Need of the Hour: Awareness on Green Banking Products

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ABSTRACT

Human beings for their self-centeredness, warmth, and leisure in their life, have chosen the avenue of globalization, technological advancement, and industrialization. The price that they are paying for this avenue is the catastrophe of biodiversity, climatic changes, global warming, depleting resources, melting of glaciers, and the catastrophe of greenery. Hence environmental sustainability and sustainable development have turned into a crucial agenda in the global association. India is a rapidly flourishing nation which is backed by the industrial sectors, yet it is exposed terribly to climatic change and global warming. Due to this alarming plight, the banking sectors who are the chief financial supporter of industries that cause pollution have taken a small start: Going Green. This has given push up to the conception of green banking and it has given birth to green banking products. The green banking products target cutback of carbon impression, resource-efficient economies, and ward off wastage of the accessible limited resources. It is focused upon moving towards banking practices that are non-hazardous to the environment and aids to conserve it. These green banking products initiatives have recently kick-started in a handful of banks across the country. Fueling of green products is required at a quick pace than anticipated, as they have a close association with other sectors that forms the country's economy. This paper skates through the Need of the Hour and the awareness on Green Banking Products

Keywords: Green Banking; Green Banking Products; Customer Awareness; Climate Change; Global Warming.

JEL Classification: C1, L2

Received: June 02, 2021

Accepted: September 13, 2021

La Necesidad del Momento: Concienciación sobre los Productos Bancarios Ecológicos

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RESUMEN

Los seres humanos, por su egocentrismo, calidez y ocio en su vida, han elegido la vía de la globalización, el avance tecnológico y la industrialización. El precio que están pagando por esta es la catástrofe de la biodiversidad, los cambios climáticos, el calentamiento global, el agotamiento de los recursos, el deshielo de los glaciares y la catástrofe de la vegetación. De ahí que la sostenibilidad medioambiental y el desarrollo sostenible se hayan convertido en una agenda crucial en la asociación mundial. India es una nación que florece rápidamente y que está respaldada por los sectores industriales, pero está terriblemente expuesta al cambio climático y al calentamiento global. Debido a esta alarmante situación, los sectores bancarios, que son el principal apoyo financiero de las industrias que causan contaminación, han dado un pequeño paso: Going Green. Esto ha impulsado la concepción de la banca verde y ha dado lugar a productos bancarios verdes. Los productos bancarios verdes tienen como objetivo la reducción de la impresión de carbono, las economías eficientes en cuanto a recursos y la prevención del despilfarro de los limitados recursos disponibles. Se centra en avanzar hacia prácticas bancarias que no sean peligrosas para el medio ambiente y que ayuden a conservarlo. Estas iniciativas de productos bancarios verdes se han puesto en marcha recientemente en un puñado de bancos de todo el país. El impulso de los productos verdes es necesario a un ritmo más rápido de lo previsto, ya que tienen una estrecha relación con otros sectores que forman la economía del país. Este artículo aborda la necesidad del momento y la concienciación sobre los productos bancarios verdes.

Palabras clave: Banca Verde; Productos Bancarios Verdes; Concienciación del Cliente; Cambio Climático; Calentamiento Global.

Clasificación JEL: C1, L2

Recibido: 02 de Junio de 2021

Aceptado: 13 de Septiembre de 2021

1. Introduction

Human beings for living a rich and prosperous life they penance the sound environment to make their economy strong. They initiated globalization, industrialization, and technological development for making the economy tenacious for increasing the standard of living of the society (Deepa and Karpagam, 2018). But they fail to notice the economy, society and the environment are the interconnected mainstays of sustainability. For the advancement of economy and society, the cost that they paid is degradation of the environment, which brings out dangerous global warming, climate change, loss of biodiversity, depletion of natural resources, melting of glaciers, dissertation, tornado, pollution, and loss of greenery (Malliga and Revathy, 2016; Deepika, 2015). Presently the planet is in an alarming plight and life on earth is in live or dies condition. Henceforth environmental sustainability and sustainable development become a significant agenda in the world community. The pre-eminent polluting industries like paper and pulp, pesticides/insecticides, fertilizers, metallurgical industries, refines, textiles, tanneries, chemical/pharmaceuticals, sugar, and so on, are the major backbone of the economic growth of a nation. For these ventures, finance is the lifeblood that is subsidized by the backbone of the economy called the banking sector (Deka, 2018).

