Original Article

A Study on Consumers' Awareness, Perception and Attitude towards Green Banking with Special Reference to Sbi in Southern Kerala

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Abstract

Over the last few decades, the green banking concept has become a catchphrase in the financial sector, banking sector, as well as among the common people. The study is to check the customers' perception towards green banking and to know that whether the customers have knowledge about Green banking practices offered and implemented by the bank. The study has analyzed the factors that influenced customers in adopting green banking and their level of satisfaction. Indian banking companies as a developing country with limited social and environmental awareness among the general public, experience a lot of hurdles in becoming green and environmentally friendly. The study therefore offers some recommendations for improving green banking practices by combining findings from many studies and increasing the awareness about green banking among the customers.

Keywords: Green Banking, Environmental Friendly, Sustainability, Carbon Footprints, E-Banking, SBI, Consumers' Awareness.

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INTRODUCTION

Climate change is one of the most challenging problems faced by the present scenario (Pillai & Raj, 2017). People are aware of global warming and its severe consequences. The disasters caused by the natural calamities in this world motivates us to think critically and do whatever we can to overcome them. Therefore, change is a must for survival, and continuous efforts should be made to manage the environment in a sustainable manner (Nath et al., 2014). In order to provide bank customers with quality service, the primary goal is to increase bank customer satisfaction with reference to important qualities (Usman et al., 2016). By adopting the concept of Going Green (Bihade, 2020), the banking sector plays a vital role in the sustainable development of a country (Sharma & Choubey, 2022). In order to achieve sustainability, Green banking intends to make banking procedures highly computerised and eco-friendly. It aims to create sustainable banking with insignificant or zero impact on the people, societies and environment (Charan, A Dahiya, R Kaur, 2019). Therefore, "Go Green" concept has become important in all aspects of business.

The idea of green banking was formed with the establishment of the first green bank in Mt. Dora, Florida, in 2009. State Bank of India (SBI) was the 1st green bank in India, taking the lead in defining high sustainability criteria and inaugurating the bank's first wind farm project in Coimbatore as the first phase in "green banking", by shri O.P. Bhatt, chairman, SBI (Jayabal & Soundarya, 2016). People and environment are becoming more important in all aspects of the business, rather than just profit (Ahuja, 2015). Banks have implemented a variety of Green technologies that are integrated into the banking operations to accomplish this goal(Rajan & Raj, 2017). To promote environmentally friendly banking and lower the carbon footprints of banks and consumers, several banks have introduced strategies and implemented green banking practices such as internet banking, green loans, mobile banking, solar ATMs, green credit cards and deposits (Sahoo et al., 2016). Adopting green banking practices would enable the bank to contribute to a greener and safer environment. One has to discover a better, more viable approach based on the degree of transaction and cumulative authentication as online banking security became an essential need (Hari et al., 2019). However, the adoption of several Green Banking products may not be enough. It is necessary to make sure that the green banking products are effectively utilised by its customers. Hence, it is very important to analyse consumer satisfaction towards green banking products and services (Rajan & Raj, 2017). So, this is one of the major developments in the banking industry that requires proper customer knowledge and awareness. This

study aids in determining the level of awareness, knowledge and attitude of the customers towards these green banking strategies in SBI.

Review of Literature

Being environmentally conscious is vital in today's business. The green banking concept in the banking sector has therefore been implemented to fulfil this responsibility.

