

A STUDY OF RURAL AND URBAN CUSTOMER'S ADOPTION AND AWARENESS OF GREEN BANKING SERVICES AND SOCIAL SCIENCE

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Abstract

Industrialization, Climate Change, Global warming and other environmental problems have become a serious concern of all the nations. Every nation is trying to adopt practices related to sustainable development whether it is business or day to day life. Banking Industry plays a major part for financial development of any nation. Banks are also contributing towards healthy environmental practices commonly known as Green Banking. Green banking involves practices such as online banking, green loans, green mortgages and many more. This paper studies the adoption and awareness of Green Banking services offered to customers.

Introduction

Rural and Urban Banks are one of the most important financial sectors of the economy. The basic function of banks is to accept deposit and grant loans. In the whole world, there are issues related to environmental practices. Due to rapid Industrialization, development, Globalization and growth practices adopted by many nations, there are many changes in the environment. Climate Change, Global Warming, pollution, sustainability has become major issues. Nations are trying to adopt environment-friendly practices. "Green" word has become popular and has been associated with environment from a long time.

In the 21st century, banking products like debit cards, credit cards, ATM cards, online banking became very popular. Green Banking is a term which is getting very common. It basically refers to how much environment friendly a bank is. In India, banking sector is divided into two segments: Public sector banks and Private sector banks. As a huge section of economy depends on banking sector and their practices, banks are also trying to make products and services which are environment friendly.

GREEN BANKING FOR SOCIAL SCIENCE

According to Indian Banks Association (2014), Green Bank is a normal bank, which considers all the social and environmental or ecological factors with an aim to protect environment and conserve natural resources. Green Banks are also known as Ethical Banks. When compared with normal banks, green banks target more on ecological factors and try to promote practices which are safe for our environment. In India, both public sector and private sector banks are trying to adopt practices and develop products and services which can contribute to sustainability of the environment.

PRODUCTS AND SERVICES OFFERED BY GREEN BANKING

1. Online Savings Account:

Online Savings Account is basically a savings account which can be accessed through internet. A customer does not need to visit bank branch every time to access its savings account. It can be

easily done with the facility of internet. It is a very popular practice among customers and can save paper to large extent. With the help of Online Savings Account, banks and customers can contribute for environment.

2. Mobile Banking Applications:

Public sector banks and Private sector banks have launched their respective banking applications for the usage of their online products and services. Mobile Banking Applications are not only beneficial for environment but also a time saver for employees and customers. Customers can access their account details from anywhere and anytime.

3. Paperless Statements:

With the help of online banking and mobile banking applications, accountholders can access their transaction records instead of using email. Accountholders can register themselves on banks' website and can access their statements. This will help in unnecessary wastage of paper.

4. Solar ATMs:

Solar Automated Teller Machines (ATMs) are normal ATM machines which instead of electricity use solar energy to carry out banking activities. These machines are generally installed in areas which have shortage of electricity. But for Green Banking purpose these machines can be used at a wide scale.

5. Green Car Loans:

Green Car Loans are an initiative taken by banks for customers to purchase electric vehicles. The banks have also offered minimum interest rate to customers.

6. Green Home Equity Loans:

Green home Equity Loans are initiative schemes provided by banks to customers to make their home more ecologically efficient or greener. It can be through with the usage of solar panels or using energy saving lightning.

7. Green Home Mortgages Schemes:

Green Home Mortgages schemes are provided by banks especially targeted to Green Buildings. These schemes are used either to buy a green building or making the existing ones greener. The purpose of this is to promote more ecological or environment friendly practices among people.

8. Electronic Fund Transfer:

Electronic Fund Transfer (EFT) are services provided by banks to transfer money from one account to another. It can be done in same financial institutions or multiple financial institutions. In this process, there is no intervention of banking staff.

9. Green Debit Card and Green Credit Card:

Green Debit Cards and Credit Cards are introduced as a thrust towards paperless transactions. Banks often provide reward points to customers for the usage of these cards. It also avoids standing in long queues for customers for depositing/withdrawing money.

LITERATURE REVIEW

Dhar and Kushwah (2009) studied in their research that banks have to match customer's expectations regarding their services.

