



Customers Satisfaction level towards green banking services in selected public sector banks in Sivagangai District

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ABSTRACT:

Green banking refers to making the banking transactions easily and to avoid paper transactions instead of papers using through the electronic devices using in the day to day activities in the banking sector. This concept of "Green Banking" will be mutually beneficial to the banks, industries and the economy. Not only "Green Banking" will ensure the greening of the industries but it will also facilitate in improving the asset quality of the banks in future. In the environment friendly society "Go Green" mantra has become relevant in each and every aspect of business. The data collected from selected public sector bank customers. Convenience sampling method were used to collect the data. Tools used for the analysis such as percentage analysis and MANOVA. Therefore, this paper aims to analyze the customers' satisfaction level towards green banking in selected public sector banks in sivagangai district.

KEYWORDS:

Green banking, customers, Asset quality, Electronic devices.

1.1 INTRODUCTION:

The concept of green banking emerged in 2009 in Mt. Dora ,Florida, United states. In India the first green bank is the State Bank of India(SBI), India's largest commercial bank, which took initiative in setting high sustainability standards and completed the first step in "green banking" with shri O.P. Bhatt, chairman, SBI Inaugurate the bank's first wind farm project in Coimbatore. The green bank initiative which includes ATMs, paperless banking for customers and building of wind mills in rural India. Green Banking means ensuring environment friendly practices in banking sector and thereby reducing internal and external carbon footprints. It makes technological improvements, operational improvements and changing client habits in the banking sector. The recent developments in Indian banking technology have transformed banking from the traditional system towards a more inclusive one incorporating the interests of customers, the bank and the environment. Nowadays, banking operations can be carried out through various banking

delivery channels away from the bank branches. ATM is the most popular banking delivery channel and the extraordinary success of ATMs had made the banking sector courageous to develop more innovative alternative delivery channels such as Internet banking, mobile banking, Green channel counters, kiosk banking, credit card, debit card, online bill payment services etc. In the environment friendly society, Green Banking has become relevant in each and every aspect of business.. Green banking plays an important role in our country. Adopting of greener banking practices will not only be useful for environment, but also beneficial for greater operational efficiencies, a lower vulnerability to manual errors and fraud and cost reduction in banking activities.

Green banking refers to making the banking transactions easily and to avoid paper transactions instead of papers using through the electronic devices using in the day to day activities in the banking sector. This concept of “Green Banking” will be mutually beneficial to the banks, industries and the economy. Not only “Green Banking” will ensure the greening of the industries but it will also facilitate in improving the asset quality of the banks in future. In the environment friendly society “Go Green” mantra has become relevant in each and every aspect of business. So there is a need for banks to adopt green strategies into their operations, buildings, investments and financing strategies. Green banking can help a lot in attaining sustainable development. Green banking avoids as much paper work as possible and rely on online/electronic transactions for processing. Green Banking has become relevant in each and every aspect of business. Green Banking covers two aspects. The first one being judicious use of all resources, energy and reducing carbon footprints and second being encouraging and financing only environment friendly investment. So Green Banking is not only about making sustainable use of resources but also about environment friendly dispensation of credit..

1.2 REVIEW OF LITERATURE:

Dr.G.Jayabal & M. Soundarya (2016)¹, in their article said that “Green Banking: As Banking Initiative for Sustainable Development”. The main objectives of the study now days green banking is getting more and more popularity all over the world. Green banks could not be a good profit business avenue. But certainly it has great potential to gain market share and substantial profit in future. For effective green banking, the RBI and the Indian government should play a pro active role and formulate a green policy guidelines and financial incentives. Green banking can be an avenue to reduce pollution and save the environment aiding sustainable economic growth. The survival of the banking industry is inversely proportional to the level of global warming. Therefore, for sustainable banking Indian bank should adopt green banking as a business model without any additional postponement.