Banks are non-polluters and environmental friendly in terms of their internal activities, emanation, and pollution. But their external activity by their customers on the environment is gigantic and tough to estimate. The banking sector realized its corporate social responsibility and started considering ecological aspects in lending finance to its customers (Vijai, 2018). Furthermore, they also initiated to promote the products, process, and services which cutback the carbon impressions from the banking activities (Nasila, 2020). Society gets mindful about the need for sustainable development and safeguarding of the environment, so they demand all businesses to show their responsibility to safeguard the environment and society (Ganesan and Bhuvaneshwari, 2016). While comparing with other sectors, the banking sector has the incredible responsibility to develop and maintain sustainability in their internal as well as external banking activities (Kumar, 2017). To reach the goal of sustainable development and environmental sustainability banks take a small stride: Going Green. The mantra 'Going Green' ascends to the revolutionary concept of Green Banking.

2. Green banking products

Green Banking is the concept, which aims to make the internal and external banking activities by banks and customers sustainable by diminishing the carbon impressions through making advancements in banking products and services, processes, channels, and technology. It elevates environmental friendly practices to safeguard the environment and to develop sustainability by balancing the environment, economic, and social the three mainstays of sustainability (Giridhar and Sudhakar, 2017). Ethical bank, sustainable bank, environmental friendly bank, socially responsible bank and eco friendly bank are the nicknames of Green Banking.

Figure 1:Green Banking Products (Source: Primary Data)

To promote the concept of Green Banking, banks took many initiatives one among them is Green Banking Products (Krishna, 2020). Green Banking Products are renewable, toxic-free, technologically designed to reach the goal of sustainability in banking to protect the planet for a greener future.

3. Review of literature

Sankareswari (2020) in her study “A comparative study on Green banking initiatives of SBI with ICICI bank – with special reference to Madurai city” examined the customers’ awareness on Green Banking services offered by SBI and ICICI banks. It was found that 56% of SBI bank customers and 58% of ICICI bank customers were aware and using Green Banking services. Online banking and Mobile banking are highly used in Green Banking services. Other customers are not using Green Banking due to a lack of knowledge and security concerns.

Debnath and Roy (2019) in their study titled “Customer’s awareness on Green Banking initiatives” highlights that banks should reduce the carbon footprints in their banking activities to protect the environment. Implementation of Green Banking products is not enough it should be properly utilized by customers. The study finds that banking customers have a lack of awareness about Green Banking; the banks should take necessary steps to educate their customers about Green Banking products.

Thomas and Linson (2018) in the study titled “Customers’ awareness and adoption of Green Banking in Thrissur District” analyzed the awareness and adoption of Green Banking products among customers. It was found that 68% of respondents were Green Banking users, 88% of customers were aware of net banking and the majority 89% of customers does not have awareness about solar ATMs. The study suggests that the banks should take initiatives to create awareness among the customers about Green Banking products through the bank’s website.

4. Objectives of the study

1. To find out customers' awareness on Green Banking products.
2. To assess the awareness about Green Banking products among male and female customers.
3. To ascertain the type of bank with Green Banking products awareness among customers.

5. Research methodology

The researcher has chosen a descriptive research design for this study, which aimed to look into the customers' awareness on Green Banking products. The primary data for this study is collected through a well-designed questionnaire from customers of public and private sector banks in Kanyakumari District, and secondary data gathered from journals. A simple random sampling technique is used in this study and the sample size was 160. Percentage analysis and Independent sample t-Test are used to analysis the research data.

6. Analysis and interpretation

Table 1: Customer awareness on Green Banking Products

Awareness on Green Banking Products	Frequency	Percentage
Aware	98	61.2
Not Aware	62	38.8
Total	160	100

Source: Primary data

Inference

It is inferred from table 1, out of the 160 public and private sector bank customers, 98 (61.2%) respondents were aware of Green Banking Products and 62 (38.8%) respondents were not aware of Green Banking Products. It shows that majority of the respondents having awareness on Green Banking Products.

Table 2: Gender with respect to Awareness of Green Banking Products

Green Banking Products	Gender				t value	P value
	Male		Female			
	Mean	SD	Mean	SD		
Green savings accounts	3.89	1.316	3.73	1.253	0.807	0.421
Green checking accounts	3.70	1.266	3.69	1.127	0.055	0.956
Green CDs	3.36	1.205	3.31	1.161	0.265	0.791
Green money market accounts	2.98	1.325	2.57	1.229	1.997	0.048*
Green mortgages	3.01	1.184	2.57	1.163	2.378	0.019*
Green loans	3.28	1.300	2.96	1.251	1.565	0.120
Green credit cards	3.31	1.343	3.01	1.262	1.455	0.148
Mobile banking	4.02	1.239	3.66	1.273	1.821	0.071
Online banking	4.00	1.297	3.52	1.314	2.327	0.021*
Green car loans	2.69	1.315	2.32	1.175	1.839	0.068

Source: Primary data

H_0 : There is no significant difference between Male and Female with Awareness of Green Banking Product.

