

# Green Banking and Its Customer Insights – An overview

A.Sivagami,, M.Phil ResearchScholor  
Vels VISTAS, Chennai

Dr.R.Lakshmi, Associate Professor,  
Vels VISTAS, Chennai.

## ABSTRACT

### Green Banking and Its Customer Insights – An overview

The significance of green banking arises from a number of factors. The pre-dominant one is absolutely certain that banks are called to play in the modern economy globally. Banks are the main lenders of liquidity and credit to the business, to the individuals and to the other sectors. In this phenomenon banks have various capacity to influence all types of factors in the economy. In this way banks cannot stay from the processes that are taking place at macroeconomic policy level. For the last 2 decades, the awareness of environmental change and pollution has been raised highly due to the adverse effects from these phenomena and the increasing research activity dedicated to them. The findings of numerous research papers prove that environmental changes are due to human activities causing pollution. Thus the vital importance of the fight with climate change and pollution came to the forefront not only through the work of researchers but through policymakers as well.Green Banking means provides encompassment friendly practices in banking sector and thereby reducing indigenous and extraneous carbon footprints.

**Keywords:** Green Banking, Customer, Liquidity.

## **Green Banking and Its Customer Insights – An overview**

### **Introduction**

A Green banking, referred to as green speculation bank, clean energy finance powerhouse, or clean energy. Finance Corporation is a financial institution, consists of public or quasi-public, which utilizes innovative financing techniques, expanding market tools in association with the private sector to accelerate deployment of clean energy technologies. Green banks exerts public funds to leverage private investment in clean energy technologies. Which is being commercially viable, have struggled to expand its existence in consumer markets. Green banks expedite the transition to a low-carbon economy, by way of reducing energy costs for ratepayers, stimulating private sector investment and economic activity. There is no worldwide accepted definition of the term “green banking”, although it has been largely used both in scientific and in popular literature, and is attaining more and more importance in recent days.

### **Green Banking Monetary Products**

Various green banking financial products are:

#### **Mobile Banking:**

Mobile banking is problematic. On the one hand, it is boundless to have the ability to check balances, transfer funds or pay bills from mobile phone. One the other hand, it saves time and energy of the consumers. It also helps in plummeting use of energy and paper of the bank. Most of the Indian banks have familiarized this paper-less facility.

#### **Green Credit Cards:**

A green credit card allows cardholders to receive rewards or point which can be converted for donations to eco-friendly charitable establishments. These cards offer an outstanding inducement for consumers to use their green card for their affluent purchases.

#### **Green Reward Checking Accounts:**

A bank merchandise called reward checking accounts pays a bonus rate for patrons who go green. Customers can earn advanced checking account rates if they meet monthly requirements that might comprise receiving electronic statements, paying bills online or exhausting a debit or check card.

#### **Carbon Footprint Discount**

Banks can moderate their carbon footprints by agreeing the following actions:

#### **Green Hypothecations and Loans:**

Banks offer green hypothecation with better rates or terms for energy efficient houses. Some green mortgages allow home buyers to add as much as an add-on 15 percent of the price of their house into loans for upgrades including energy-efficient windows, solar panels, geothermal heating or water heaters. The savings in monthly energy bills can offset the higher monthly Hypothecation payments and save money in the long run.

**Paper-less Banking:**

As banks have computerized their branches, there is plentiful scope for effort paperless or less-paper banking. Mostly Public sector banks use enormous quantities of paper for office correspondence, audit reporting, footage to public transactions etc.

These banks can change over to electronic correspondence and reporting. Banks should boost their customers also to change over to electronic transactions and popularize e-statements.

**Energy Consciousness:**

Increasing energy consciousness, accepting operative office time management and automation results and consuming compact fluorescent lighting (CFL) can help banks save energy consumption substantially. Banks can conduct energy audits in all their offices for effective energy management. They can also change over to renewable energy to achieve their offices and ATMs.

**Using Mass Transportation System:**

Banks can become fuel efficient organization by providing common transport for group of officials posted at one office.

**Green Building:** The Indian banking industry uses more than one lakh premises for their offices and residential houses throughout the country. These banks should develop and use green buildings for their office and employee accommodation.

**Save Paper:**

Bank should purchase recycled paper products with the highest postconsumer waste content possible. This includes monthly statements, brochures, ATM receipts, annual reports, newsletters, copy paper, envelopes etc. Whenever available, vegetable-based inks should be used instead of less environmentally friendly oil-based inks.

**Use of Solar and Wind Energy:**

Using solar and wind energy is one of the noble cause for going green. State Bank of India has become the first bank in the country to venture into generation of green power by installing windmills for captive use.

**Objectives of the Study:**

- To Study about the awareness of green banking among the consumers.
- To analyze the problems, aspects by consumers using green banking.
- To examine the usefulness of green banking.
- To analyze the perception of green banking among different banks.

**Research Methodology**

**Data Sources:** Following are the Sources of Data.

**Primary Data:** Collection of Primary data has been done through questionnaire involving of multiple choice questions.

Secondary Data: Secondary data sources collected through some research journals, books, and research papers and banks websites.

