



Green Banking Services: Customers' perception towards business sustainability during COVID 19

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Abstract: The banking sector in India is the lifeline of the nation. It is the largest financial sector in India. Indian banks have the potential to become fifth largest in the world by 2020 and third largest by 2025. Banks have helped in country's economic development and have transferred the hopes of people into the reality. Green Banking is different from traditional banking as it is the concept of promoting sustainable development in the country. Banks and financial institutions can play a major and decisive role in these global efforts to make our planet a better place to live in. As a provider of finance, banker can ensure that businesses adopt environment friendly practices. This research is conducted to find out the customers perception towards green services to business customers during this COVID period. 400 customers and bank employees from various parts of Karnataka participated in this research.

Keywords: Green banking, Green Services, Commercial Bank.

I. INTRODUCTION:

Now-a-days, the green movement is not confined within merely a slogan or concept. It has been able to spread worldwide as green initiatives and included as an operational guideline in almost every discipline ranging from science (green chemicals, green building) to business and economics (Green production and operation, green marketing, green business, green finance and investment etc.). The frequent catastrophe in diverse form, the dearth of renewable energy, 296 gradual erosion and contamination of existing natural resources compelled the policy makers enacting eco-friendly course of action. The same weave may also be found in governmental economic policies with the encouragement in green economy. Many different countries are working out for bringing their economy under a single umbrella of sustainable development framework complying with the United Nations Environment Programme (UNEP), International Union for Conservation of Nature (IUCN) and World Wide Fund for Nature (WWF) agencies. Thus, Green banking has emerged as a policy pertaining to the green economy program is the subset of broader sustainable development strategy.

A banker is an intermediary person between saving unit (suppliers) and scarce unit (demanders) of an economy who helps mitigate the financial needs of demanders considering all the potentiality of getting back money from them by accumulating scattered and unused money of clients. Banks possess various tangible (furniture, building, stationary's, computers or electrical goods, financial capital) and intangible (goodwill, sophisticated techniques, software's) assets that are only become lively with the vibrant presence of its conscious and efficient employees. Tangible assets can only help them to a certain extent. It is now becoming clearer that organizations require a much broader range of resources to be able to compete and succeed in the current competitive market. This is shown by an increasing number of organizations giving more emphasis to their intangible assets, which was mostly left idle, unexplored and non-managed (Vorbeck et al., 2001).

The case for sustainable growth is established beyond doubt. Reckless and unimaginative growth is endangering the planet and the adverse consequences are manifest in global warming, climate change, fickle weather, floods, droughts, pollution, high greenhouse gas emissions, etc. While still there is no consensus among the countries on sharing the burden of ecological footprint, most of the countries have been taking aggressive measures to tackle global warming and climate change. Banks also contribute to ecological footprint directly and indirectly through investment/lending in their customer enterprises. As such they need to play a key role in optimizing /reducing the carbon footprint. It is said that what is not measured, is not managed. Thereby, with greater customer satisfaction lead in the market as efficient bank. So, here lies the justification of the present study to find out bankers and customers view regarding green banking.

Statement of Problem

The attack of human beings on nature is the cause of environmental deterioration. This deterioration is leading to global warming and climate change. Climatic changes have been causing natural disasters like cyclones, floods, landslides, and droughts. Combined efforts of governments, corporate sector and individuals can help in minimizing these various forms of environmental deterioration. For this, governments have to come up with strong policies; corporate houses should follow environmental protection guidelines more strictly; and individuals have to be self-aware to protect the environment around them. Banks have been using lighting, air conditioning, electronic equipment's, IT, high paper wastage in massive proportion. The resultant internal carbon footprint can be reduced through the use of renewable energy, automation and other measures. On the other hand, banks can reduce external carbon emission by financing projects and companies that are working for pollution reduction and adopting green technologies.

So there is requirement for banks to embrace green techniques into their activities, structures, ventures and financing procedures. Thus the present examination is attempted to feature job of the green rating guidelines given by RBI, the World Bank's natural and social standards, the activities taken by open and private part banks in south India in the selection of green financial practices and to enroll the noteworthy procedures for reception of green banking.

