

## Customer Attitude Towards Green Banking Products And Services Provided By Public Sector Banks In Thiruvanthapuram District

Raseena <sup>1</sup>; Dr. M. Gnana Muhila <sup>2</sup>

<sup>1</sup> **Raseena**, Ph.D Research Scholar (Reg. No.19213101012002), Department of Commerce and Research Centre, Holy Cross College (Autonomous), Nagercoil, Kanniyakumari District, Affiliated to Manonmaniam Sundaranar University, Abishekapatti, Tirunelveli, Tamil Nadu, India.

<sup>2</sup> **Dr. M. Gnana Muhila**, Assistant Professor (Guide), Department of Commerce and Research Centre, Holy Cross College (Autonomous), Nagercoil, Kanniyakumari District, Affiliated to Manonmaniam Sundaranar University, Abishekapatti, Tirunelveli, Tamil Nadu, India.

---

### Abstract

Green Banking also called as ethical or sustainable banking is a form of banking activity that reduces the negative impact on environment thereby protecting the scarce natural resources. Through this type of banking a country gets more environmental. The banking industry plays a vital and mediator role between economic growth of a country and its environmental protection through various products and services which makes the environment sustainable. The study aims to identify the factors influencing the customer attitude to use green banking products and services, the awareness level of the customers about the green banking products and the perception of risk towards using those products and services. The customers of public sector banks in Thiruvanthapuram district are taken for the study. This research is descriptive in nature. Primary data and secondary data were used for the study. Primary data was collected using a

structured questionnaire and the secondary data from journals, websites, and news papers. The data was collected from 80 respondents belongs to the selected public sector banks from the Thiruvanthapuram District. The collected data were analyzed using percentage analysis, chi-square test and Garret ranking in order to draw the inference of the study. The study concluded that the public sector banks shall create strong awareness among the customers about the green products and services which are provided by them. They shall externally influence the customers to use the green banking products for their financial transaction. Proper rewards and value added features will motivate the customers to use green banking. Digital literacy shall be provided by the banks to the customers to use green banking without any hesitation and on their own without the help of others. Banks have to take necessary steps for the effective use of green banking among the customers.

**Key words:** Customer Attitude, Opinion, Green Banking, Green Products, Green Services, Technology, Green House Gases, Corporate Social Responsibility

## **Introduction**

Green banking is making technological improvements, operational improvements and changing client habits in the banking sector. It means to promote environmental friendly practices and to reduce the carbon footprint from banking operations. It is a smart and proactive way of thinking with a vision of future sustainability. Green bank is not the separate bank or the branch. It is the same bank with a different style of transactions (often electronic transactions) reducing use of paper, manual efforts and time in order to uplift the environment as a whole. Green banking brings under its fold bunch of benefits, as it challenges traditional practices and encourages technological advancement with operational efficiency, changing habits of the clients, making transactions less fallible, minimizing human errors and hence reducing the

overall banking cost. There are two important frameworks that work for the sustainable development in a particular market - first, the cost-efficient regulation and second, economic instruments. In any country, Banking acts as the prime economic agent influencing the overall industrial activity and hence, the economic growth. Financial institutions such as Banks, Stock Exchanges and Micro Finance Institutions play a pivotal role in shaping the economy and Therefore, it is essential for them to be financially and ecologically practicable. The second criterion, however, is often neglected and needs serious attention. The Concept of Green Banking can be emphasized here which would not only help a financial institute to maintain ecological balance but will also reduce its own operational cost. Etymologically, Green signifies environment and Banking refers to cash transaction facility and Therefore, Green Banking signifies performing the same banking functions with consideration of environment as a whole. Alternatively, providing products and services in such a manner that helps to reduce the carbon foot print and to up bring the environment.

### **Statement of the Problem**

Even though the government take numerous efforts to follow green banking transactions only a small amount of population are using green banking products and services. In India, people are using both cash and cashless businesses, while the government is working towards turning the vision of a cashless economy into reality. In rural India, the people found difficult for e-transactions because of low literacy rate, lack of infrastructure facilities like internet access and mobile phones. In addition to the electronic cards, commercial banks provide their customers with the net banking facility which allows them to transfer funds online. But many of the customers have never taken advantage of this service and have insufficient knowledge of internet banking. Small retailers have insufficient funds to invest in the electronic payment infrastructure. There is a

lot of risk involved in the case of financial transactions over electronic payment platforms, such as identity theft, hackers, unauthorised intrusion and so on. Most of the customers hesitate to use the green banking products and services because of security concerns.

