

Greening the Future: Decoding Customer Awareness on Eco-Smart Banking in Madurai District

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ABSTRACT

Transportation, the combustion of fossil fuels for power and heat, forest clearing, and other activities have all contributed to changes in the climate. Changes brought on by humans are a factor in global warming. To reduce their own carbon footprints, the banks have implemented major internal and external modifications. Internal operations include the use of less paper, electricity, and energy-efficient printers, toners, LED lighting, and solar ATMs, among other measures. Lending funds for eco-friendly initiatives, green trac, green channel counters, green remit cards, remote deposit captures, and green auto loans are examples of external operations. These green banking practices contract carbon footprints and safeguard the environment. Data were gathered from customers of the State Bank of India through the use of an interview schedule. The secondary data were collected from various standard textbooks, RBI websites, IDRBT websites, the internet, and journals. The study examines the socioeconomic profile, the benefits of green banking, and the level of awareness among bank customers towards green banking practices at the State Bank of India.

Keywords: Green Banking Practices, Carbon footprints, State Bank of India.

Introduction

In India, the State Bank of India stands out as a prominent public sector bank. The State Bank of India sets itself apart by implementing a variety of technological initiatives, including digital banking, mobile banking, ATM services, cash deposit machines, Bhim SBI Pay, and WhatsApp Banking, among others. It plays a crucial role in the evolution of traditional banking into contemporary banking. Customers complete all their payments through mobile wallets, avoiding cash transactions thanks to digital apps on their phones. These advanced banking systems offer greater simplicity and convenience. Through the advancements brought about by digital revolutions, banks started to embrace the concept of green banking to safeguard the planet from various greenhouse gases, including carbon dioxide, methane, nitrous oxide, and hydrofluorocarbons, among others. The greenhouse emissions can be attributed to the industrial revolution, which has led to an increase in atmospheric methane and carbon dioxide. This is primarily owed to the combustion of fossil fuels, deforestation, land clearing, and the use of coal, petroleum, and natural gas. IDRBT defines "green banking" as a comprehensive set of policies and procedures aimed at enhancing the environmental, social, and economic sustainability of banks. It aims to enhance efficiency and effectiveness in banking processes along with the utilisation of IT and physical infrastructure while minimising any undesirable impact on the environment. Banks and other financial organisations use a variety of green banking techniques to protect our environment and save natural resources. The State Bank of India was the pioneer in instigating green banking practices, both within its operations and in its external engagements. These practices encompassed paperless banking, energy-efficient toners and cartridges, green channel counters, solar ATMs, green mortgages, and more. Consequently, these activities seek to transform the world into a sustainable and secure place.

Review of Literature

Komalpreet Kaur and Dr. Vikram Sandhu (2019) showed how the banking sector significantly affects the country's economic standing. In order to successfully and efficiently administer a forward-thinking country, banks must embrace and apply innovative techniques and technologies in addition to performing in their operations. As the largest and most reputable government-owned bank in India, State Bank of India has taken the lead in prioritising eco-friendly goals and has implemented specific measures to integrate green banking into the system. In order to support sustainable development, the State Bank of India (SBI) adopted a green banking policy that included windmills, solar ATMs, paperless banking, energy-efficient lighting systems, and water harvesting. By using these strategies, the bank has been able to cut expenses and increase profits. The bank has made a clear commitment to green banking through its voluntary actions. Strategies are being used both internally and externally to increase awareness and change the banking habits of customers.

In their research, **Sarath Chandran M. C. and Dr. B. Sathiyabama (2020)** found that green banking is an emerging concept that is becoming increasingly significant in India. Indian banks are keenly awaiting the forthcoming measures that align with their expectations. India seeks to position itself alongside the United States, Japan, and Australia in the field of sustainable banking practices. Green banking products focus on energy preservation to foster environmental sustainability. Financial institutions improve client understanding via their online platforms and by leveraging social media and personal networks. Nonetheless, print advertisements and radio commercials demonstrate limited effectiveness. The selected customers consider it essential in light of the current situation. Customers who have embraced ATMs and online or mobile banking, along with other eco-friendly products such as green credit cards and green insurance, show reduced levels of awareness.