Banerjee and Sah (2012) found that customers have more service expectations from Private Banks rather than public sector banks.

Dipika (2015) examined in her study that Indian Banks are lacking behind from developed countries for adoption of Green Banking services. Green Banking services can improve bank's asset quality of banks in future.

V. Kanchana Naidu and Dr. C. Paramvisan (2015) studied Green Banking Trends in India and founded that Green Banking has generated awareness among many people. Along with that it is a good initiative so that businessmen can invest in green projects.

Deshwal (2015) in her study Mobile Banking in India studied that Mobile Banking has a scope in India and is providing financial growth with convenience.

Singh (2016) studied in her research that impact of mobile banking has effect on demographic factors of customers.

Balakrishnan and Sudha (2016) studied in their research that banks should concentrate more on customer's security concerns regarding their transactions. Sharma and Kaur (2016) concluded in their research that Mobile banking is transforming Banking industry worldwide.

Sahasylselvi (2017) examined in their study that in upcoming years, digital industry will be growing at a rapid pace. The study also suggested that cashless transactions is safer and less time consuming.

Vally and Divya (2018) examined in their study that adoption of technology has improved bank's performance. It was also observed that banks may achieve the level of paperless economy.

Thomas and Linson (2018) examined in their study that Green Banking is a very good practice which can generate awareness among people about environment. The concept will not only make a better place to live but will be beneficial to industries.

OBJECTIVES OF THE STUDY

1. To study the various factors associated with rural and urban Green Banking Services.
2. To study the adoption level of Green Banking Services and social science
3. To study the awareness level of Green Banking Services.

HYPOTHESIS OF THE STUDY

1. There are various factors related to Green Banking Services.
2. Customers are aware and are adopting Green Banking Services.
3. Customers think Green Banking Services are huge step for making our environment sustainable.

RESEARCH METHODOLOGY

The Study: The study was exploratory in nature. In this research, primary data was used to study customer's adoption and awareness of Green Banking Services.

The Sample: In this study, 100 respondents were taken as sample. Convenient sampling was used to collect data.

Data Collection Tool: A self-designed Questionnaire was used to study customer's adoption and awareness of Green Banking Services. The questionnaire was divided into two sections. Section A consisted of demographic factors and Section B consisted of questions related to customer's adoption and awareness of Green Banking Services.

SUMMARY

1. I am aware about Green Banking Services offered by Banks.

Scale	Response
Strongly Agree	45%
Agree	21%
Neutral	17%
Disagree	6%
Strongly Disagree	11%

2. I am aware about online banking services offered by banks.

Scale	Response
Strongly Agree	81%
Agree	14%
Neutral	5%
Disagree	0%
Strongly Disagree	0%

3. I am aware about Solar ATMs (Automated Teller Machines) offered by banks.

Scale	Response
Strongly Agree	39%
Agree	21%
Neutral	14%
Disagree	10%
Strongly Disagree	16%

4. I am aware about Green Car Loan schemes offered by banks.

Scale	Response
Strongly Agree	31%
Agree	20%
Neutral	19%
Disagree	9%
Strongly Disagree	21%

5. I am aware about Green Home Equity Loan Schemes offered by banks.

Scale	Response
Strongly Agree	26%
Agree	16%
Neutral	23%
Disagree	12%
Strongly Disagree	23%

6. I prefer paperless account statements.

Scale	Response
Strongly Agree	79%
Agree	11%
Neutral	8%
Disagree	0%
Strongly Disagree	2%

7. I use Electronic Fund Transfer Facility offered by banks.

Scale	Response
Strongly Agree	75%
Agree	11%
Neutral	10%
Disagree	4%
Strongly Disagree	0%

8. I use Mobile Banking Applications.

Scale	Response
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Strongly Agree	70%
Agree	11%
Neutral	14%
Disagree	4%
Strongly Disagree	1%

9. I know about Green Debit Card and Green Credit Card facility offered by banks.

Scale	Response
Strongly Agree	35%
Agree	19%
Neutral	17%
Disagree	10%
Strongly Disagree	19%