Khedekar (2014)², in her research entitled “Banking with Technology- Green Banking” studied the various technology used by the banking industries to make the environment green. According to study bank should provide basic + premium internet banking product such as opening bank account, Demat holding, standing instruction, investment etc. This Study suggests that bank should conduct seminar and conference to educate the public regarding the uses of internet banking as well as security issue. She

suggests “Virtual Banking” where customer can’t deal in cash to those branches which are far from the main branch.

T.Rajesh and A.S. Dileep (2014)², Role of banks in sustainable economic development through green banking, in their study deals with Increased carbon emissions and reckless development without paying attention to environment, led to climate changes. Banks also contribute to ecological footprint directly and indirectly through investment/lending in their customer enterprises. Green Banking is an umbrella term referring to practices and guidelines that make banks sustainable in economic, environment, and social dimensions. Green banking can be an avenue to reduce pollution and save the environment aiding sustainable economic growth . Before making the decision to finance a project, banks must see its environmental risks and ensure the project players have environmental safety measures in their plans, including recycling facilities or smoke and gas arresting units. A framework of incentives for responsible banks and disincentives for pollutants is an essential element for the development of green banking.

1.3 STATEMENT OF THE PROBLEM:

The need for moving towards green banking in the banking sector in this fast changing environment provides competitive benefit to both the banker and customer. Customers’ are much interested in environment friendly goods and services such as green loans, ATMs, mobile banking, online banking, Green savings accounts, Green credit cards etc. The primary objective of the study is to assess the customers’ satisfaction on the green banking in Sivagangai District.

1.4 OBJECTIVES OF THE STUDY:

The main objective of the study is to analyze the customers’ satisfaction level towards green banking services in selected public sector banks in Sivagangai District

1.5 RESEARCH METHODOLOGY:

The Research work was conducted with the objective to find out whether the customers satisfaction level towards green banking in public sector banks. This paper reviews the literature on the basis of both the primary and secondary data. The primary data were collected from the customers by using different banks such as State bank of India, Indian bank, syndicate bank, Indian overseas bank, canara bank, Andhra bank, vijaya bank, State bank of Travancore, and Punjab national bank and the secondary data collected from the sources such as articles, research papers, books, and journals.

1.5.1 SAMPLE SIZE:

The total number of banks selected by the researcher is 9. The list of selected banks is as shown below:

- State bank of India
- Indian bank
- Syndicate bank
- Indian overseas bank
- Andhra bank
- vijaya bank
- State bank of Travancore
- Canara bank
- Punjab national bank

1.5.2 SAMPLING METHODOLOGY:

Sampling technique used in this study is Non- Probability sampling in that convenience sampling is used.

Sample unit – Public Sector Banks

Sample area – Devakottai region

Sample size – 130

1.6 DATA ANALYSIS & INTERPRETATION:

1.6.1 GENDER WISE CLASSIFICATION OF THE RESPONDENTS:

The following table gives the Demographic distribution of the respondents .130 sample respondents were contacted for the collection of primary data. There were both male and female respondents. The distribution of gender of the sample respondents in given in table 1.1

TABLE 1.1
GENDER WISE CLASSIFICATION OF THE RESPONDENTS

Gender	Frequency	Percentage
Male	78	60
Female	52	40
Total	130	100

SOURCE: Primary data

The above Table 1.1 shows that out of 130 respondents contacted 60% of them were male and the rest were female. It is inferred that majority of the male customers are using green banking products in the study area.

1.6.2. AGE WISE CLASSIFICATION OF THE RESPONDENTS:

The sample customers belong to varied age groups .The age wise classification of the respondents is given in table 1.2

TABLE 1.2
AGE WISE CLASSIFICATION OF THE RESPONDENTS

Age Group	Frequency	Percentage
18 to 25	53	40.8
25 to 32	47	36.2
39 to 46	20	15.4
Above 47	10	7.7
Total	130	100

SOURCE: Primary data

It is understood that among the respondents, 41 % belong to the age group of 18 to 25 years, 36% belong to the age group of 25 to 32 years. 15% were in the age group of 39 to 46 years. Another 8% were 47 years of age . From the above, it is inferred that majority of the respondents fall between the age of 18 and 32 years.