(Abinaya & Suresh, 2017) Banking is one of India's fastest-growing service industries. (Rai et al., 2019) Banks, stock brokerages, insurance firms, and consumer financing organisations are among the financial services that have taken a green approach in their operations. (Rajesh and Dileep, 2014) in their study, determined that in sustainable development, banks can play an important role by implementing green banking practises. Banks must operate in a systematic manner to finance or invest in clients' ideas that reduce carbon footprints. (Rai et al., 2019) explains that the concept of Green Banking has been recognised as one of the developing issues in banking and financial institutions, and there is a low degree of awareness of green banking practises among general banking consumers, according to a systematic examination of reality. (Nair et al., 2021) explains that, Online banking, in contrast to traditional banking, offers more features and functionality at a lesser cost. (Biswas, 2011) concluded that India has to take significant measures toward gradually adhering to the equator principles-guidelines that use environmental as well as financial considerations to support projects. (Charan, A Dahiya, R Kaur, 2019) Banks such as SBI and South Indian Bank have begun to use or initiate green channel counters, green data centres, green incentives, green coin rating, and green investments in order to foster a good attitude toward green banking among clients. (Jaggi, 2012) examines SBI and ICICI bank's Green Banking initiatives and found that SBI has established a no-queue banking, Green Channel Counter, internet money transfers, wind farms, and a stronger commitment to reducing emissions. ICICI Bank includes Insta banking, auto finance, and house finance as Green Products and Services. (Sarika & Gopal, n.d.) in their study to find the level of consumer awareness towards Green Banking, found that approximately one-third of those who use online banking services from their banks are not aware of the term "green banking." Those who are aware of it believe it is mostly tied to online payment and cash deposit systems. Many people were unaware of other Green Banking features such as green credit cards, solar-powered ATMs, and environmental bonds. (Sowmya N, 2018) E-banking and its benefits were demonstrated, including the ability to transmit payments easily and to settle dues in large numbers, as well as an improvement in customer satisfaction, a reduction in transaction costs, and an increase in productivity through technological advancement. (Hari et al, 2019) explains although banks constantly urge their clients to do online transactions and promote them as a safe and secure method of doing so, there is a significant risk involved. (Nyangosi et al., 2009) Customers have formed good views and place a high value on the rise of e-banking, according to the overall conclusion. (Rajan & Raj, 2017) The bank should seek help from the government, NGOs, business organisations, and customers in order to develop and expand its green banking efforts. They must continue to be active in the introduction of innovative products for their own advantage as well as the benefit of society. (Aruna Shantha, 2019) Green product awareness, perceived value, utility, security, and privacy are all positively related to customers' inclinations to acquire green banking. (Dipika, n.d.) Green financing, if correctly implemented, will act as an effective ex ante deterrent for polluting industries that are not subject to other institutional regulatory measures. As a result, in order to secure long-term profitability, Indian banks should incorporate green banking as a business model as soon as feasible.

Research Methodology

This is an empirical study based on survey method conducted on SBI banks in the Southern Kerala. The information was collected from 200 people from different branches of SBI. Judgmental sampling technique has been undertaken so as to find the concerned consumers of each branch with the awareness and perception of green-banking services offered. The primary data was collected through structured questionnaire from the customers of State Bank of India and the secondary data was collected from journals, websites, and research papers. Descriptive methods were used for obtaining accurate and relevant result. The data was analysed using percentage analysis in Ms Excel and One Sample T-test is used as a statistical tool to analyse certain hypothesis in SPSS.

Data Analysis and Interpretation

The data collected in the questionnaire out of 200 respondents have been inferred together as follows:

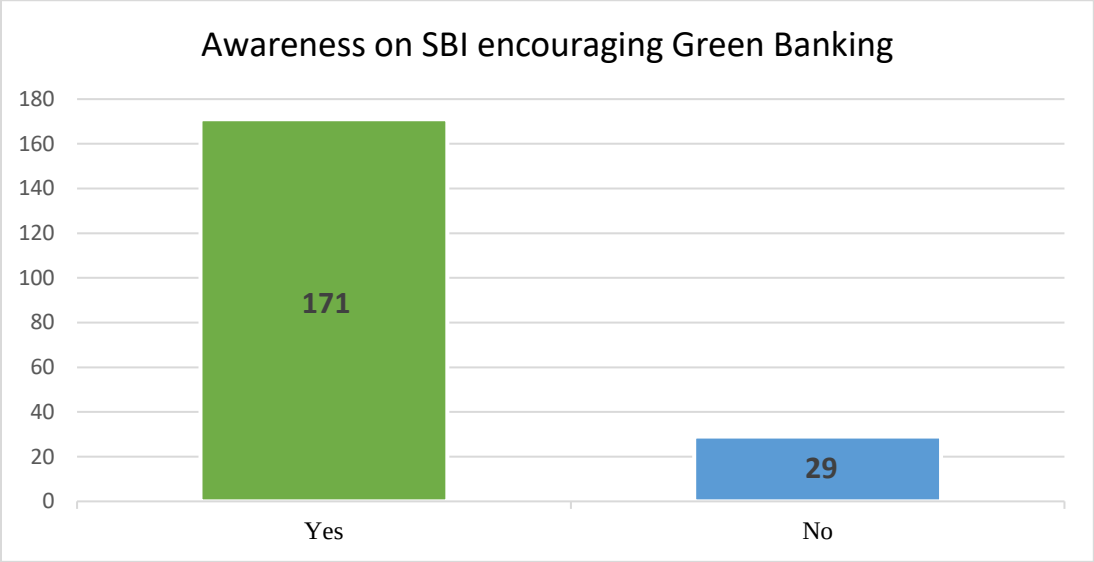

Figure 4.1

Number of respondents who are aware of SBI encouraging green banking is displayed in Figure 4.1. The above figure shows that; a majority of 85.50 percent of the respondents are aware, and the remaining 14.50 percent of the respondents are not aware of SBI encouraging green banking.

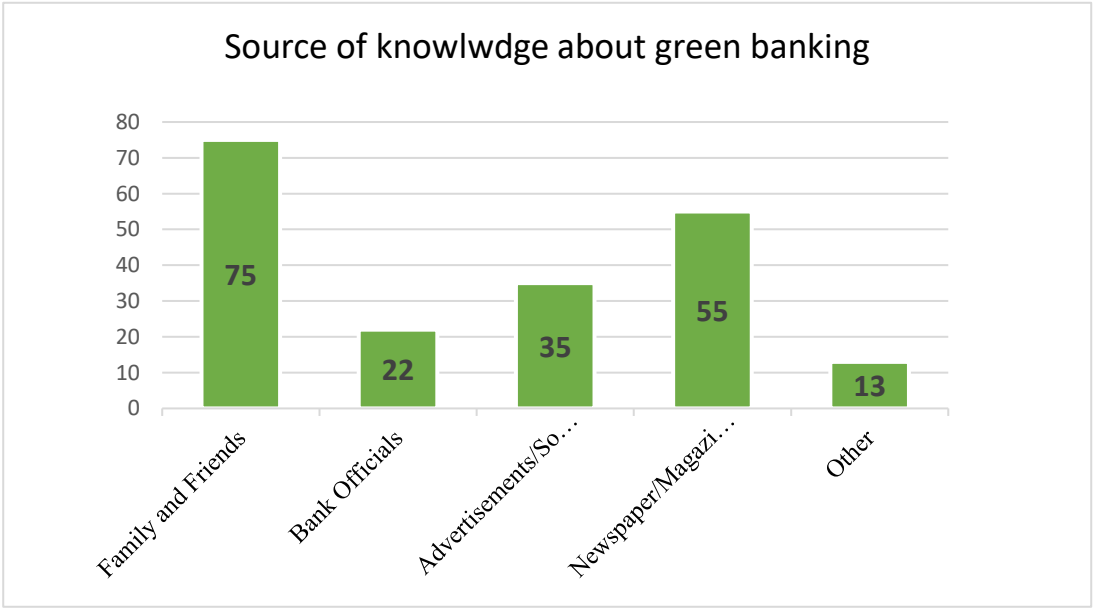

Figure 4.2

The source of knowledge about green banking is displayed in Figure 4.2. The above figure shows that; a majority of 37.50 percent of the respondents' source of knowledge is from family and friends, 27.50 percent of the respondents' source is from newspaper or magazines, 17.50 percent of the respondents' source is from advertisements or social media, 11 percent of the source is from bank officials and the rest is from others.