### **Scope of the Study**

Green Banking is new to the banking world. It's a positive type of banking which focuses on social and ecological effects and it is expected basically for nature protection. Green banking gives the customers a scope of preferences. It's an incredible method to do banking when the financial hours at the work environment or at home, or anyplace and whenever. It offers 24/7/365 support. Time can be spared to keep the client from making a trip to the bank, to remain in a line, or to hang tight in banks for some other exchange. For building an unmistakable image of green banking, clear understanding of needs and expectations of the clients is a must. By recognizing the exact fundamental factors that convince clients to utilize green banking products and services, banks might have the option to execute techniques to empower the elements that encourage the use of green banking products and services. This study will also be valuable for bank employees, as they can realize the importance of many green banking practices adopting features and how to inculcate the awareness and knowledge about the green banking products among their customers. The results of this research work will allow the banking managers to focus their concern on numerous internal and external factors that influence green banking adoption and make all the bank customers to use the green banking products in order to bring up the cashless India. Also they can formulate policies to reduce the risk perception among the customers while using green banking products and services.

### **Review of Literature**

**Xin Zhang & Zhihui Wang (2022), “Do Green Banking Activities Improve the Banks’ Environmental Performance? The Mediating Effect of Green Financing”** this study was to examine the impact of GB activities on banks’ environmental performance, and the mediating effect of green financing on the association between GB activities and banks’ environmental performance. The study further identifies the major challenges encountered in the implementation of GB by PCBs in Bangladesh and presents the significant benefits of GB. Primary data were used in this study to achieve the above research objectives, and data were collected from bankers of the selected PCBs in Bangladesh through structured questionnaires. The SEM technique was applied to assess the research model of the study. The empirical outcomes of different model fit indices revealed that the overall research model was valid and appropriate. The outcome indicates that Hypothesis 1 is supported, highlighting a significant positive relationship between GB activities and banks’ environmental performance. This result is supported by previous studies. Therefore, it can be concluded that GB activities have a positive impact on the improvement of PCBs’ environmental performance in Bangladesh.

**Dr. Dayananda. K.C (2020), “Green Banking in India: An Overview”**, Green Banking is the new phenomenon in the financial world which aims to protect the environment by promoting environmental-friendly practices through the introduction of Green Banking financial products and services and reduce the carbon footprint from banking activities. Wherein, Green Banking products and services include Online Banking, Mobile Banking, Banking through ATMs, Green Credit Cards, Green Mortgages and Loans, Green Deposits and Green Rewards Checking Accounts. Carbon footprint is a measure of the impact of activities on the environment. It relates to the amount of Green House Gases (GHG) producing in day-to-day business while burning fossil fuels for electricity, heating, transportation, etc. Banks can reduce their carbon footprints by

adopting the measures like Paperless Banking, Energy Consciousness, using Mass Transportation System, Use of Solar and Wind Energy. Green Banking offers various benefits over traditional banking which includes digitization of banking processes, 24\*7 access facility, time effective and convenience. Green Banking is not only a Corporate Social Responsibility (CSR) activity of an organisation, but also it is about making the society habitable without any considerable damage. For banking professionals, Green Banking involves the tenets of sustainability, ethical lending, conservation and energy efficiency.

### **Green Banking**

Green banking refers to the promotion of environmentally friendly practices and the reduction of the bank's carbon footprint. It's similar to a traditional bank because it examines all social, environmental, and ecological concerns with the goal of protection and conservation of natural resources and the environment.

### **Public sector**

Public sector banks are those in which the government holds more than fifty percentage of the total stock. The government formulates all the financial guidelines for public sector banks. The public sector banks operate under the government to inspire trust in the depositors that their money is safe.

### **Objectives of the Study**

- To identify the factors influencing the customer attitude towards green banking products and services
- To identify the risk factors perceived by the customers while using green banking products and services.

- To know about the motivating factors which induce the customers to use green banking products and services.

### Research Design

The present study is of Descriptive in nature. Sample size selected for the study was 80 respondents in Thiruvanthapuram District of Kerala State. Convenience sampling technique was adopted in the selection of the respondents. For analyzing the data, Percentages, Garret Ranking and Chi- square test were applied.

### Limitations of the Study

- The study area is limited to Thiruvanthapuram district only, so the findings of the study cannot be generalized to all areas
- This study focused on selected public sector banks only.
- 

## RESULTS AND DISCUSSIONS

**Table 1: Demographic Variables of the Respondents**

VARIABLES		No of Respondents	Percentage
Age	Upto 30	13	16
	31-40	21	26
	41-50	24	30
	Above 50	22	28
	<b>Total</b>	<b>80</b>	<b>100</b>
	Male	49	61