1.6.3 EDUCATIONAL QUALIFICATION OF THE RESPONDENTS:

The sample customers are with different educational qualifications .The different qualification of the respondents is given in table 1.3

TABLE 1.3
EDUCATIONAL QUALIFICATION OF THE RESPONDENTS

Qualification	Frequency	Percentage
Not Formally Educated	11	8.4
High school	38	29
Degree	25	18.6
Master degree	28	22
Illiterate	28	22
Total	130	100

SOURCE: Primary data

It is clear from the above table 4.4 that 22% of sample respondents have qualified for Master degrees, Another 22% of the respondents are illiterate. Another 19% of them are qualified for degrees. Another 29% are educated up to high school, and the rest of the respondents are not formally educated. Hence a higher proportion of respondents are fairly educated and qualified for various degrees.

1.6.4 RELATIONSHIP BETWEEN INCOME AND SAVINGS:**CORRESPONDANCE ANALYSIS:**

Correspondence analysis is a statistical technique that factors the categorical variable and shows the dimensions or association of the categorical variable to each other

TABLE 1.4
RELATIONSHIP BETWEEN INCOME AND SAVINGS

Hypothesis H0: There is no significant relationship between income and savings.

Income	Savings			
	1000-5000	5001-10000	10001-15000	Active Margin
Below 10000	3	4	2	9
10000 to 15000	43	9	1	53
15000 to 20000	39	5	2	46
20000 to 25000	10	10	0	20
Above 25000	2	0	0	2
Active Margin	97	28	5	130