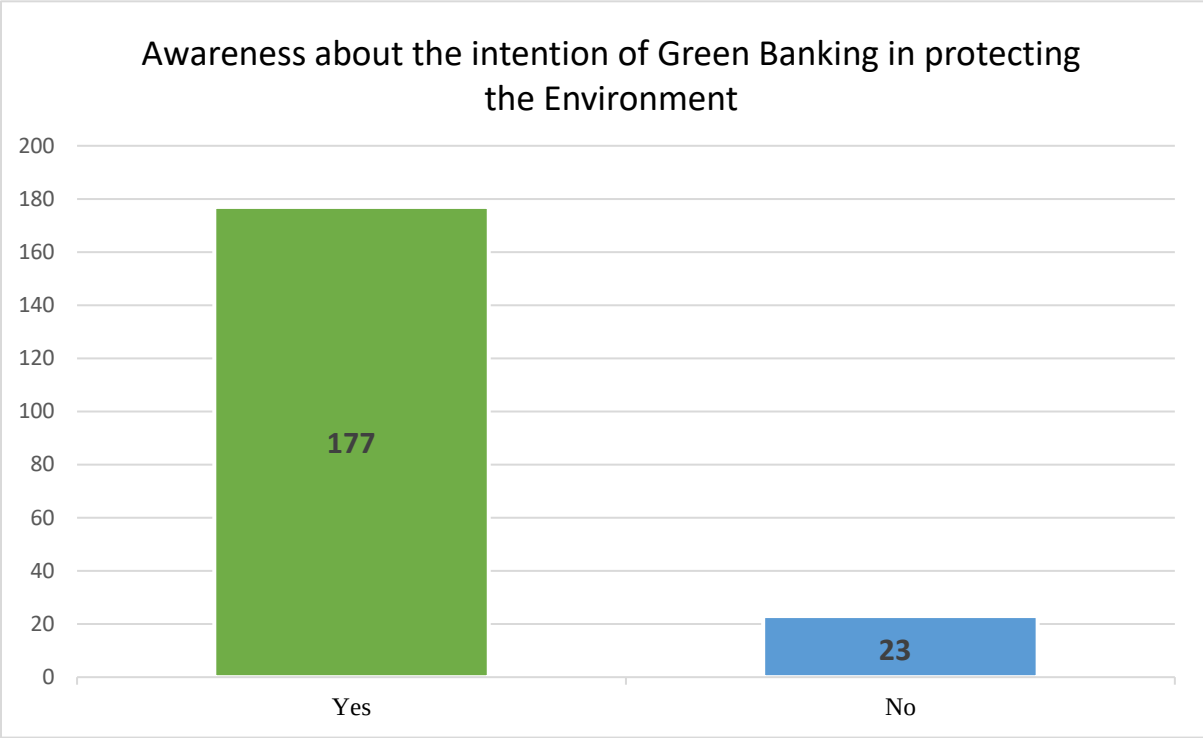

Figure 4.3

Number of respondents' awareness related to the intention of green banking practices in protecting the environment is displayed in Figure 4.3. The above figure shows that; a majority of 88.50 percent of the respondents are aware, and the remaining 11.50 percent of the respondents are not aware about the intention of green banking practices.