Sampling Method: The sampling method adopted for the study is “Convenience sampling”.

Sample Size: The sample size for the study is 120 to be collected from customers having accounts in various banks in Chennai

Statistical Tools Used Or Applied: The following statistical tools were applied in order to analyse the data and interpret the same in order to draw conclusions with respect to the objectives set.

- Chi Square analysis
- Frequency tables

Chi-square analysis was used in order to identify the association between any two given variables. One way ANOVA was applied in order to find out the each variable and also to ascertain the association between a dependent variable and group of independent variables.

Chi Square for age and awareness of green banking

			Awareness of Green Banking		Total
			Aware	Unaware	
Age of the Respondents	Below 25	Count	70	48	118
	25-35	Count	80	39	118
	35-45	Count	85	34	118
	45-55	Count	74	45	118
	Above 55	Count	34	84	118

Interpretation: People in the age limit of 25-55 are more aware about green banking than people above the age of 55.

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	34.709 <sup>a</sup>	8	.000
Likelihood Ratio	13.444	8	.097
Linear-by-Linear Association	.242	1	.623
N of Valid Cases	118		

Interpretation: the graph provides information about person chi square and the Asymp.sig. For the survey conducted within 118 people.

Go Green Policies		
	Frequency	Percentage
Agree	107	91
Disagree	11	9
Total	118	100

Interpretation: The go green policy is accepted by majority of the people while there are still 9% of people who disagrees about these.

E-Cheque		
	Frequency	Percentage
Aware	35	30
Unaware	83	70
Total	118	100

Interpretation: The knowledge about E-cheque among people is less. More people are still unaware of E-cheque

Online bank accounts maintenance		
	Frequency	Percentage
Aware	104	88
Unaware	14	12
Total	118	100

Interpretation: The data shows that 88% of people are aware of online bank accounts maintenance but there are still 12% of people not aware of online bank account maintenance.

Automated Deposition System		
	Frequency	Percentage
Aware	94	80
Unaware	24	20
Total	118	100

Interpretations: the percentage of people who are aware of automated deposition system are comparatively, much higher than people who are unaware of it.

Green Mortgage		
	Frequency	Percentage
Aware	10	8.47
Unaware	108	91.52
Total	118	100

Interpretations: the data represents that about 92% of the people are not aware of what is green mortgage and only very few percent (i.e.) 8% of the people are aware

Borrowed money for environment focused companies		
	Frequency	Percentage
Aware	6	5
Unaware	112	95
Total	118	100

Interpretations: the people who are aware of borrowed money for environmental focused companies are only of 5% while the rest 95% of the people are not aware of it.

Solar ATM		
	Frequency	Percentage
Aware	41	34.75
Unaware	77	65.25
Total	118	100

Interpretations: the frequency of people who uses the solar ATM are only 35% whereas the frequency of people who are not aware of solar ATM are more.

Green Credit cards		
	Frequency	Percentage
Aware	8	6.78
Unaware	110	93.22
Total	118	100

Interpretations: out of the total people surveyed the percentage of people who are aware of green credit cards are less 7% and more 90% of the people are totally not aware of it

Recycled debit and credit cards		
	Frequency	Percentage
Aware	9	7.63
Unaware	109	92.37
Total	118	100

Interpretations: the data analysis of the awareness of people on recycled debit and credit cards should that 92% are unaware while 8% are aware of this.

Phone Banking		
	Frequency	Percentage
Aware	112	94.91
Unaware	6	5.08
Total	118	100

Interpretations: The percentage of people who are aware of phone banking is nearly 95% on the other hand only 5% are not aware of phone banking.

Problems faced by respondents		
	Frequency	Percentage
Security Problems	41	34.75
Privacy	24	20.34
Lack of facility	41	34.75
None	12	10.16
Total	118	100

Interpretations: the data of problems faced by respondents are majorly on of security problems and lack of facility, while 20% of the people face privacy problems, and 10% of people don't have any of the above problems.

Aware of green banking		
	Frequency	Percentage
Aware	87	73.72
Unaware	31	26.27
Total	118	100

Interpretations: the people who are aware in green banking is 74% and 26% of people are unaware of green banking in this statistics

### **Suggestion**

Some suggestions for the banks to encourage green banking are:

- Articulate through press and Impart websites and spread the news
- Communicate education through E-learning programmers
- Utilizing green banking as part of annual environment reports

### **Conclusion**

Green banking is unblemished as promoting environmental-friendly practices and dipping the carbon footprint from banking events. It comprises use of online banking, mobile banking, green channel counters, e-statement, green loans, solar ATMs etc. i.e. using banking amenities through online activities. To conclude with the obtainable chances, possibilities and technology, banks need to set their short term and long term green goals, develop their green approaches, and accomplish their greening activities in phased method. This concept of “Green Banking” will be equally valuable to the banks, businesses and the economy. Not only “Green Banking” will confirm the greening of the businesses but it will also facilitate in improving the power quality of the banks in future.

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