatives along with strategic promotion to make its customers aware of the same will enable the bank to have competitive advantage over the others while facilitating sustainable growth.

OBJECTIVES OF THE STUDY

Green banking plays a momentous role in our lives. There are plenty of innovative green initiatives undertaken by the private and public sector banks. This paper aims to focus on:

• The awareness and participation of customer towards the green initiatives that are made by the public and private sector banks in Bengaluru.

• Proposing distinct measures to increase the efficiency of green banking in India.

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SCOPE OF THE STUDY

With the rising trends and new initiatives, green banking doesn't need a preliminary stage. Public and private banks have their own green banking activities in place and the measures taken to create awareness also differs.

The scope of this study is to shed light on the familiarity of customers with regard to the green initiatives of public and private sector banks in Bengaluru city and suggests ways to improve green banking in India.

Bengaluru- a demographically diverse city which was once known as the "Garden City" due its sprawling greenery, has been replacing its natural resources with concrete and has earned the title "Silicon Valley of India" due to its position as the nation's leading IT exporter. It has also been a start-up hub for companies like Myntra, Flipkart, etc. It has public sector manufacturing heavy industries like HAL, BHEL and NAL. It is thus important for the public to be conscious about the new green activities that are made feasible by the banks which will eventually lead to a healthier and greener life in the city.

REVIEW OF LITERATURE

Ms. Neetu Sharma, Ms. Sarika K, Dr. R. Gopal (2013) studied the opinion and awareness of customers and bank employees with regards to green banking and ascertained the various initiatives taken by the banks which can influence the customer to use products that are more user-friendly. It also studies the impact of gender on green initiatives that are taken by the private and public sector banks and the cause of difficulties faced by customers like the administrative or technical procedural problems**.** The study was conducted by testing of hypothesis. The review of the study specifies that banks should equally work with governments, NGOs, IFIs, IGOs in order to achieve their goals. Sustainable development can be achieved only when there is a corporation in the economy from all the sectors and by making banks the central part of the economy.

Sreesha ch (2014) examined the green banking initiatives of the selected public and private sector banks and analyzed the regulatory measures taken by the RBI to promote green banking. Public sector was found to have more initiatives than private sector. Environmental stability can be achieved when banks extend their environmental information in the business operations and in turn create long term value. Inspite of the Indian banks realizing the value and how important it is to foster sustainable growth they are still lagging behind as there are a lot of channels unutilized.

Dr. Al. Malliga (2016) focused on the profile of the respondents from the private sector banks and to examine the practices of selected private sector banks to create awareness among the customers about green banking initiatives. The method used to study the private sector banks who have incorporated the practice of green banking initiatives was done with the help of survey analysis. Initiatives like online saving account, paperless statement, direct deposits were some of the green services. It quotes that green banking can be stimulant for banks for concentrating more on reducing energy usage and contribute to the best of their ability towards the society.

Dr. Veena K.P (2017) undertook a study to know the present scenario of green banking and green financing in SBI, to identify the factors that affect customer satisfaction and challenges of green banking. It also brings in relevant suggestions on how to retain the customers. The method used to analyze the data was based on primary data and secondary data. Primary data was collected by the way of preparing a set of questionnaires and conducting personal interview to the employees. It also points out that green banking can be effective only when the RBI and the government play a pro-active role in formulating green banking policies. SBI initiatives towards green banking showed sustainability.

Neeveditah Pariag-Maraye, Nalina Munusami & Karishma Ansaram (2017) identified the level of customers' awareness on green Banking products and services by commercial banks in Mauritius. Primary data was collected and analysed. The study found that the existence of green consumers in Mauritius gives opportunities for banks to expand their business and can utilise green marketing as a communication tool with which their clients are made aware about the activities for eco-friendly programs. It states that banks in Mauritius are in their foundation stage and will be able to enhance green banking only through a wide variety of products and services.

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Dr.C. Vijai (2018) focused on reviewing the green banking practices in commercial banks and ascertained the perception of customers towards green banking in Cuddalore district and measures to improve the scope of green banking. Testing of hypothesis was done to know the gap between age, gender awareness about green banking. The data analysis was based on primary data and secondary data and it was collected from various levels of consumers. It concluded stating that people are slowly gaining consciousness about the environment issues and are shifting their focus to eco-friendly products.

Ravikumar.R (2019) analyzed the attitude of customers towards green banking practices. It was found that awareness is significantly high in Mysore and profession had consequential association with the level of awareness. It also expressed that males are more aware about the green banking concept when compared to females. The use of online mode is more in Mysore than that of Mandya. Businessmen and women are more into online technologies. The study was analyzed based on primary data wherein a set of questionnaires were distributed and was analyzed with Chi-square testing. The objectives were successfully inferred and thus it stated that banks need to consider age, gender, occupation and region while planning its promotion strategies.

STATEMENT OF PROBLEM

Green banking practices are widely prevalent in the developed countries like the USA, Korea, etc. Though similar initiatives have been cropping up in the Indian economy, the problem of unawareness among the customers are proving to be a huge barrier even today. This prevents the successful implementation of green banking in India. This paper focuses on the study of the gap between the bank's green initiatives and the actual customer awareness and participation.

RESEARCH METHODOLOGY

The method used in data collection is primary data and secondary data. The primary data was obtained by distributing 230 structured questionnaires and the secondary data was gathered and analyzed through websites, online journals and videos related to various aspects of green banking.

The study was conducted with a sample size of 230 respondents for the questionnaires in the city of Bengaluru.