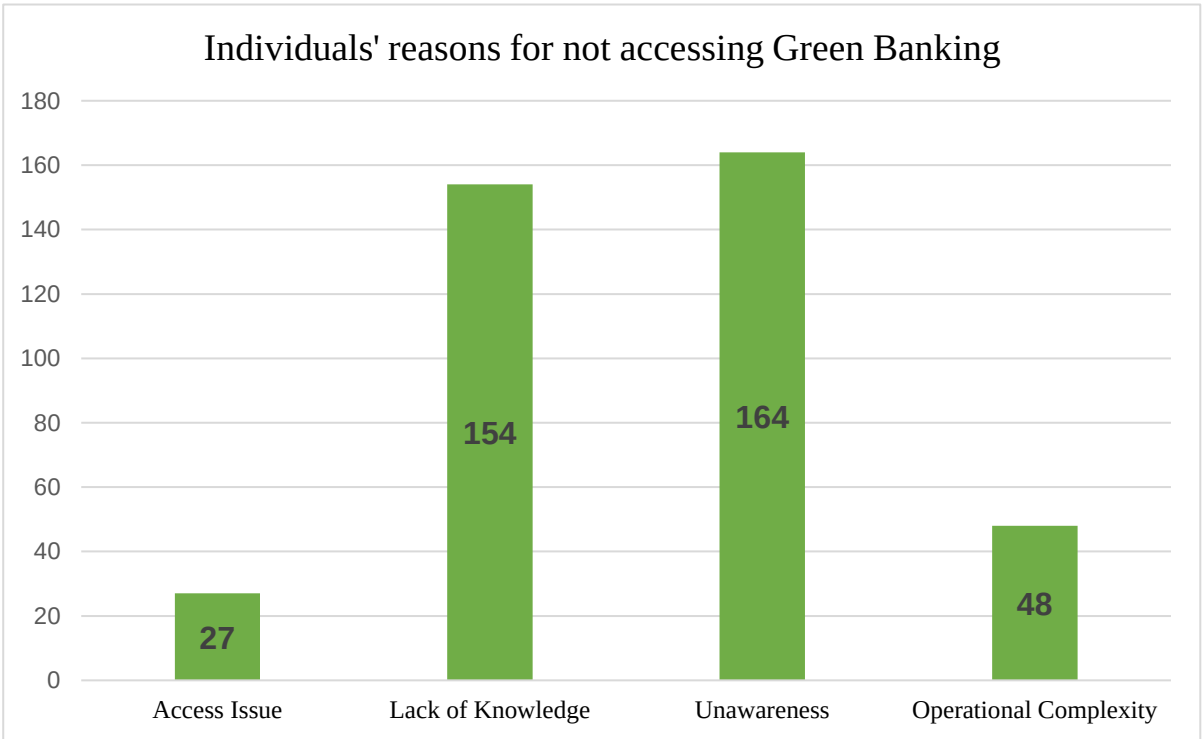

Figure 4.5

Figure 4.5 shows the reasons why individuals are not accessing Green Banking. According to the figure, 82 percent of respondents mention unawareness as a cause, while 77 percent mention a lack of knowledge, 24 percent mention operational complexity, and 13.5 percent mention an access issue.

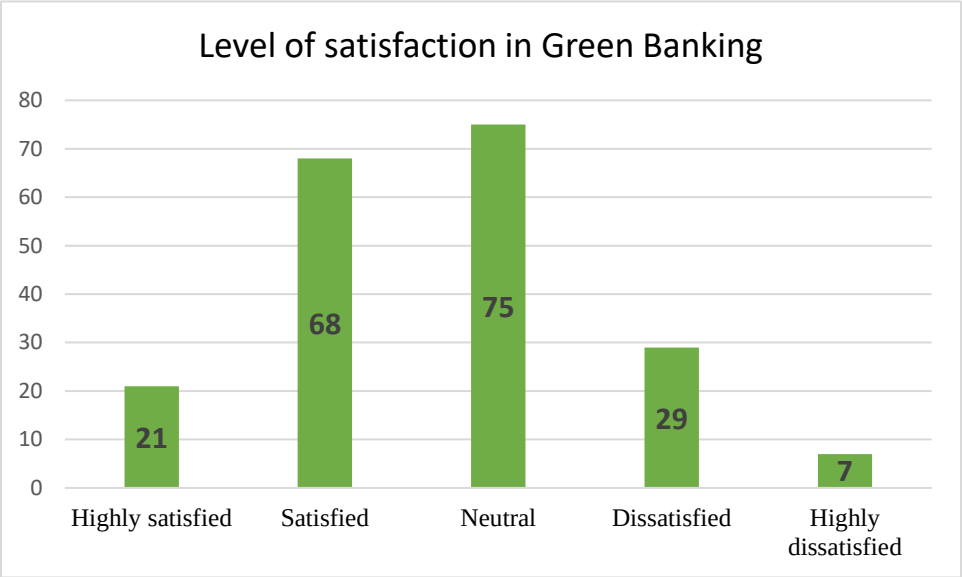

Figure 4.4

Figure 4.4 shows the amount of satisfaction among the respondents. According to the figure above, 37.5 percent of respondents are neutrally satisfied, 34 percent are satisfied, 14.5 percent are dissatisfied, 10.5 percent are highly satisfied, and the remaining 3.5 percent are highly dissatisfied.