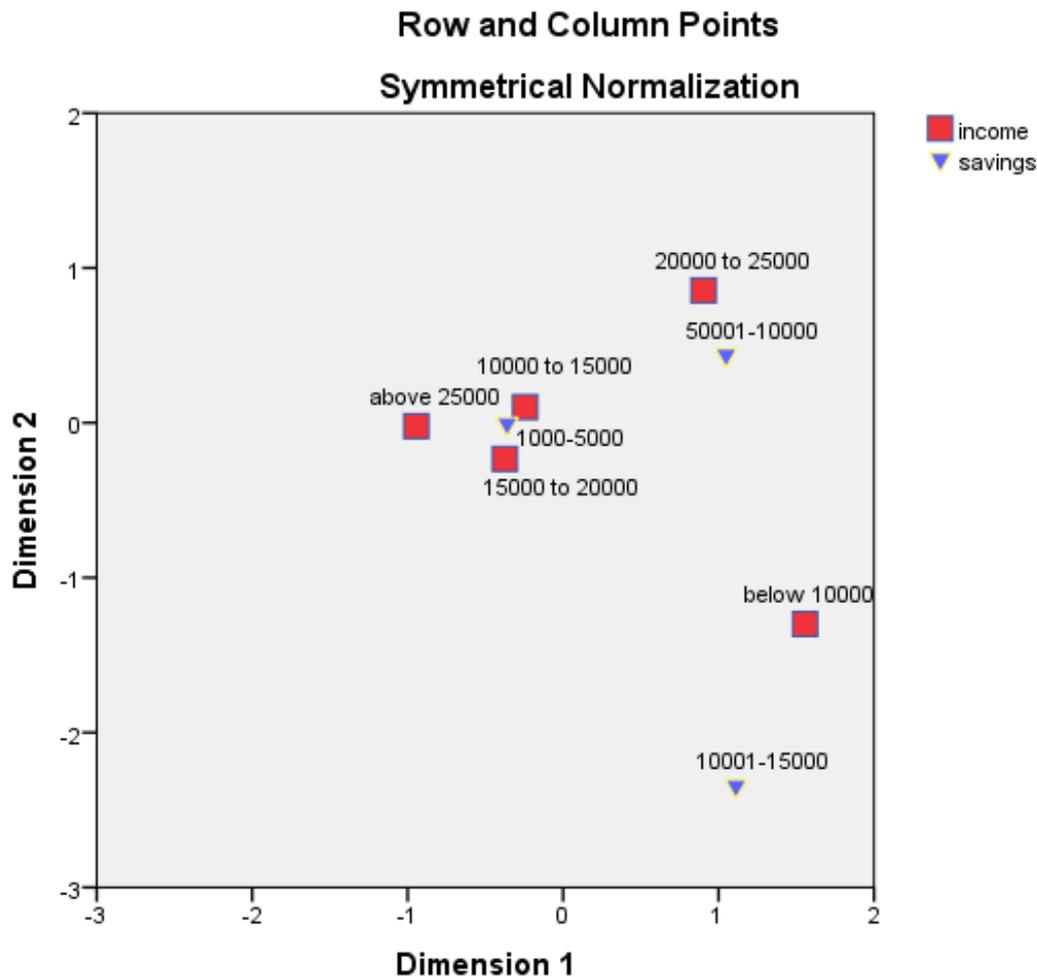
SOURCE: Primary data

TABLE 1.5
CORRESPONDANCE ANALYSIS:

Dimension	Singular Value	Inertia	Chi Square	Sig.	Proportion of Inertia		Confidence Singular Value	
					Accounted for	Cumulative	Standard Deviation	Correlation
1	.381	.145			.694	.694	.092	.296
2	.253	.064			.306	1.000	.112	
Total		.209	27.186	.001	1.000	1.000		

a. 8 degrees of freedom

SOURCE: Primary data



The correspondence diagram illustrates that people who have higher level of income group and their respective saving is high. People who have low level of income group and their respective saving is low. The significant level is less than .05 i.e. sig values is 0.01 therefore null hypothesis rejected alternative hypothesis is accepted. There is no significant relationship between income and savings

1.6.5 RELATIONSHIP BETWEEN DEMOGRAPHIC FACTORS AND SATISFACTION LEVEL OF GREEN BANKING CUSTOMERS’.

MANOVA:

The two-way multivariate analysis of variance (two-way MANOVA) is often considered as an extension of the two-way ANOVA for situations where there is two or more dependent variables. The primary purpose of the two-way MANOVA is to understand if there is an interaction between the two independent variables on the two or more dependent variables.

TABLE 1.6

RELATIONSHIP BETWEEN DEMOGRAPHIC FACTORS AND SATISFACTION LEVEL OF GREEN BANKING CUSTOMERS'

Hypothesis Ho: There is no significant difference between Educational qualification of the customers and their level of satisfaction regarding the usage of green banking products

TABLE 1.7

MULTIVARIATE TESTS

Effect		Value	F	Hypothesis df	Error df	Sig.
Intercept	Pillai's Trace	.824	184.074 ^b	3.000	118.000	.000
	Wilks' Lambda	.176	184.074 ^b	3.000	118.000	.000
	Hotelling's Trace	4.680	184.074 ^b	3.000	118.000	.000
	Roy's Largest Root	4.680	184.074 ^b	3.000	118.000	.000
Gender	Pillai's Trace	.011	.450 ^b	3.000	118.000	.718
	Wilks' Lambda	.989	.450 ^b	3.000	118.000	.718
	Hotelling's Trace	.011	.450 ^b	3.000	118.000	.718
	Roy's Largest Root	.011	.450 ^b	3.000	118.000	.718
Educational qualification	Pillai's Trace	.254	2.772	12.000	360.000	.001
	Wilks' Lambda	.760	2.840	12.000	312.490	.001
	Hotelling's Trace	.297	2.884	12.000	350.000	.001
	Roy's Largest Root	.219	6.583 ^c	4.000	120.000	.000
GENDER * EDUCATIONAL QUALIFICATION	Pillai's Trace	.106	1.103	12.000	360.000	.356
	Wilks' Lambda	.896	1.098	12.000	312.490	.361
	Hotelling's Trace	.112	1.091	12.000	350.000	.366
	Roy's Largest Root	.073	2.176 ^c	4.000	120.000	.076

From the above table we can see that the value of MANOVA is .361 greater than .05 therefore **Null Hypothesis is accepted**. Thus there is a no significant difference between satisfaction level of green banking products and educational qualification versus gender.