<b>Sex</b>	Female	31	39
	<b>Total</b>	<b>80</b>	<b>100</b>
<b>Educational Qualification</b>	Upto HSC	24	30
	Graduation	21	26
	Post-Graduation	19	24
	Professional	16	20
	<b>Total</b>	<b>80</b>	<b>100</b>
<b>Occupation</b>	Farmer	15	19
	Govt. Employees	22	28
	Private Employees	33	41
	Business	10	13
	<b>Total</b>	<b>80</b>	<b>100</b>
<b>Income Per Month</b>	Less than 10000	12	15
	10001-20000	17	21
	20001-30000	22	28
	30001-40000	19	24
	Above 40000	10	13
	<b>Total</b>	<b>80</b>	<b>100</b>

Primary data



Among the total 80 respondents, 24 respondents Age were 41-50. Most of the respondents were male. Educational qualification of the respondent were mostly below higher education. Most of the respondents Occupation were Private Employees and 22 respondents monthly income were 20001-30000.

**Table 2: Usage of Green Banking Products**

Nature	No of Respondents	Percentage
Less than 1 year	8	10
1 to 4 years	22	28
4 to 8 years	27	34
8 to 12 years	18	23
More than 12 years	5	6
<b>Total</b>	<b>80</b>	<b>100</b>

**Primary data**

From the above table shows it was inferred that 08 respondents have less than 1 year of having Usage of Green Banking Products in bank, 22 respondents have using for 1-4 years, 27 respondents have using for 4 to 8 years, 18 respondents have using for 8 to 12 years and 05 respondents have using More than 12 years in their respective banks.

**Table 3: Know about the green banking products and services**

Know about the green banking products and services	No of Respondents	Percentage
Friends	14	18
Relatives	19	24

Bank	28	35
Campaigns	9	11
Social Media	10	13
<b>Total</b>	<b>80</b>	<b>100</b>

#### Primary data

The above table depicts how the respondents know about the green banking products and services. It was discussed that 28 respondents know about the green banking product and services through the banks, 14 respondents know through their friends, 19 respondents know through their relatives, 9 respondents know through campaigns and 10 respondents know through social media.

**Table 4: Type of Bank Account**

Type of Bank Account	No of Respondents	Percentage
Saving Account	32	40
Current Account	14	18
Fixed Deposit Account	7	9
Loan Account	17	21
Other Account	10	13
<b>Total</b>	<b>80</b>	<b>100</b>

#### Primary data

It could be seen from above Table that 14 respondents have a current account, 32 respondents have a savings account, 7 respondents have fixed deposit account, 17 respondents have a loan account, and 10 respondents have other accounts.

**Table 5: Products and Services of Green Banking**

Products and Services	No of Respondents	Percentage
Withdrawal and Deposit through ATM	14	18
Balance checking through missed call	9	11
Transfer of Funds	11	14
Online shopping	12	15
Alert message while debit and credit	7	9
Bills Pay	10	13
Change of PIN and password	8	10
Cheque book request	6	8
Others	3	4
<b>Total</b>	<b>80</b>	<b>100</b>

**Primary data**

The above table explained about Products and Services of Green Banking. From total respondents, 14 respondents using Withdrawal and Deposit through ATM, 12 respondents using Online shopping with the help of Green Banking services, 11 respondents using Transfer of Funds, 10 respondents pay the Bills with the help of Green Banking services, 9 respondents were checking the Balance through missed call and 8 respondents using this services for Pin Change their modern services.

**Table 6: Factors that Influence Attitude of Customers towards Green Banking Products and Services**

Factors	No of Respondents	Percentage
---------	-------------------	------------

Digital literacy	14	18
Perceived Trust and security	13	16
Perceived Usefulness	17	21
Perceived Environmental Consciousness	7	9
Perceived Ease of Use	12	15
Electronic gadgets	11	14
Perceived Enjoyment	6	8
<b>Total</b>	<b>80</b>	<b>100</b>

**Primary data**

The above table explained the Factors that Influence Attitude of Customers towards Green Banking Products and Services. When the researcher asked about that, respondents believed that the Perceived Usefulness was the main Factors and Perceived Enjoyment were least Factors.

**Table 7: Motivating Factors to Use Green Banking Products and Services**

Motivators to Use Green Banking	No of Respondents	Percentage
Anytime Banking	63.75	I
Challenging	60.33	II
Enjoyable	59.33	III
Environmental concern	59.17	IV
Credibility	57.50	V
No time to Visit Bank	54.02	VI

Transaction speed	51.33	VII
Prestige	49.71	VIII
User friendly	49.92	IX
Safety	49.57	X

**Computed Data**

The above table shows that Motivating Factors to Use Green Banking Products and Services. Most of the respondents used the green banking product and services because of it is Anytime Banking, it is the first rank. Other factors like Challenging, Enjoyable, Environmental concern, Credibility, No time to Visit Bank, Transaction speed, Prestige. User friendly and Safety were the following rank.