Scope of the Study

Green Banking is an effort by the banks to make the industries grow green and in the process restores the natural environment. This concept of Green Banking will be mutually beneficial to the banks, industries and the economy. Not only will Green Banking ensure the greening of the industries but it will also facilitate in improving the asset quality of the banks in future. The scope of study includes study of customer and employee perception about Green Banking services with respect to business sustainability during this COVID-19 situation in Karnataka state. Further, the study is conducted in four cities of Karnataka – Bangalore, Hubli-Dharwad, Mysuru and Kalaburagi. Among these cities, 4 Banks are selected, which are State Bank of India (SBI), Bank of Baroda (BOB), Industrial Credit and Investment Corporation of India (ICICI) and Housing Development Financial Corporation (HDFC) – two public sector banks (SBI and BOB) and two private sector banks (ICICI and HDFC).

Objectives of the Study

- To assess the impact of various green banking systems offered by commercial banks.
- To assess the benefits to the customers and to the banks.
- To evaluate the loans and advances under green projects.

II. DATA ANALYSIS AND INTERPRETATION

This part of the research is designed to analyse the socio economic profile of the respondents and their opinion about green banking system for sustainable growth of business during COVID 19 in the selected commercial banks in the study area.

Socio economic profile of the respondents

Socio economic profile refers to general particulars about the customer's point of view and their attitudes also discussed below. The socio economic profile of the respondents is presented in the following table.

Table : Socio economic profile of the respondents

Variables	Category	Frequency	Percentage
Gender	Male	276	69.00
	Female	124	31.00
	Total	400	100.00
Age	Below 20 years	21	5.30
	21-30 years	175	43.70
	31-40 years	104	26.00
	41-50 years	56	14.00
	Above 50 years	44	11.00

	Total	400	100.00
Educational qualification	Up to high school	20	5.00
	Higher secondary level	28	7.00
	Graduate	172	43.00
	Post graduate	115	28.70
	Technical	65	16.30
	Total	400	100.00
Occupation	Government employee	83	20.70
	Private employee	209	52.30
	Professional	36	9.00
	Business	72	18.00
	Total	400	100.00
Monthly Income	Below Rs.10000	68	17.00
	Rs.10001 - 20000	148	37.00
	Rs.20001 - 30000	61	15.30
	Above Rs.30000	123	30.70
	Total	400	100.00
Experience customer	Below 3 years	160	40.00
	3-6 years	99	24.70
	7-9 years	68	17.00
	10-12 years	21	5.30
	Above 12 years	52	13.00
	Total	400	100.00
Type of account	Savings account	301	75.30
	Current account	40	10.00
	Fixed deposit account	20	5.00
	Recurring deposit account	8	2.00
	Cash credit account	31	7.70
	Total	400	100.00

Source: Primary Data

The researcher has classified the respondents based on their gender. From the above table it is found that out of 400 respondents 69.00 per cent of the respondents are male and the remaining 31.00 per cent of the respondents are female. It is found that out of 400 respondents 5.30 per cent of the respondents are in the age of below 20 years, 43.70 per cent of the respondents are in the age of 21-30 years, 26.00 per cent of the respondents are in the age group of 31-40 years, 14.00 per cent of the respondents are in the age of 41-50 years and the remaining 11.00 per cent of the respondents are in the age of above 50 years. It is found that most of the respondents (43.70 %) are in the age group of 21-30 years. 5.00 per cent of the respondents are studied up to high school level of education, 7.00 per cent of the respondents are studied up to higher secondary level of education, 43.00 per cent of the respondents are studied up to degree level of education,

28.70 per cent of the respondents are post graduates and the remaining 16.30 per cent of the respondents are studied technical course. 20.70 per cent of the respondents are government employees, 52.30 per cent of the respondents are private employees, 9.00 per cent of the respondents are professionals and the remaining 18.00 per cent of the respondents are doing business. It is found that most of the respondents (52.30 %) are private employees. It is found that most of the respondents (37.00 %) earn Rs.10001 – Rs.20000 per month. Most of the respondents (75.30 %) hold savings bank account. 65.30 per cent of the respondents opined that the green banking products are exceptionally good, 21.30 per cent of the respondents felt that good and the remaining 13.30 per cent of the respondents opined that the green banking products are medium in the commercial banks. It is found that most of the respondents (65.30%) opined that the green banking products are very good in the selected commercial banks in the study area.

