



# A STUDY ON COMMUNICATION OF SUSTAINABILITY PRACTICES IN THE BANKING SECTOR

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**Abstract:** This study explores how banks communicate their commitment to ESG principles and assesses the effectiveness of different communication channels on customer engagement. Using a descriptive, qualitative research design, data were collected through questionnaires and secondary sources from 30 respondents at SBI in the Medchal Division, selected via simple random sampling. The analysis, involving chi-square tests and bar graphs, supported the hypothesis that effective communication of sustainability practices positively impacts customers. The findings highlight the importance of clear, transparent communication about sustainability initiatives. By utilizing websites, social media, and other channels to share their environmental and social efforts, banks can build trust and engage customers. Tailoring messages to diverse audiences and regularly updating progress are essential strategies for demonstrating commitment to sustainability and attracting customers who prioritize responsible banking.

**Index Terms** - sustainability initiatives, social media, essential strategies, engage customers.

## I. INTRODUCTION

The banking sector, employees can disclose their balance sheet to prepare an annual report to communicate the profits and losses of the bank. at the end of the year, most of employees are sustain them, Practices and communicate their profits to know the position of the banks, the employees can communicate the bank profits to the customer's communication is very important among the banking Sector, and there is communication between the employees and managers, shareholders and stakeholders in the banking sector, they can sustainability refers to the strategies of investment; they can sustain the profit and expenses. There is a social responsibility of the bank or it is a trust to the governance Communication improves the relationship between the employees and the customer shareholder and manager. Communication can improve the bank service and it help improve the employees Behavior among the customers It helps to bring more customers to the bank and helps to develop core banking. Good communication with an employee with customers is improve the efficiency of the bank, and it can get more profits by getting the more customers. Communication is helpful to convey information to one person from another. It helps to know more information about the Banking transactions, business loans, and credit details and it can also Help to improve public relations and raise awareness about banking products it can prevent the misunderstandings and help to build a team spirit; improve customer services; achieve goals and targets; it can help to contribute to the company's goals. improving employee's engagement helps to give feedback and report the problems. raising and resolving internal issues It helps to solve the internal issues of the bank, achieving high productivity It helps to achieve the company goals among the employee's statement Sustainability helps in planning and executing business operations. While taking social and environmental considerations into account bank stands can play an important role in achieving the United Nations sustainable goals. Sustainability banking helps to promote the friendly environmental and social responsibility of projects. positive sustainability helps to achieve the more projects

and bank goals with a positive impact. Sustainability practices can support environment ecology, equity; it can maintain the support process continually over time. Sustainability banks help to change impact of clients like investment, renewable and socially responsible of business. It can also help to create the economic sustainability microfinance institution to provide the social and economic challenges that provide finance services to address the challenges in the company. Sustainability; practices provide four types of pillars sustainability human, social, economic, environment they can be aimed at indicating the prevention of particular resources.

## II. OBJECTIVES OF THE STUDY

To investigate how banks communicate their commitment to ESG principles.

To evaluate effectiveness of different communication channels, messages, and formats on customers.

H0: There is no significant impact of effective communication of sustainability practices on customers.

H1: There is a significant positive impact of effective communication of sustainability practices on customers.

## III. RESEARCH FRAME WORK

The research work is descriptive in nature. The data was collected in 2 ways primary data through questionnaire and secondary data was collected through journals, articles, and books. The research design involves quantitative methods to measure engagement levels and test hypotheses. The study uses a survey to collect data, administered to a non-random sample of 50 participants from Medchal.

### Participants:

The study included 30 respondents from Medchal, selected using non-random sampling techniques. The sample aimed to capture a diverse range of perspectives on customer engagement with Café Coffee Day.

### Procedures:

A well-structured questionnaire with straightforward questions was employed for data gathering. The hypothesis tested was:

H0: There is no significant impact of effective communication of sustainability practices on customers.

H1: There is a significant positive impact of effective communication of sustainability practices on customers.

Analysis Tools: chi-square, bar graph, percentages

### 3.1 Population and Sample

**SAMPLE SIZE: 30**

**SAMPLE UNIT: MEDCHAL**

### 3.3 Theoretical framework

#### LEVESQUE AND MCDOUGALL (1996)

This study aims to enhance customer satisfaction in the retail banking sector by understanding what customers need and prefer. By investigating customer requirements and future plans, banks can improve their services and quality, which in turn boosts customer satisfaction. Recognizing and addressing service problem promptly through service recovery is crucial, as it directly impacts customers perception and loyalty. Ultimately satisfied customers are more likely to stick with the bank, leading to increased profits and the achievement of company goals.

