

Today's Change, Tomorrow's Green Future: Green Banking Products

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ABSTRACT

Industrialization, globalization, and liberalization are not only revolutionary concepts; they have also prepared the way for a massive increase in the nation's standard of life and economic prosperity. Through urbanization, humans began to exploit the environment beyond their basic needs in order to live a rich and comfortable life. As a result, the globe is debating the most pressing issue of the day: climate change and global warming. The motto "Go Green" serves as a defender against environmental degradation and encourages businesses to recognize their Corporate Social Responsibility. Green efforts are taken by the banking sector, in both internal and external banking practices, which serving as the main pillar of economic growth. Green Banking products are one of the Green Banking initiatives that banks have developed to lower their customers' carbon footprints in their banking activities. The Green Banking concept's success hinges on its ability to improve sustainability and contribute to environmental protection implementation, as well as client awareness of Green Banking products. This study focuses on Green Banking products and their awareness among public and private sector bank customers.

Keywords: Green Banking, Green Banking Initiatives, Green Banking Products, Environmental Friendly, Sustainability, Corporate Social Responsibility

1. INTRODUCTION

Industrialization, globalization, liberalization, and urbanization are viewed as fortunes to humanity, as they have changed people's economic growth and level of living, bringing luxury and comfort to them. For each developmental phase, humans have sacrificed the environment in which they are living without any guilty. Improvement, progression, and modernization by individuals has shaken the sustainability and paved the way for the red alert to humanity along with pollution, depletion of the ozone layer, flood, earthquake, global warming, melting of massive icebergs, sea-level rise, and climate change everywhere on the globe. Various environmental concern groups around the world are attempting and working hard to save our environment by educating and raising awareness about the current precarious position. This put

pressure on all industries to go green in all of their business operations. The banking industry is a supporter and source of funds for all industries and commercial organizations, there is increased pressure and obligation on banks to safeguard the environment and promote sustainable development.

Green is no longer a colour, it is now a symbol of eco-consciousness and eco-friendly practices. Similarly, the term Green Banking denotes environmental concern, corporate social responsibility, and environmentally friendly practices in everyday banking operations. Green banking is an environmentally friendly banking strategy that eliminates paper work, reduces carbon footprints, and saves energy, fuel, and prices in banking activities. Green Banking products are the first green initiatives done by banks to encourage clients to engage in green banking activities.

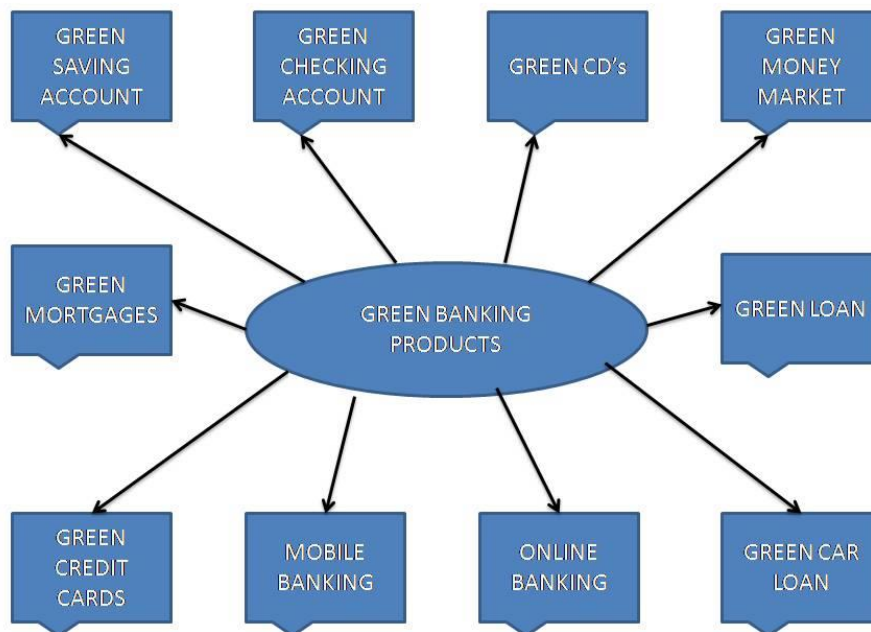


Fig. 1. Green Banking Products

2. REVIEW OF LITERATURE

Neeraja and Joseph (2021) investigated the numerous Green Banking products supplied by the State Bank of India, as well as the level of awareness of the idea of Green Banking among

bank clients. According to the study, the majority of bank customers are aware of the concept of Green Banking, however they are not familiar with all of the Green Banking products. It indicates that banks should not limit their responsibilities to only launching Green Banking products; they should also take the required steps to raise their client awareness and promote Green Banking products.

Boruah and Mukherjee (2020) investigated public sector bank customers' awareness and adoption of Green Banking. The majority of bank clients, 57 percent, was not familiar with the term Green Banking and was unaware of Green Banking activities. The report indicates that banks should take the required steps to raise customer knowledge about Green Banking practices, and that they are unwittingly employing Green Banking techniques in their banking operations. India is trailing behind the rest of the world in terms of green banking due to a lack of client knowledge.