**ASSOCIATION BETWEEN ATTITUDE OF CUSTOMERS TOWARDS GREEN BANKING PRODUCTS AND SERVICES AND SOCIO-ECONOMIC CHARACTERISTICS**

The non-parametric chi-square test is applied to find the association Attitude of Customers towards Green Banking Products and Services and Socio-Economic factors such as Age, Educational Qualification and Income.

**Table-8: Socio Economic Characteristics and Attitude of Customers**

Factors	Calculated Value	Degrees of Freedom	Table Value	Result
Age	13.29	18	28.86	Accepted
Educational				

<b>Qualification</b>	15.40	18	28.86	<b>Accepted</b>
<b>Income</b>	17.88	24	36.4	<b>Accepted</b>

**Computed data**

From the above table, it is clear that there is significant difference between Attitude of Customers and socio-economic factors of Age, Educational Qualification and Income. So the null hypotheses were accepted.

**Findings**

- ❖ 24 respondents Age were 41-50.
- ❖ Most of the respondents were male.
- ❖ Educational qualifications of the respondent were mostly below higher education.
- ❖ Most of the respondents Occupation were Private Employees.
- ❖ 22 respondents monthly income were 20001-30000.
- ❖ 08 respondents have less than 1 year of having Usage of Green Banking Products in bank
- ❖ 22 respondents have using for 1-4 years.
- ❖ 27 respondents have using for 4 to 8 years.
- ❖ 18 respondents have using for 8 to 12 years.
- ❖ 05 respondents have using More than 12 years in their respective banks.
- ❖ 28 respondents know about the green banking product and services through the banks.
- ❖ 14 respondents know through their friends.
- ❖ 19 respondents know through their relatives.
- ❖ 9 respondents know through campaigns.

- ❖ 10 respondents know through social media.
- ❖ 14 respondents have a current account.
- ❖ 10 respondents have other accounts.
- ❖ 14 respondents using Withdrawal and Deposit through ATM.
- ❖ 9 respondents were checking the Balance through missed call and 8 respondents using this services for Pin Change their modern services.
- ❖ Most of the respondents used the green banking product and services because of it is Anytime Banking,

### Suggestions of the Study

- The customer attitude towards green banking products and services can be determined by various other factors. The further research can be carried out with factors such as relative advantage, compatibility, facilitating conditions, resistance and so on.
- The research can focus on single green product wise classification so that it can be precise to know the usage pattern of the customers.

### Conclusion

This study shows an empirical analysis of the customer attitude towards Green Banking products and services in Thiruvanthapuram District. Through this research, which serves as a key for public sector banks to understand the attitude of customers and also it is possible to understand the degree to which bank customers living in this area use green banking products and the factors involved therein. It has also verified the association among the different factors used in the proposed model for this research work. In fact, this research work would be of great importance to the banks preparing to introduce the Anytime Banking related products and

services. This exploration work may give huge understandings and knowledge to the RBI and the banker about the variables that are restraining the banks in receiving green banking products and services. It will help the banker to plan a more practical administrative arrangement with respect to the selection of green banking practices.

## Reference

1. Dr. Dayananda. K.C (2020), “Green Banking in India: An Overview”, IOSR Journal Of Humanities And Social Science (IOSR-JHSS) Volume 25, Issue 3, Series. 4 (March. 2020) 34-39 e-ISSN: 2279-0837, p-ISSN: 2279-0845.
2. Xin Zhang & Zhihui Wang (2022), “Do Green Banking Activities Improve the Banks’ Environmental Performance? The Mediating Effect of Green Financing” 2022, 14(2), 989; <https://doi.org/10.3390/su14020989>.
3. Owais Barkat Al-Gharaibah (2020), “Predictors of E-banking Service Adoption in Malaysia Using an Extended Technology Acceptance Model”, International Journal of Contemporary Management and Information Technology Volume 1, No 1, November 2020.
4. IasonTzouros, AsteriosFilis (2020), “Consumers Perspective of Green Banking - A Review”, Sustainable Development, Culture, Traditions, Volume 2a, 2020.
5. Mohammad Birjandi (2020), “Investigating the Effect of ATM Service Quality of City Bank on Brand Loyalty; the Mediating Role of Customer Satisfaction”, Research Journal of Management Reviews. Vol., 5 (1), 21-25, 2020.



6. Chen and Chen. (2009). Determinants of satisfaction and continuance intention towards self-service technologies. *Industrial Management & Data Systems*: 109(9), 2009, 1248-1263.
7. Zeithaml, V. 2002, 'Service excellence in electronic channels', *Managing Service Quality*, vol. 12, no. 3, pp. 135-8.