#### KANGISPETER AND VOUKELATOS VASSILIS (1997)

The study compares customers perception for services quality between private and public sector banks. While customers generally expect better services from private banks, both sectors have similar customer profiles. Each sector can learn from the other's strengths and weakness to improve services quality and stay competitive. By understanding what services customers value most, banks can enhance their offerings and profitability. Both private and public banks have the opportunity to provide unique services while maintaining high quality to meet customer needs effectively.

**Leow (1999)**

The statement emphasizes how having a strong and efficient banking system is crucial for a country's economic growth. It suggests their allowing more foreign banks to operate can lead to better outcome for society by reducing excessive profits. This idea is supported by experts like Barth and Caprio. Research from the world bank also shown that limiting foreign banksman slow down productivity ad financial sector progress. To improve the situation, long-term reforms are needed, like making if easier for foreign banks to enter the market, tightening regulations, and investing in technology and skills. This change can attract foreign investments, encourage competition and innovation, ensure banks operate responsibly, and enhance the quality of financial service. Ultimately, creating a favorable environment for foreign banks and implementing strong reforms is vital for building a stable, competitive and efficient financial sector which in turn fuels sustainable economic growth and development.

**ATHMAPRASHANTA (2000)**

The study found some worrying trends, like a decrease in the profitability of banks and lower customer satisfaction, especially with SBH compared to its peers. It emphasizes how important it is to have a strong banking system for a country's economy to grow. Allowing more foreign banks to operate can help by reducing excessive profits and encouraging competition and innovation, which benefits society. Research supports this idea, showing that restricting foreign banks can slow down progress in the financial sector. To fix these issues, long-term reforms are needed, like making it easier for foreign banks to enter the market and tightening regulations. These changes can attract foreign investment, improve the quality of financial services, and ensure responsible banking practices. Overall, the research offers valuable insights into the performance of public sector banks in India and suggests ways to improve their performance through strategic decisions.

**3.4 Statistical tools and econometric models****Percentage, Bar graphs**

A Well structured questionnaire with straightforward questions is employed for data gathering.

**Hypothesis:-**

H0: There is no significant impact of effective communication of sustainability practices on customers.

H1: There is a significant positive impact of effective communication of sustainability practices on customers.

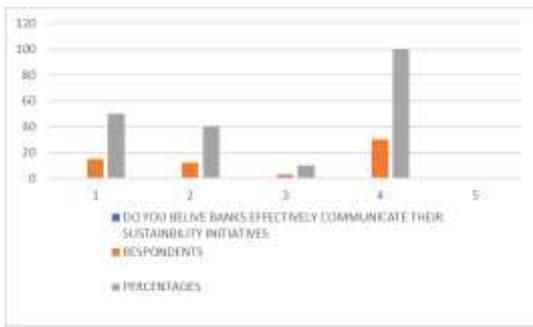
**IV. RESULTS AND DISCUSSION**

Are you aware of sustainability practices implemented by banks	YES	NO	TOTAL
Respondents	23	7	30
Percentages	76.66667	23.33333	100



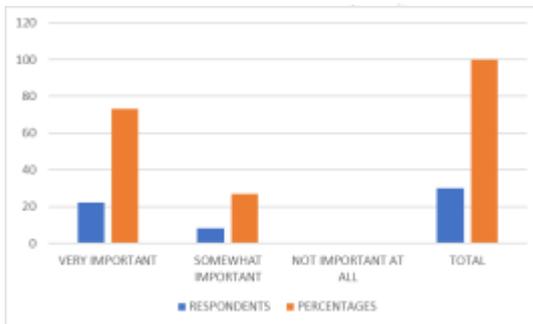
**Interpretation:** The data indicates that out of 30 respondents, 76.67% are aware of sustainability practices implementation by banks while 23.33% are not.

Do you believe banks effectively communicate their sustainability initiatives	Very effectively	Somewhat effectively	Not effectively at all	Total
Respondents	15	12	3	30
Percentages	50	40	10	100



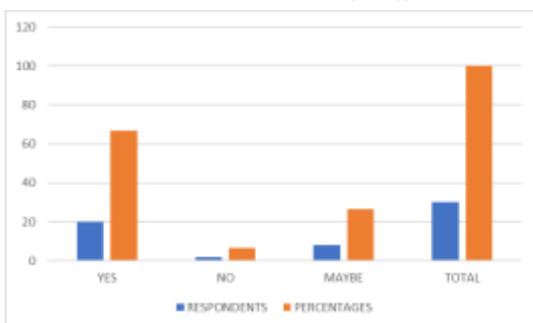
**Interpretation:** The data suggest that among 30 respondents 50% believe banks effectively communicates their sustainability initiatives very effectively while 40% feel they do so somewhat effectively and 10% think they are not effective at all in their communication.