HYPOTHESIS TESTING

	Hypothesis
B1H1	Cost Saving is a benefit of green banking practice.
B2H2	Time Saving is a benefit of green banking practice.
B3H3	24X7 Access is a benefit of green banking practice.
B4H4	Physical Security is a benefit of green banking practice.
B5H5	Minimizing paper work and avoiding wastage is a benefit of green banking practice.
B6H6	Creating a clean and hygienic bank environment is a benefit of green banking practice.
B7H7	Utilizing solar power and installing energy saving equipment is a benefit of green banking practice.
B8H8	Contributing to environmental sustainability is a benefit of green banking practice.
B9H9	Reducing CO2, air pollution and carbon footprint is a benefit of green banking practice.

One-Sample Statistics				
	N	**Mean**	**Std. Deviation**	**Std. Error Mean**
Cost Saving	200	1.41	.627	.044
Time Saving	200	1.36	.610	.043
24X7 Access	200	1.52	.701	.050
Physical Security	200	2.62	1.119	.079
Minimize paper work and avoid wastage	200	1.83	.845	.060
Create a clean and hygienic bank environment	200	1.90	.891	.063
Utilizing solar power and installing energy saving equipments	200	1.82	.851	.060
Contribute to environmental sustainability	200	1.55	.714	.051
Reduce the CO2, air pollution and carbon footprint	200	1.53	.750	.053

One-Sample Test						
	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Cost Saving	-35.984	199	.000	-1.595	-1.68	-1.51
Time Saving	-38.013	199	.000	-1.640	-1.73	-1.55
24X7 Access	-29.838	199	.000	-1.480	-1.58	-1.38
Physical Security	-4.864	199	.000	-.385	-.54	-.23
Minimize paper work and avoid wastage	-19.573	199	.000	-1.170	-1.29	-1.05
Create a clean and hygienic bank environment	-17.458	199	.000	-1.100	-1.22	-.98
Utilizing solar power and installing energy saving equipments	-19.690	199	.000	-1.185	-1.30	-1.07
Contribute to environmental sustainability	-28.713	199	.000	-1.450	-1.55	-1.35
Reduce the CO2, air pollution and carbon footprint	-27.733	199	.000	-1.470	-1.57	-1.37

Interpretation

In the first hypothesis (B1H1) the study proposed that Cost Saving is a benefit of green banking practice. The results of the hypothesis supported a significant hypothesis (Mean = 1.41, t = -35.984, P < 0.05). Thus the study supported the stated hypothesis and inferred that Cost Saving is an important benefit of Green Banking practice.

In the second hypothesis (B2H2) the study proposed that Time Saving is a benefit of green banking practice. The results of the hypothesis supported a significant hypothesis (Mean = 1.36, t = -38.013, P < 0.05). Thus the study supported the stated hypothesis and inferred that Time Saving is an important benefit of Green Banking practice.

In the third hypothesis (B3H3) the study proposed that 24X7 Access is a benefit of green banking practice. The results of the hypothesis supported a significant hypothesis (Mean = 1.52, t = -29.838, P < 0.05). Thus the study supported the stated hypothesis and inferred that 24X7 Access is an important benefit of Green Banking practice.

In the fourth hypothesis (B4H4) the study proposed that Physical Security is a benefit of green banking practice. The results of the hypothesis supported a significant hypothesis (Mean = 2.62, t = -4.864, P < 0.05). Thus the study supported the stated hypothesis and inferred that Physical Security is an important benefit of Green Banking practice.

