

GREEN MARKETING PRACTICES OF BANKS: A PERSPECTIVE ON AWARENESS, USE AND PROBLEMS OF CUSTOMERS



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Abstract

The concern for environmental sustainability by the banks has given rise to concept of Green Banking (GB). Green Banking means promoting environmental friendly practices and reducing your carbon footprints from your banking activities. It aims at improving the operations and technology along with making the clients habits environment friendly in the banking business.

Adoption of green 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. Banks are already offering many of the services necessary for businesses to enjoy these benefits. Green banking initiatives comes in many forms. Using online

banking instead of branch banking, paying bills online, instead of mailing them open up CDs and money market accounts at online banks, support green initiatives. Green Banking helps to create effective and far reaching market based solutions to address a range of environmental problems, including climate change, deforestation, air quality issues and biodiversity loss, while at the same time identifying and securing opportunities that benefit customers. This paper has made an attempt to analyse the awareness regarding “Green banking initiatives taken by banks, its purpose, advantages and problems faced by customers using green banking initiatives

Keywords: *Green Banking Initiatives, Awareness, Problems, Environment Friendly.*

Introduction

A country's sustained growth and development can be measured by the way of growth in all irrespective fields' agriculture, industry, education, and banking and services. Today all banks, financial institutions and corporate sector's are decided a step towards changes in banking system by reducing paper work and encourage for electric system. Banking sector plays liaison role between economic development and ecological fortification to promote ecologically sustainable and societal responsible investment. The concept of green banking introduced to fulfil the ecological friendly practices of banking sector. Banks are deploys to avoid carbon emissions through use of stationery, which causes pollution in environment. Internally and externally through customer activities banking sector has responsibility to exact some methods to save environment.

Green Banking

The concept of “Green Banking” will be mutually beneficial to the banks, industries and the economy. Green financing is the part of green banking. Green banking means promoting environmental friendly practices and reducing your carbon footprints from your banking activities. Green banking aims at improving the operations and technology along with making the clients habits environment friendly in the banking business. It is like normal banking along with the consideration for social as well as environmental factors for protecting the environment. It is the way of conducting the banking business along with considering the social and environmental impacts of its activities.

Review of Literature

Deka, Gobinda (2015), in his article titled “Green Banking Practices: A study on environmental strategies of banks with special reference to State Bank of India” studied the green banking initiatives made by SBI in Assam. He concluded that green banking has direct and positive impact on sustainability. He suggested the banks must literate their customers about the using procedures of green banking practices and adopt all strategies to save earth.

Jayabal and Soundarya (2016), their study mainly focused on the role of banks initiative for sustainable development in green banking. He also studied the challenges and benefits of using green banks. He concluded that, for sustainable banking Indian bank should adopt green banking as a business model without any additional postponement.

Kumar Satheesh, (2017), in his article, he studied the awareness level of green banking among the general public and consumers. He also studied the awareness about green bank employees. He concluded that customers are showing a good degree of awareness level regarding green banking initiatives and selected banks still not introduced these facilities. The banker’s motivation is not much effective.

Objectives of the Study

1. To find out the customer’s awareness on Green Banking Initiatives
2. To examine the factors influencing to adopt Green Banking practices
3. To study the problems faced by the customers in availing Green Banking Initiatives

Methodology

The present study is based on both primary and secondary data. Primary data has been collected with the help of schedule. The primary data was collected from 120 customers in Tirunelveli city. Convenience sampling technique is adopted. The secondary data was collected from the research articles in journals and websites. Simple percentage analysis, mean, standard deviation, chi-square, Garrett Ranking method is employed in this study.

Analysis and Interpretation

Following is the data collected from 120 customers of the banks in the Tirunelveli City. The analysis and interpretation is made on the basis of field survey.

Table 1 Demographic Profile

Variables	Frequency	Percentage (%)
Gender		
Male	107	89
Female	13	10
Age		
Less than 20	5	4.2
21-30	41	34.2
31-40	59	49.2
41-50	11	9.2
51 & Above	4	3.2
Education		
Secondary/ Higher Secondary	4	3.3
Diploma	12	10
Graduates	70	58.3
Post Graduates	29	24.2
Others	5	4.2
Occupation		
Government Employee	20	16.7
Private Employee	48	40

Self employed	11	9.2
Business	30	25
Student	3	2.5
Housewife	2	1.6
Others	6	5
Monthly Income(Rs.)		
Upto 10,000	9	7.5
10,001- 20,000	23	19.2
20,001-30,0000	35	29.1
30,001-40,000	32	26.7
40,001-50,000	16	13.3
50,001and above	5	4.2
Source: Field Survey		

From the above table 1,it is observed that out of 120 respondents, 89% were males, 49.2% are in the age group of between 31-40. In terms of education background most 58.3% of the users completed their graduate. In terms of occupation (40%) are privately employed and 29.1% are in the income slab of 20,001 to 30,000.