How important is it for you that a bank demonstrates a commitment to sustainability	Very important	Somewhat important	Not important at all	Total
Respondents	22	8	0	30
Percentages	73.33333333	26.66666666	0	100



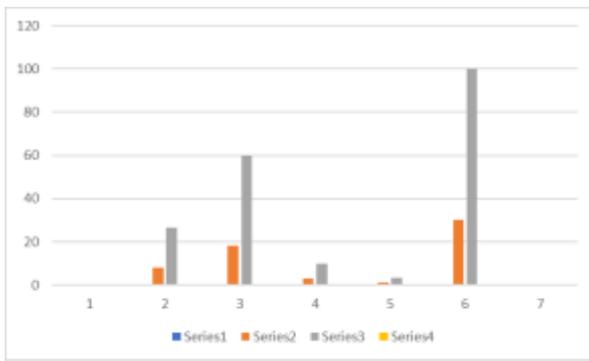
**Interpretation:** The data includes that among 30 respondents, 73.33% consider it very important for a bank to demonstrates a commitment to sustainability, while 26.67% find it somewhat important. Surprisingly none of the respondents consider it not important at all.

Would a banks sustainability practices influence your decision to use their services	Yes	No	Maybe	Total
Respondents	20	2	8	30
Percentages	66.66666667	6.666666667	26.66666666	100



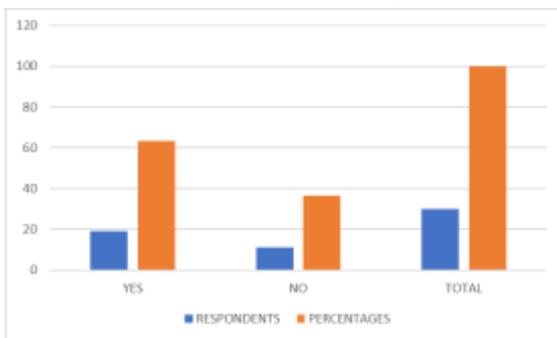
**Interpretation:** According to the data from 30 respondents, 66.67% indicates that a banks sustainability practices would influence their decision to use their services while only 6.67% say it wouldn't affect their decision. 26.67% are uncertain, indicating a potential influence depending on other factors.

Through which channels would you prefer to receive information about banks sustainability efforts	Website	Social media	Email newsletters	In-branch materials	Total
Respondents	8	18	3	1	30
Percentages	26.66666667	60	10	3.333333333	100



**Interpretation:** Among the 30 respondents surveyed the majority representing 60% prefer to receive information about banks sustainability efforts through social media channels. Website are the next preferred choice with 26.67% of respondents opting for this platform. Email newsletters and in-branch material are less favoured each selected by 10% and 3.33% of respondents respectively.

There is no significant of effective community of sustainability practices on customers	Yes	No	Total
Respondents	19	11	30
Percentages	63.33333	36.66667	100



**Interpretation:** According to the data from 30 respondents, 63.33% believe there is no significant effects of effectively communicating suitability practices on customers while 36.67% think otherwise.

#### 4.1 Results of Descriptive Statics of Study Variables

H0: There is no significant impact of effective communication of sustainability practices on customers.

H1: There is a significant positive impact of effective communication of sustainability practices on customers.

	yes	no	Marginal row totals
Male	5 (6.97) [0.56]	6 (4.03) [0.96]	11
female	14 (12.03) [0.32]	5 (6.97) [0.56]	19
Marginal column total	19	11	30 (grand total)

The chi-square statistics is 2.3907. the p-value is .122056. the result is not significant at  $p < .05$ .

Conclusion:

since p-value is less than 122056 Ho rejected and accepted H1. So, there is an impact of effective communication of sustainability practices on customer.

RESULT					
	YES	NO			Row total
BELOW 25	1 (1.27) [0.06]	1 (0.73) [0.10]			2
26-35	18 (17.73) [0.00]	10 (10.27) [0.01]			28
Column total	19	11			20 (grand total)

The chi-square stastics is 0.164. the p-value is .685458. the result is not significant at  $p < .05$ .

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