10. I think Green Banking will be a huge step in keeping our environment sustainable.

Scale	Response
Strongly Agree	71%
Agree	13%
Neutral	10%
Disagree	2%
Strongly Disagree	4%

Table: Anova: Two factor				
Summary	Count	Sum	Average	Variance
I am aware about Green Banking services offered by Banks.	100	383	3.83	1.839495
I am aware about Online banking services offered by banks.	100	476	4.76	0.285253
I am aware about Solar ATMs (Automated Teller Machines) offered by banks.	100	357	3.57	2.207172
I am aware about Green Car Loan schemes offered by banks.	100	331	3.31	2.296869
I am aware about Green Home Equity Loan schemes offered by banks.	100	310	3.1	2.252525
I prefer paperless account statements.	100	465	4.65	0.633838
I am aware about Green Home Loan Mortgages schemes offered by banks.	100	306	3.06	2.198384
I use Electronic Fund Transfer Facility offered by banks.	100	457	4.57	0.69202
I use Mobile Banking Applications.	100	445	4.45	0.896465
I know about Green Debit Card and Green Credit Card facility offered by banks	100	341	3.41	2.304949

I think Green Banking facilities will be a huge step in keeping our environment sustainable.	100	445	4.45	1.058081		
ANOVA						
<i>Source of Variance</i>	<i>SS</i>	<i>df</i>	<i>MS</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>
Rows	439.7455	10	43.97455	45.7963	4.78E-75	1.84025
Columns	699.2218	99	7.062847	7.355443	1.7E-67	1.26096
Error	950.6182	990	0.96022			
Total	2089.585	1099				
Cronbach's Alpha	0.978164					

Table: Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha based on Standardized Items	N of Items
0.97816	0.98	10

Cronbach's Alpha is used to check reliability of instrument (Questionnaire) and as per standard norm it should be between 0 to 1. It is found that Cronbach's Alpha is 0.97816 which is near to 1, therefore data is reliable.

RESULT AND ANALYSIS

1. The factors associated with Green Banking Services are: awareness, online banking services, solar ATMs, Green Car Loan Schemes, Green Home Equity Loans, Green Home Mortgage Loans, Paperless Statements, Mobile Banking Applications, Green Debit Card and Credit Card and Sustainability regarding Green Banking.

Description of Factors:

Awareness: It refers to knowledge of something. Green Banking Services were launched to maintain ecological balance in environment. The data shows that only 45% people know about Green Banking services.

Online Banking Services: Services provided by banks which can be done by customers with the help of Internet. The data shows that 81% people know about Online Banking services. **Solar ATMs:** ATMs which uses solar power instead of electricity to carry out banking transactions. The data shows that only 39% people know about it.

Green Car Loan Schemes: The loans provided by banks for purchasing eco-friendly automobile. The data shows that only 31% people know about it.

Green Home Equity Loans: The loans provided by banks to make homes more ecological and greener. The data shows that only 26% people know about it.

Paperless Statements: Using online means to show transactions in accounts and avoiding usage of paper. The data shows that 79% people prefer paperless statements.

Mobile Banking Applications: Banks provides services on their respective mobile banking applications. The data shows that 70% people use mobile banking applications.

Green Debit Card and Green Credit Card: Facility provided by banks for customers to avail extra rewards if they use Green Debit Card and Green Credit Card. The data shows that only 35% people know about it. Thus, First Hypothesis is accepted.

2. From the study, it was found that people know about Green Banking services and are trying to adopt them. Therefore, second hypothesis is accepted.
3. From the study, it was observed that majority of people (71%) think that Green Banking Services are major step for making our environment sustainable. Therefore, third hypothesis is accepted.

CONCLUSION

Global warming, climate change and other environmental problems are surely a cause of concern. Banks, both Private and Public sector are trying to adapt themselves in this huge dynamic environment. They are providing services like mobile banking applications, online banking, solar ATMs, Green home and automobile schemes, Green Debit and credit card facility which can encourage customers to adapt healthier activities to make our environment sustainable. There is a positive acceptance and adoption from customer's point of view too but on awareness part, banks should encourage and try to educate more on such practices.

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