Green Banking products, according to **Balakrishnan (2020)**, are more popular and have reached a large number of people in metropolitan areas, but knowledge of Green Banking products in rural areas is quite low. As a result, the study recommends that banks need to pay more attention to raising awareness about their green initiatives and Green Banking products among rural bank customers.

According to **Rajput et al. (2019)**, traditional banks are promoting Green Banking initiatives to shift their banking operations and activities green due to environmental concerns and corporate social responsibility. Green Banking products are based on the notion of sustainability and aim to reduce the banking sector's carbon footprint.

3. STATEMENT OF THE PROBLEM

Green Banking provides technologically sophisticated and environmentally friendly banking products. It's a brand-new concept that serves as a stepping stone for the banking industry to adopt "Green" banking practices. Banks in India are implementing the Green Banking concept, although it is still in its early stages, with a lack of understanding and awareness among bank customers. Lack of awareness of the concept might occasionally contribute to its failure. This study investigates awareness of Green Banking products among bank customers of various age

groups, as well as to find whether bank customers' educational qualifications influence Green Banking product awareness.

4. OBJECTIVES OF THE STUDY

Researchers conducted this study with the following core objectives:

- To identify awareness of Green Banking products among bank customers of various age groups.
- To analyze the awareness on Green Banking products among bank customers concerning their educational qualifications.

5. HYPOTHESES

- H_0 : There is no significant difference among Age group with respect to Awareness of Green Banking Products.
- H_0 : There is no significant difference among Education with respect to Awareness of Green Banking Products.

6. METHODOLOGY OF THE STUDY

- **Research Design:** To obtain precise and full information, a descriptive research design was adopted for this study, which included fact-finding questions and questionnaires.
- **Research Instrument:** A well-designed questionnaire was used for this research to gather the data from the public and private sector bank customers.
- **Data Sources:** Both primary and secondary data were used in this study. The study's primary data was gathered through a questionnaire, while secondary data was gathered via articles and websites.
- **Area of the Study:** Kanyakumari District is a unique place in the entire world was chosen for this study.
- **Sampling Technique:** The samples were chosen using the simple random sampling technique.
- **Sample Size:** The total number of respondents who took part in this study was 160.

7. SCOPE OF THE STUDY

This study was carried out to determine the awareness on Green Banking products among bank clients. The scope of this study is confined to public and private bank clients in the Kanyakumari District who are aware of Green Banking products. This study focused solely on

the various age groups and educational background of bank clients, as well as their awareness of Green Banking products.

8. ANALYSIS OF DATA

Table. 1. Age with respect to Awareness of Green Banking Products

Green Banking Products	Age Group in years					F value	p-value
	Below 21	21-30	31-40	41-50	Above 50		
Green savings accounts	3.50 ^{ab} (1.092)	4.16 ^b (1.099)	3.92 ^b (1.152)	3.72 ^b (1.386)	2.91 ^a (1.540)	4.658	0.001**
Green checking accounts	3.79 ^b (1.051)	3.99 ^b (1.070)	3.96 ^b (1.098)	3.45 ^b (1.183)	2.73 ^a (1.316)	5.906	<0.000**
Green CDs	3.50 ^{bc} (1.225)	3.76 ^c (1.055)	3.44 ^{bc} (1.193)	2.86 ^{ab} (0.990)	2.41 ^a (1.098)	8.134	<0.000**
Green money market accounts	3.14 ^b (1.351)	3.24 ^b (1.185)	2.08 ^a (1.187)	2.59 ^{ab} (1.268)	2.14 ^a (1.125)	6.736	<0.000**
Green mortgages	3.21 ^c (1.311)	3.04 ^{bc} (1.160)	2.44 ^{ab} (1.003)	2.76 ^{abc} (1.244)	2.23 ^a (1.110)	3.165	0.016*
Green loans	3.21 (1.188)	3.26 (1.304)	2.92 (1.288)	3.41 (1.150)	2.50 (1.300)	2.092	0.084
Green credit cards	3.57 ^b (1.089)	3.37 ^b (1.241)	3.00 ^b (1.354)	3.38 ^b (1.347)	2.18 ^a (1.140)	4.540	0.002**
Mobile banking	4.07 ^{bc} (1.141)	4.31 ^c (0.956)	3.56 ^b (1.325)	3.72 ^{bc} (1.306)	2.73 ^a (1.352)	8.569	<0.000**
Online banking	4.00 ^{bc} (1.414)	4.24 ^c (1.013)	3.40 ^a (1.323)	3.72 ^{bc} (1.334)	2.59 ^a (1.368)	8.577	<0.000**
Green car loans	3.21 ^b (1.051)	2.70 ^{ab} (1.312)	2.32 ^a (1.406)	2.24 ^a (1.123)	2.05 ^a (0.950)	2.841	0.026*

Source: Primary data

Inference

Table. 1 compares the significant differences between respondents based on their age groups and their awareness of Green Banking products using One Way ANOVA. Using the Duncan Multiple Range Test (DMRT), a different alphabet among age groups in years denotes significant at the 5% level.