Hypothesis: “There is no correlation between the satisfaction level of the respondents and their opinion about various factors of green banking system for business sustainability”

To test the above hypothesis Karl Pearson coefficient of correlation is applied and the results are presented in the following table.

Table 2: Correlation between the satisfaction and opinion about green banking system of commercial banks during COVID for business sustainability

		Satisfaction	Accessibility	Reliability	Efficiency	Awareness	Innovation	Trust and Loyalty	Security and Privacy
Satisfaction	Corr	1.00	.137*	.193**	.156**	.193**	.161**	.156**	.183**
	Sig.		0.02	0.00	0.01	0.00	0.01	0.01	0.00
	N	400	400	400	400	400	400	400	400
Accessibility	Corr	.137*	1.00	.351**	.317**	.371**	.347**	.284**	0.28
	Sig.	0.02		0.00	0.00	0.00	0.00	0.00	0.00
	N	400	400	400	400	400	400	400	400
Reliability	Corr	.193**	.351**	1.00	.498**	.466**	.474**	.435**	.401**
	Sig.	0.00	0.00		0.00	0.00	0.00	0.00	0.00
	N	400	400	400	400	400	400	400	400
Efficiency	Corr	.156**	.317**	.498**	1.00	.509**	.469**	.568**	.485**
	Sig.	0.01	0.00	0.00		0.00	0.00	0.00	0.00
	N	400	400	400	400	400	400	400	400
Awareness	Corr	.193**	.371**	.466**	.509**	1.00	.540**	.476**	0.437
	Sig.	0.00	0.00	0.00	0.00		0.00	0.00	0.00
	N	400	400	400	400	400	400	400	400
Innovation	Corr	.161**	.347**	.474**	.469**	.540**	1	.467**	.369**
	Sig.	0.005	0.00	0.00	0.00	0.00		0.00	0.00
	N	400	400	400	400	400	400	400	400
Trust and Loyalty	Corr	.156**	.284**	.435**	.568**	.476**	.467**	1	0.513
	Sig.	0.007	0.00	0.00	0.00	0.00	0.00		0.00
	N	400	400	400	400	400	400	400	400
Security and Privacy	Corr	.183**	.284**	.401**	.485**	.437**	.369**	.513**	1
	Sig.	0.001	0.00	0.00	0.00	0.00	0.00	0.00	
	N	400	400	400	400	400	400	400	400

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Computed Data

From the table it is found that there is a highest positive correlation between the satisfaction and efficiency of the green banking system of commercial banks ($p = 0.000$, $r = 0.568$), followed by innovation and

awareness ($p=0.000$, $r=0.540$), trust and loyalty and security and privacy ($p = 0.000$, $r =0.513$), efficiency and reliability ($p=0.000$, $r=0.498$), efficiency and security and privacy ($p=0.000$, $r=0.485$), awareness and trust and loyalty ($p=0.000$, $r=0.476$), innovation and reliability ($p=0.000$, $r=0.474$), awareness and reliability ($p=0.000$, $r=0.466$), awareness and security and privacy ($p=0.000$, $r=0.437$), reliability and trust and loyalty ($p=0.000$, $r=0.435$) and correlation between reliability and security and privacy ($p=0.000$, $r=0.401$).

From the above analysis it is found that there is a high positive correlation between the satisfaction and efficiency factors of the green banking system of commercial banks. Hence the commercial banks selected for the study may concentrate on efficiency factor while providing green banking services to their customers in the study area. Further the banks may concentrate on the factors awareness, security and privacy, reliability and trust and loyalty factors of green banking to increase the satisfaction level of their customers which pave the way for the success of green banking system in India than the existing level.