Dr. S. Shalini and Dr. Swarnalatha (2023) refers that green banking is a phrase cast-off by banks to define their efforts to become more environmentally responsible and to establish banking strategies that will assure long-term economic success. Green banking improves the banking sectors and customer behaviors by ensuring environmentally friendly practices. To develop stronger, banks' strategies, financial goods and services, and financing activities must incorporate the morality of sustainability and responsibility. Banks also take aggressive measures to encourage customers to invest in environmentally friendly practices. Recent advancements in Indian banking technology have shifted banking away from its traditional structure and towards more sustainable practices.

Objectives

- To examine the socio-economic outline of the bank customers in Madurai district.
- To know the green banking benefits towards bank customers in State Bank of India.
- To identify the awareness level of the bank customers towards green banking practices in state bank of India.

Hypothesis of the study

H₀ – There is no significant association between gender and level of awareness with green banking practices.

H₀ – There is no significant association between family income and level of awareness with green banking practices.

H₀ – There is no significant difference between age and level of awareness with green banking practices.

H₀ – There is no significant difference between educational qualification and level of awareness with green banking practices.

Research Methodology

This study employs a combination of primary and secondary data sources. Data were gathered from customers of the State Bank of India through the use of an interview schedule. The secondary data were collected from various standard textbooks, RBI websites, IDRB websites, the internet, and journals. A total of 50 respondents were chosen through the application of probability sampling methods. The information has been gathered, organized, and examined through several types of statistical methods, including percentage analysis, chi-square tests, and one-way ANOVA utilizing IBM SPSS version 26.

Limitation of the study

- The researcher considered only the State Bank of India bank customers for the study.
- The study area is restricted only at Madurai city.

Result and Discussion**A. Socio Demographic Profile of Respondents**

The socio-economic profiles of the respondents, as well as their source of knowledge and period of awareness were analyzed, and the results are as follows:

Table No. 1**Socio Demographic Profile of Respondents**

Variables	Category	No. of the respondents	Percentage
Gender	Male	24	48
	Female	26	52
Marital status	Married	21	42
	Unmarried	29	58
Age	18 to 25 years	24	48
	26 to 35 years	15	30
	36 to 45 years	6	12
	Above 46 years	5	10
Educational qualification	Upto School level	9	18
	Graduate	20	40
	Post Graduate	18	36
	Others	3	6
Occupation	Student	21	42
	Government employee	4	8
	Private employee	10	20
	Business	8	16
	Others	7	14
Residential status	Urban	14	28
	Semi-urban	18	36
	Rural	18	36
Family income	Below Rs.10,000	7	14
	Rs.10,000 to Rs. 20,000	9	18
	Rs. 20,000 to Rs. 30,000	21	42
	Above Rs. 30,000	13	26
Duration of an account holder in State Bank of India	Less than 1 year	5	10
	1 - 2 years	8	16
	3 - 4 years	23	46
	Above 5 years	14	28
Source of knowledge	Advertisement (TV, Newspaper, Banner)	4	8
	Bank Employee	8	16
	Bank websites	2	4
	Friends/Relatives	28	56
	Social network websites	3	6

	Awareness program conducted by the banks	4	8
Period of awareness about Green Banking Practices	Less than 1 year	21	42
	1 - 2 years	14	28
	3 - 4 years	9	18
	Above 5 years	6	12

Source: Primary data

The above table no. 1 shows that out of 50 respondents, in gender the majority 26(52%) of the respondents are under female category, in marital status the majority 29(58%) of the respondents are unmarried, in terms of age the majority 24(48%) of the respondents are in the age group of 18 to 25 years, in their educational qualification the majority 20(40%) of the respondents are graduate, in occupation the majority 21(42%) of the respondents are students, in dwelling the majority 18(36%) of the respondents are in semi urban and rural area, in level of income the majority 21(42%) of the respondents family income is between Rs.20,000 to Rs. 30,000, in SBI the majority 23(46%) of the respondents are having the account for 3-4 years, to know the source of knowledge about green banking practices the majority 28(56%) of the respondents knew about green banking through their friends or relatives, to know the period of awareness about green banking practices the majority 21(42%) of the respondents have been aware of less than 1 year because the go green concept was adopted by the bank in recently years so the customers are not familiar with the various green banking practices like green channel, green deposit and green mortgage so on.