LIMITATIONS OF THE STUDY

1. The geographical scope of this study is restrained to Bengaluru City.

2. Due to technological advancements, the suggested measures might be soon be replaced.

3. Perceptions on green banking might differ from individual to individual.

MAJOR FINDINGS

1. **Percentage of respondents**

Category	No. of respondents	Percentage
Student	112	49%
Employed	100	44%
Others	18	7%

Source: Primary Data

2. **Relationship between age and green banking awareness**

AGE	Aware	Unaware	% Aware	%Unaware
16-20	Yes-11	No-32	25%	75%
21-25	Yes-41	No-66	38%	62%
26-30	Yes-23	No-18	56%	44%

Source: Primary Data

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3. Awareness of customers in selected green initiatives

Initiatives	Aware %	Unaware %
Internet banking	95%	5%
Solar ATMs	23%	77%
Green projects	32%	68%

Source: Primary Data

4. Relationship between the awareness of various groups and specific initiatives

GREEN VEHICLE FINANCE				
	Aware	**Unaware**	**% Aware**	**%Unaware**
Student	24	88	21%	79%
Employed	40	60	40%	60%
Others	8	10	44%	56%
GREEN HOME FINANCE				
	Aware	**Unaware**	**% Aware**	**%Unaware**
Student	28	84	25%	75%
Employed	27	73	27%	73%
Others	8	10	44%	56%
GREEN BONDS				
	Aware	**Unaware**	**% Aware**	**%Unaware**
Student	48	64	43%	57%
Employed	28	72	28%	72%
Others	9	9	50%	50%

Source: Primary Data

- The respondents consisted of a majority of students (48%).
- The rate of awareness was found to be maximum between the age group 26-30 (56%) as the majority might be employed and be engaged in more banking transactions.
- Green bonds had the highest customer awareness after internet banking.
- The awareness on green home finance was the least when compared to the other green initiatives.
- 76% of the respondents felt that there is lack of sufficient promotion of green banking activities in India.

DATA ANALYSIS AND INTERPRETATION

Age * Type of bank: Crosstabulation				
Count				
		Type of bank		Total
		1	2	
Age	1	38	64	102
	2	50	78	128
Total		88	142	230

H_o: There is no association between age and the type of bank preferred.

H_1: There is association between age and the type of bank preferred.

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Chi-Square Tests					
	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	.079[a]	1	**.779**		
Continuity Correction[b]	.021	1	.886		
Likelihood Ratio	.079	1	.779		
Fisher's Exact Test				.787	.443
N of Valid Cases	230				

Source: SPSS Output

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 39.03.

b. Computed only for a 2x2 table.

The Table above tries to prove statistically that there is no association between Age and Type of Bank where the p value is 0.779 which is greater than 0.05 at 5% level of significance. Hence accept $H_{o,}$ there is no association between age and type of bank preferred.

Age * eliminate Crosstabulation					
Count					
		Eliminate			Total
			1	2	
Age	1	2	83	17	102
	2	0	116	12	128
Total		2	199	29	230

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	5.465[a]	2	.065
Likelihood Ratio	6.191	2	.045
N of Valid Cases	230		

Source: SPSS Software

The Table above indicates the awareness amongst the age groups about their likelihood to eliminate the plastic debit cum credit cards and resort to better options.

The p value is 0.065 which is greater than 0.05.

This indicates that H_0 is accepted and H_a is rejected. Hence it is concluded that there is no association between age groups and their likeliness to continue with the plastic debit cum credit cards.

Occupation * adoption of Internet Banking: Crosstabulation					
Count					
		Adoption of IB			Total
		1	2	Banks have adopted mobile and internet banking	
Occupation	1	112	4	0	116
	2	90	7	0	97
	3	16	1	0	17
	Occupation	0	0	1	1
Total		218	12	1	231

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Chi-Square Tests			
	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	232.540[a]	6	**.000**
Likelihood Ratio	14.429	6	.025
N of Valid Cases	231		

Source: SPSS Output

From the Table above is it proven that there is no association between occupation and the adoption of internet banking. All the categories are of the opinion that banks are taking Internet Banking more seriously and enable them to expand their client and customer base. The p value is 0.000 which is less than 0.05 at 5% level of significance, hence **Ho is rejected and thereby it is concluded that there is association between occupation and adoption of internet banking.**

CONCLUSION

Green banking deviates the focus of banks from 'only profits' as it aspires to accomplish the objectives of sustainable development in the Indian economy. Green banking has made its mark on the evolution of banking over the recent years and seems to be one of the concepts that has the potential to greatly impact the economy in large. However, it is found that banks are unable to carry out successful implementation due to unawareness and lack of customer participation. Hence it is important that the banks should make their customers aware about the emerging green initiatives taken by the private and public sector banks. Banks should seek assistance and support from government and other organizations to increase efficiency of green banking. Indian banks must follow the leading of the developed countries and broaden the scope of green banking.

SUGGESTIONS

1. Banks can follow the leading of SBI and Bank of India to work towards the elimination of plastic debit cards by pitching in with App based cash withdrawal system and QR Scan technology respectively.

2. Banks can branch out and expand the scope of green banking by collaborating with eco-friendly companies and also with gardening and landscaping services by offering monetary benefits to increase public involvement towards a green society.

3. Indian banks can issue green (biodegradable) credit cards and give reward points to customers for eco-friendly transactions (widely followed in The Republic of Korea).

4. Banks need to focus more on their promotion strategy via awareness campaigns, social media advertising etc. to reach out to the public as there clearly exists a disparity between the bank's initiatives and the customer's awareness.

IMPLICATIONS FOR FUTURE RESEARCH

1. Measures to increase facilitation of rural participation in green banking.
2. Identification of charges, if any, that are being imposed on customers while availing green banking products and services.
3. Analyzing and evaluating various green strategies to be developed by the banks in terms of sustainable development in the future.
4. Identification and suggestion of government policies to regulate and mandate green banking in India.

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