Analysis of Attitude of bankers towards green banking services for business recovery

This part analyses the independent variables like experience, type of green banking system offered, promotional measures, motivation of customers, retention of customers and evaluation of customers. These are the factors were consider for the evaluating how the commercial banks to take their part in the protecting environment. These details are presented in the following table.

Table 3: Green banking system of the commercial banks

Variables	Category	Frequency	Percentage
Experience	Below 5 years	60	15.2
	5-10 years	35	8.7
	11-15 years	35	8.7
	16-20 years	70	17.4
	Above 20 years	200	50
	Total	400	100
Type of green banking system offered	Home banking	182	45.7
	Tele banking	70	17.4
	i Mobile banking	148	37
	Total	400	100
Promotional measures for Green banking	Television and Radio advertisement	260	65.2
	Online advertisement	96	23.9
	Social media network	44	10.9
	Total	400	100
Encouraging clients for Green banking	Special offers to online users	35	8.7
	Reminding customers through e-mail	260	65.2
	Free online demos	96	23.9
	Assurance of security and privacy	9	2.2
	Total	400	100
Customers response towards Green banking	Very good	52	13
	Good	52	13
	Medium	69	17.4
	Poor	89	21.7
	Very poor	138	34.8
	Total	400	100
Problem in recovering Green loans	Yes	113	28.3
	No	287	71.7
	Total	400	100

15.2% of the respondents have below five years of experience, 8.70 per cent of the respondents have 5-10 years of experience, 8.7% of them have 11-15 years of experience, 17.4 % are having 16-20 years of experience and the remaining 50 % are belongs to 20 years of experience. Apart from the loan green banking system which are provided by the commercial banks study has been made and it is found most of

the commercial banks (45.70 %) are providing home banking system to their customers then the regular loan system. To know the promotional measures taken by the commercial banks to popularize the green banking system study has been made and it is found that most of the respondents (65.20 %) are using television and radio for promoting the green banking system in the study area. From the above table it is found that out of 400 respondents 28.30 per cent of the respondents have faced the problem in recovering the green loans at 71.70 per cent of the respondents have not faced any problem in recovering the green loan from their borrowers. It is found that most of the respondents (71.70 %) have not faced any problem in recovering the green loan from their customers in the study area.

III. CONCLUSION

Finally this paper analysis the selected bank bankers' attitude towards the green banking system towards business sustainability and recovery in the study area. From the analysis it is concluded that bankers of selected commercial banks are varied in their opinion about implementing the green banking system in their banks. Further the research findings explain how the green products are accepted by the business customers and bankers during COVID 19. The banker and customers they are not coping with green products i.e., Banking and Green Mortgage, but were the Some of the Products like Green saving account, Green Credit Card, Remote Deposits, Green Loan both have been accepted on these products, which is clearly in the figure. With Go Green mantra permitting, the banking sector too has adopted sustainable practices in all spheres of life. Green Banking is a Multi-stakeholders' Endeavour where banks have to work closely with government, NGOs, Central Bank, consumers and business communities to reach the goal. Green banking is still a major issue and can take an important role for development of our country in India. As bank and financial institution of India has started taking initiative but not at high level. To sustain the development of the Indian economy bank and financial institution have to work more hard as compare to big foreign banks as they are playing important role in maintaining the sustainability of their country economy. But still Indian banks have not accepted the principle equator policy to keep a record of their clients. Now it is time that India should take some strict steps to harness these banks and financial institution to adopt green banking system so that they can contribute in the protection of environment in future. There is a huge opportunity in clean, renewable energy technologies, emissions reduction and reduced-carbon transportation which can be slowly and steadily be achieved if we get cooperation from all sectors of the economy and bank being an integral part of our economy must lead from the front. Further, customers' perception towards the green banking system should be effective and efficient. To make this, the Reserve Bank of India and the Government must play a vital role and formulate a green policy guidelines and financial incentives, so that customers will be benefited through these services. The survival of the banking industry is inversely proportional to the level of global warming. Therefore, commercial bank initiative towards Green banking shows the sustainability.

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