1.6.6 SATISFACTION LEVEL OF CUSTOMERS TOWARDS GREEN BANKING SERVICES:

The researcher has analyzed the overall customers satisfaction towards green banking services is given in below table 1.8

TABLE 1.8

OVERALL SATISFACTION OF CUSTOMERS TOWARDS GREEN BANKING SERVICES

S.NO	Satisfaction	No of Respondents	Percentage
1	Highly Dissatisfied	11	8.4
2	Dissatisfied	12	9.2
3	Neutral	30	23.07
4	Satisfied	48	36.9
5	Highly satisfied	19	14.6
Total		130	100

Source: Primary data

The above said table 1.8 reveals that out 130 respondents, 19(14.6%) of the customers were highly satisfied towards green banking services, 48(36.9%) of the customers were satisfied towards green banking services, 30(23.07%) of the customers were either satisfied/ highly satisfied towards green banking services, 12(9%) of the customers were dissatisfied towards green banking services, 11 (8%) of the customers were Highly dis satisfied towards green banking services. Therefore, majority of the customers were Highly satisfied towards green banking services.

1.7 FINDINGS OF THE STUDY:

[1] It is found that 130 respondents contacted 60% of them were male and the rest were female. It is inferred that majority of the male customers are using green banking products in the study area.

[2] It is observed that 41 % belong to the age group of 18 to 25 years, 36% belong to the age group of 25 to 32 years. 15% were in the age group of 39 to 46 years. Another 8% were 47 years of age . From the above, it is inferred that majority of the respondents fall between the age of 18 and 32 years.

[3] It is noted that 22% of sample respondents have qualified for Master degrees, Another 22% of the respondents are illiterate. Another 19% of them are qualified for degrees. Another 29% are educated up to high school, and the rest of the respondents are not formally educated. Hence a higher proportion of respondents are fairly educated and qualified for various degrees.

[4] It is found that the correspondence diagram illustrates that people who have higher level of income group and their respective saving is high. People who have low level of income group and their respective saving is low. The significant level is less than .05 i.e. sig values is 0.01 therefore null hypothesis rejected alternative hypothesis is accepted. There is no significant relationship between income and savings

[5] It is noted that the value of MANOVA is .361 greater than .05 therefore **Null Hypothesis is accepted.** Thus there is a no significant difference between satisfaction level of green banking products and educational qualification versus gender.

[6] It is found that 19(14.6%) of the customers were highly satisfied towards green banking services, 48(36.9%) of the customers were satisfied towards green banking services, 30(23.07%) of the customers were either satisfied/ highly satisfied towards green banking services, 12(9%) of the customers were dissatisfied towards green banking services, 11 (8%) of the customers were Highly Dis satisfied towards green banking services. Therefore, majority of the customers were Highly satisfied towards green banking services.

1.8 SUGGESTIONS:

- ❖ Banks can introduce green funds for customers who would like to invest in environment friendly projects.
- ❖ Banks can organize competitions for customers to bring out awareness regarding green banking.
- ❖ Bank have to purchase appropriate events / competitions hardware, system software and networking infrastructure.
- ❖ Banks should organize seminars and conferences to educate the customers regarding uses of online banking as well as security and privacy of their customers.

1.9 CONCLUSION:

It can be concluded that banks must take new initiatives to create awareness about green banking among the customers. Bank should also adopt environment friendly practices which ensure the efficient use of resources. Thus, the banks should play a pro-active role to take environmental and natural aspects as part of their lending principles which would force industries to go for mandated investment for environmental management, use of appropriate technologies and management systems. Majority of the customers are not aware of the green banking initiatives adopted by their banks. Therefore it is very essential on the part of the bankers to give awareness programmes on the green banking practices to their customers. The banking institutions must go green and can fulfil their social responsibilities. From the analysis it is found that customers were satisfied towards green

banking services in sivagangai district. In India there has not been much initiative in this regard by banks as compared to foreign countries. For effective adoption of green banking, the RBI and the Indian government should take appropriate steps to formulate green policy guidelines and financial incentives.

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