B. Chi-square test and ANOVA

In order to achieve the objectives of the study the framed hypotheses are tested using Chi-square and ANOVA. The test results are tabulated and analyzed,

i. Gender and Level of awareness of the respondents

Table No. 2

Gender and Level of awareness of the respondents

	Value	Df	Sig.
Pearson Chi-Square	12.823 ^a	15	.616
Likelihood Ratio	16.672	15	.339
Linear-by-Linear Association	.012	1	.913
N of Valid Cases	50		

Source: Primary data

The above Table No. 2 shows that the p-value for the chi-square statistic is .616, which is greater than the alpha level of .05. Hence, there is enough evidence to accept the null hypothesis. So, there is no significant association between gender and level of awareness with green banking practices.

ii. Family income and Level of awareness of the respondents

Table No. 3

Family income and Level of awareness of the respondents

	Value	Df	Sig.
Pearson Chi-Square	42.238 ^a	45	.590
Likelihood Ratio	43.592	45	.532
Linear-by-Linear Association	2.452	1	.117
N of Valid Cases	50		

Source: Primary data

Table No. 3 reveals that the p-value for the chi-square statistic is .590, which is greater than the alpha level of .05. Hence, there is adequate evidence to accept the null hypothesis. So, there is no significant association between family income and level of awareness with green banking practices.

iii. Age and Level of awareness of the Respondents

Table No. 4

Age and Level of awareness of the Respondents

Variables	Labels	SS	Df	MS	'F' Value	Sig.
Age and Level of awareness	BG	14.785	3	4.928	.332	.802
	WG	682.035	46	14.827		
	Total	696.820	49			

Source: Primary data

Table No. 4 analyzes the output of One-way ANOVA. The corresponding p-value of the test statistics is $p = .802$. The P value is greater than our chosen significant level ($\alpha = 0.05$), we don't reject the null hypothesis. Rather we conclude that there is not enough evidence to suggest a difference between age and level of awareness with green banking practices.

iv. Educational qualification and Level of awareness of the respondents

Table No. 5

Educational qualification and Level of awareness of the respondents

Variables	Labels	SS	Df	MS	'F' Value	Sig.
Educational qualification and Level of awareness	BG	47.648	3	15.883	1.125	.349
	WG	649.172	46	14.112		
	Total	692.820	49			

Source: Primary data

The above Table No. 5 states that the output of One-way ANOVA. The corresponding p-value of the test statistics is $p = .349$. The P value is greater than our chosen significant level ($\alpha = 0.05$), we don't reject the null hypothesis. Rather we conclude that there is not enough evidence to suggest a difference between educational qualification and level of awareness with green banking practices.

Findings

- The majority 52 percentage of the respondents are under female category.
- The majority 58 percentage of respondents are unmarried.
- The majority 48 percentage of respondents are in the age group of 18-28.
- The majority 40 percentage of respondents were under graduate.
- The majority 42 percentage of the respondents are students.
- The majority 36 percentage of the respondents are living in both semi urban and rural areas.
- The majority 42 percentage of the respondents are earning between Rs.20,000 to Rs. 30,000.
- The majority 46 percentage of the respondents are having the account for 3-4 years in SBI.
- The majority 56 percentage of the respondents are known about green banking through their friends/relatives.
- The majority 42 percentage of the respondents are aware of less than 1 year about green banking practices.
- Gender is not associated with a level of awareness of green banking practices.
- Family income is not associated with a level of awareness of green banking practices.
- Age has no significant relationship on level of awareness of green banking practices.

- Educational qualification has no significant relationship with the level of awareness of green banking practices.

Suggestion

- Banks should give incentives to consumers who embrace green banking practices and raise awareness about green banking practices through advertisements on social media and bank websites and by issuing pamphlets.
- Bank should take initiative to educate their customer to use latest green banking practices such as green channel counter, remote deposit captures and green buildings etc.
- Bank employees should educate customers about the benefits of green banking practices.

Conclusion

Technological advancements cause dramatic changes in the banking sector. Banks use a variety of digital technologies, such as internet banking, mobile banking, debit cards, credit cards, and ATMs, to make their customers more convenient. However, in today's competitive world, the increasing use of greenhouse gases is harming the earth even more. So, the State Bank of India launched a number of programs, both internally and externally, to promote green banking practices. Internal and external operations include green channel counters, biometrics, solar ATMs, and loans for ecologically friendly businesses such as green cars and tracks. But customers are less aware of these methods. As a result, the bank should raise awareness about the importance of green banking practices that reduce paper, fuel, and energy consumption in order to safeguard our planet from natural calamities. If customers use green banking habits more frequently, banks should introduce new energy-efficient products that encourage them to waste less of environmentally friendly resources. Green banking benefits not only the banking sector but also several other sectors, such as businesses, insurance, and industries.

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