Table 2 Green Banking (GB) Practices

Variables	Parameters	Frequency	(%)
Awareness about green banking initiatives	Aware	94	78.3
	Unaware	26	21.7
	Total	120	100
Promotion by Banks	Yes	81	67.5
	No	39	32.5
Ways of promotion of GB Initiatives by Banks (N=81)	Through SMS	38	47
	Pamphlets/ Brochures	27	33.3
	Door-to-Door Information	6	7.4
	Others	10	12.3
Source: Field Survey			

From the table 2, it is inferred that 78.3% of the respondents aware about green banking practices and 67.5% of the respondents agreed that the banks promoted green banking and 33.3% responded that through SMS banks promoted GB initiatives.

Table 3 Awareness with Green banking Products

Green Banking Products	Aware	Percentage	Not Aware	Percentage
Green Checking	98	81.7	22	18.3
Green Loans	52	43.2	67	55.8
Green Mortgage	32	26.6	88	73.4
Use of Solar Power ATM	44	36.7	76	63.3
E-Investment Services	41	34.2	79	65.8
Bank Environmental Policy	46	38.3	74	61.7
Online Bill Payment	98	81.7	22	18.3
Green CDS	83	69.2	37	30.8
Facility of e-statement registration	74	61.7	46	38.3
Providing recyclable debit/ credit cards	63	52.5	57	47.5
Net Banking	75	62.5	45	37.5
Conducting workshops/ seminars on green banking	50	41.7	70	58.3
Source : Field Survey				

From the table 3, 81.7% are aware about green checking, followed by online bill payment (81.7%), green CDs. 88% of the respondents are unaware about green mortgage, e-investment services (79%) use of solar power ATM (76%).

Table 4 Factors influencing to adopt GB Practices

Adoption	Mean	S.D	Rank
Easy and Convenient to use	4.03	0.218	3
Hassle Free	3.98	0.344	6
Time saving	4.02	0.333	4
Availability of Internet Connection	4.10	0.361	1
Quick Access	4.08	0.274	2
Cost Effective	3.99	0.192	5
Source: Field Survey			

It gives details about the scores obtained for each item and their respective ranks among them according to the mean score. From the above table, availability of internet connection ranked 1 with the mean score of 4.10, followed by quick access with the mean score of 4.08. Hassle Free ranked as 6th with the mean score of 3.98

Table 5 Problems faced by the customers in availing GB Initiatives

Problems	Mean Score	Garrett Rank
Lack of Education	3.88	II
Technical Issues	3.41	III
Lack of Infrastructure	2.54	IV
Data Security and Privacy	4.06	I
Source: Field Survey		

From the table 5, it is inferred that, Data security and privacy is ranked 1 with the mean score of 4.06, followed by lack of education ranked 2nd with the mean score of 3.88, followed by technical issues with the mean score of 3.41. Lack of Infrastructure is ranked 4th with the score of 2.54

Awareness Level and Demographic Factors

Hypothesis

H₀ : There is no relationship between awareness of customer regarding about the GB initiatives and gender, age, education , profession and income

H₁ : There is a relationship between awareness of customer regarding about the GB initiatives and gender, age, education, profession and income

Demographic Characteristics	Pearson Chi-square	DF	Sig Value
Gender	0.017	1	0.895
Age	10.051	4	0.04
Education	42.047	4	0
Profession	15.154	6	0.019
Income	26.767	5	0

Chi-square test shows that the p value is lesser than 0.5, in case of age, education, profession and income except in gender. This signifies that the null hypothesis is rejected. Demographic factors like age, education, profession and income influences the awareness level.

Conclusion and Recommendations

With the help of findings of the study it can be concluded that there is a need of educating customers regarding green banking products. There is also need to create awareness through websites, road shows, event meeting and social networking medias. Conducting workshops, seminars frequently to the bank employees as well as to the customers and advertisement regarding GB initiatives may be widely publicized. Security aspects of the GB maybe enhanced through proper legislation. It is conclude that the adoption of green approach is more than just becoming environment-friendly as it is associated with lots of benefits like reduction in the risk as well as the cost of the bank, enhancement of banks reputations and contribution to the common good of environmental besides enhancing the reputation of the bank.

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