In the fifth hypothesis (B5H5) the study proposed that Minimize paper work and avoid wastage is a benefit of green banking practice. The results of the hypothesis supported a significant hypothesis (Mean = 1.83, t = -19.573, P < 0.05). Thus the study supported the stated hypothesis and inferred that Minimize paper work and avoid wastage is an important benefit of Green Banking practice.

In the sixth hypothesis (B6H6) the study proposed that Create a clean and hygienic bank environment is a benefit of green banking practice. The results of the hypothesis supported a significant hypothesis (Mean = 1.90, t = -17.458, P < 0.05). Thus the study supported the stated hypothesis and inferred that Create a clean and hygienic bank environment is an important benefit of Green Banking practice.

In the seventh hypothesis (B7H7) the study proposed that Utilizing solar power and installing energy saving equipment is a benefit of green banking practice. The results of the hypothesis supported a significant hypothesis (Mean = 1.82, t = -19.690, P < 0.05). Thus the study supported the stated hypothesis and inferred that Utilizing solar power and installing energy saving equipment is an important benefit of Green Banking practice.

In the eighth hypothesis (B8H8) the study proposed that Contribute to environmental sustainability is a benefit of green banking practice. The results of the hypothesis supported a significant hypothesis (Mean = 1.55, t = -28.713, P < 0.05). Thus the study supported the stated hypothesis and inferred that Contribute to environmental sustainability is an important benefit of Green Banking practice.

In the ninth hypothesis (B9H9) the study proposed that Reduce the CO_2, air pollution and carbon footprint is a benefit of green banking practice. The results of the hypothesis supported a significant hypothesis (Mean = 1.53, t = -27.733, P < 0.05). Thus the study supported the stated hypothesis and inferred that Reduce the CO_2, air pollution and carbon footprint is an important benefit of Green Banking practice.

SUGGESTIONS

The concept of green banking was initiated by banks to promote eco-friendly practices in the banking premises. The purpose of this practice was to reduce paper work, operational cost, and carbon footprint. The result discovered is that, a large number of customers are aware of green banking and are satisfied with it; however, a small number of customers are unaware of green banking and remain loyal to the traditional banking system. In order to accomplish our global objective of implementing successful green banking, the following suggestions are made:

a.) To the bank employees

- Bank employees should know about green banking concepts, products and services, and fill the gaps in knowing the concept/practice of green banking.
- Bank should create a sound green banking awareness through all possible channels like advertisement campaign, social media, training programmes, online notifications, publications, newspapers and magazines.
- Bank should improve its existing facilities in terms of IT infrastructure and technology which includes ATMs, cash deposit machines, passbook entry machines, digital services, solar ATMs/power, energy saving equipment and devices especially in rural areas.
- Bank should educate their customers to practice e-banking services like internet, mobile and telephone banking by describing their benefits to them.

b.) To the customers

- Customers should take use of e-banking services such as internet banking, mobile banking, phone banking, and other e-services. This would help to reduce wastage of paper, time, cost and reduce carbon footprint. Customers can access a wide range of services such as raise a complaint, access account information, money transfer, enquired about product offers, open term deposits, demat account, mutual fund account, request for cheque books, demand drafts, apply for new/block debit, credit and gift cards everything is available through e-banking services. This would help customers to shift from traditional banking to green banking.

DISCUSSION

In India, green banking is considered to be a new concept. It should be thoroughly evaluated as a possible solution to the significant problem of global warming, which is increasing due to the rapid deterioration of global climatic changes. SBI has taken many green banking initiatives like green channel counter, green remit card, green PIN, green home loan, green mortgage, green loans, e-banking services, eco-friendly projects, green incentives and subsidies. Present Study was confined to Southern Kerala. It may be inferred that, in light of the importance of Green Banking in the present environment, the majority of chosen consumers believe it is critical. The ATM, Internet or Mobile Banking, and other green services such as green credit cards and green insurance have all been approved by major clients. While, a few customers are still not aware of these services. Hence, banks should play a vital role in controlling environment related issues by assessing the projects and lending accordingly. Government of India and banking industries should take some mandatory green banking initiatives to protect the environment.

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