Inference

The significant difference exists between the respondents based on Gender and awareness of Green Banking products are compared by using t-test in table 2.

Since the P-value is less than 0.05, the null hypothesis is rejected at 5%. Hence there is a significance difference between male and female bank customers with regard to awareness of Green Banking Products of Green Money Market Account, Green Mortgages, and Online Banking.

Since P-value is greater than 0.05, the null hypothesis is accepted at 5% level. Hence there is no significance difference between male and female bank customers with regard to awareness of Green Banking Products of Green Savings Account, Green Checking Account, Green CD's, Green Loans, Green Credit Cards, Mobile Banking, and Green Car Loans.

Table 3: Type of Bank with respect to Awareness of Green Banking Products

Green Banking Products	Type of Bank				t value	P value
	Public Sector Bank		Private Sector Bank			
	Mean	SD	Mean	SD		
Green savings accounts	3.86	1.166	3.76	1.398	0.491	0.0624
Green checking accounts	3.76	1.094	3.63	1.296	0.725	0.469
Green CDs	3.40	0.936	3.28	1.387	0.668	0.505
Green money market accounts	3.11	1.212	2.45	1.292	3.346	0.001**
Green mortgages	2.99	1.164	2.61	1.196	2.010	0.046*
Green loans	3.19	1.181	3.06	1.381	0.615	0.539
Green credit cards	3.25	1.196	3.09	1.416	0.784	0.434
Mobile banking	3.96	1.216	3.74	1.310	1.126	0.264
Online banking	3.98	1.211	3.56	1.404	1.990	0.048*
Green car loans	2.69	1.239	2.34	1.262	1.770	0.079

Source: Primary data

H₀: There is no significant difference between Type of Banks with Awareness of Green Banking Products

Inference

The significant difference exists between the respondents based on the type of bank and awareness of Green Banking products are compared by using t-test in table 3.

Since the P-value is less than 0.01, the null hypothesis is rejected at 1%. Hence there is a significance difference between public and private sector banks with regard to awareness of Green Banking Product of Green Money Market Account.

Since the P-value is less than 0.05, the null hypothesis is rejected at 5%. Hence there is a significance difference between public and private sector banks with regard to awareness of Green Banking Products of Green Mortgage and Online Banking.

Since P-value is greater than 0.05, the null hypothesis is accepted at 5% level. Hence there is no significance difference between public and private sector banks with regard to awareness of Green Banking Products of Green Savings Account, Green Checking Account, Green CD's, Green Loans, Green Credit Cards, Mobile Banking, and Green Car Loans.

7. Findings of the study

- From the study, it was found that 61.2% majority of respondents were aware of Green Banking Products offered by public and private sector banks in Kanyakumari District.
- Independent sample t-Test reveals that there is a significance difference between male and female bank customers with regard to awareness of Green Banking Products of Green Money Market

Account, Green Mortgages, and Online Banking. Based on the mean score, it was found that male bank customers are more aware of Green Banking Products than female bank customers.

➤ From the Independent sample t-Test, it was found that there is a significance difference between public and private sector banks with regard to awareness of Green Banking Product of Green Money Market Account, Green Mortgage, and Online Banking. Based on the mean score, it was found that the public sector banks customers are more aware of Green Banking Products than private sector banks customers.

➤ Online banking is the most aware Green Banking Product among the customers of public and private sector banks in the Kanyakumari District.

8. Conclusion and recommendation

People are running behind money for the advancement of the economy and society to improve their standard of living. However, they neglected to realize that, economy and environment are two different sides of the same coin; any sort of harm made by people in any one of the sides for their self-centeredness may make the coin invaluable. When comparing the banking sector globally, Indian banking sectors are lagging in Green Banking initiatives and usage. From this study, it is clear that public and private sector banks customers have average awareness about Green Banking products. Implementation of Green Banking does not bring success and reduce the carbon impressions in banking activities, awareness about Green banking products and customers' habits of using eco-friendly practices are important for reaching the goal of sustainability. Customers of public and private sector banks in the Kanyakumari District are more aware of online banking, but they do not have much awareness about other Green Banking products. It's the responsibility of banks to create awareness about Green Banking products and make the customers start using Green Banking Products to protect the environment. A small step taken today by each customer will make a huge change tomorrow.

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