Since the p-value is less than 0.05 and the null hypothesis is rejected at the 5% level, there is a significant difference in awareness of Green Banking products such as Green saving account, Green checking account, Green CDs, Green money market account, Green mortgage, Green credit card, Mobile banking, Online banking, and Green car loan among various age groups of bank customers.

The null hypothesis is accepted at a 5% level since the p-value is greater than 0.05, and there is no significant difference in awareness of Green Banking products of Green loans among various age groups of bank customers.

Table. 2. Education with respect to Awareness of Green Banking Products

Green Banking Products	Education					F value	p-value
	SSCL	HSC	UG	PG	Others		
Green savings accounts	3.19 ^a (1.447)	4.40 ^b (0.932)	3.75 ^{ab} (1.281)	4.21 ^b (1.082)	3.27 ^a (1.272)	5.042	0.001**
Green checking accounts	3.03 ^a (1.426)	3.83 ^b (1.085)	3.81 ^b (1.090)	4.10 ^b (0.976)	3.45 ^{ab} (1.293)	3.827	0.005**
Green CDs	2.74 ^a (1.154)	3.13 ^{abc} (1.167)	3.59 ^{bc} (1.100)	3.79 ^c (1.013)	3.00 ^{ab} (1.414)	4.566	0.002**
Green money market accounts	2.19 ^a (1.250)	2.70 ^{ab} (1.368)	3.10 ^b (1.296)	3.14 ^b (1.125)	2.00 ^a (0.632)	4.456	0.002**
Green mortgages	2.16 ^a (0.969)	2.83 ^{ab} (1.262)	3.05 ^b (1.252)	3.07 ^b (0.961)	2.45 ^{ab} (1.214)	3.729	0.006**
Green loans	2.61 ^{ab} (1.430)	3.37 ^b (1.129)	3.25 ^{ab} (1.294)	3.38 ^b (1.115)	2.55 ^a (1.214)	2.599	0.038*
Green credit cards	2.71 ^{ab} (1.346)	3.23 ^b (1.305)	3.36 ^b (1.214)	3.48 ^b (1.326)	2.45 ^a (1.293)	2.611	0.038*
Mobile banking	3.16 ^a	3.80 ^{ab}	4.07 ^b	4.41 ^b	3.17 ^a	5.271	0.001**

	(1.440)	(1.324)	(1.096)	(0.867)	(1.421)		
Online banking	3.19 ^a (1.470)	3.70 ^{ab} (1.368)	3.88 ^{ab} (1.247)	4.45 ^c (0.827)	3.18 ^a (1.471)	4.389	0.002**
Green car loans	2.13 ^{ab} (1.088)	2.50 ^{ab} (1.280)	2.86 ^b (1.319)	2.45 ^{ab} (1.183)	1.91 ^a (1.136)	2.626	0.037*

Source: Primary data

Inference

The significant difference between the respondents' educational qualifications and awareness of Green Banking products is examined in the table. 2 using One Way ANOVA. Using the Duncan Multiple Range Test (DMRT), a different alphabet among age groups in years signifies significance at the 5% level.

The null hypothesis is refused at a 5% level since the p-value is less than 0.05, as a result, there is a significant difference in bank customers' educational backgrounds when it comes to awareness of Green Banking products such as Green savings accounts, Green checking accounts, Green CDs, Green money market accounts, Green mortgages, Green loans, Green credit cards, Mobile banking, Online banking, and Green car loans.

9. FINDINGS OF THE STUDY

The following are the primary findings on Green Banking products awareness among various age groups and educational qualifications of bank customers:

- One way ANOVA reveals that, there is a significant difference in respondents' awareness of all Green Banking Products, except the Green loan.
- Bank customers under the age of 21, 21-30, and 41-50 years of age are more aware of Green Banking Products.
- Mobile banking is more aware Green Banking Products by bank customers of various age groups.
- The bank customers above the age group of 50 years having low level of awareness on Green Banking products.

- From the study it was found that there is a significance difference among educational qualifications of respondents with awareness of Green Banking Products.
- HSC, UG, and PG qualified bank customers are more aware of Green Banking Products.
- Online banking is more aware Green Banking Products by HSC, UG and PG qualified bank customers.
- Green car loan is the least aware Green Banking products among bank customers.

10. CONCLUSION AND RECOMMENDATIONS

Banks should prioritize environmentally sustainable lending in order to sustainably accelerate the nation's economic growth. Banks in India have adopted the Green Banking idea to make banking activities more sustainable. Bank customers in Kanyakumari District, both public and private sector banks, are unaware of Green Banking products. Only mobile banking and online banking have a higher level of awareness of Green Banking products, and clients over the age of 50 have a low level of awareness of Green Banking products.

It is recommended that banks take the required steps to create awareness and promote all Green Banking products among clients of various ages. There should be no knowledge gap between bank consumers and Green Banking products. Customers' tiny steps toward Green Banking practices may help the banks to achieve long-term viability.

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