CUSTOMER SATISFACTION WITH GREEN BANKING INITIATIVES: INSIGHTS FROM SBI IN MAHABUBNAGAR

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Introduction

Green banking represents a proactive initiative by financial institutions to promote environmentally friendly investments and sustainable practices. It is a concept that integrates environmental and social considerations into banking operations. Its primary goal is to safeguard the environment while fostering sustainable development. Unlike traditional banking, green banking prioritizes financing projects and industries committed to eco-friendly practices or transitioning towards sustainability. This approach not only supports environmental restoration but also encourages technological advancements and sustainable business models.

Key Words: banking, customer, environment, finance, natural resources, satisfaction

Introduction

The term "green banking" encompasses practices such as promoting electronic transactions to reduce paper use, financing green technologies, and encouraging clients to adopt sustainable practices. Green banks operate under the same regulatory framework as traditional banks but with an additional focus on conserving natural resources and minimizing environmental harm. They are often referred to as ethical or sustainable banks.

The Indian banking sector, as a backbone of the country's economic growth, has embraced green banking as a strategy to support sustainable development. Prominent institutions, such as the State Bank of India (SBI), have introduced various green banking initiatives. These efforts include financing green technologies, reducing paper usage, and adopting digital banking solutions. Such measures not only enhance operational efficiency but also reduce the environmental footprint of banking activities.It promotes environmental sustainability by reducing carbon emissions, conserving natural resources, and fostering eco-friendly innovations. Additionally, it enhances customer convenience through digital transactions, reduces operational costs, and strengthens the reputation of banks as socially responsible entities.However, implementing green banking also presents challenges. These include the need for significant investments in technology, process modifications, and customer education. Moreover, raising awareness among consumers, especially in urban areas, about the benefits of green banking and encouraging them to adopt these practices remains a critical task.

Need for the study

In today's era of increasing environmental challenges, green banking holds immense significance. By encouraging eco-friendly investments and prioritizing green projects, banks can mitigate environmental risks while enhancing their asset quality. This initiative not only supports the greening of industries but also aligns financial practices with global sustainability goals. Financial institutions, especially banks, play a pivotal role in driving economic growth and sustainable development. By adopting green banking, they can influence industrial activities and promote socially and environmentally responsible investments. For instance, providing loans to businesses that invest in renewable energy or adopt sustainable production methods contributes to environmental conservation and economic resilience.

Green marketing and banking have emerged as significant areas of interest for both businesses and researchers. While companies increasingly position themselves as green organizations due to regulatory requirements and shifting consumer preferences, there is a lack of extensive research on green banking in urban areas. Understanding consumer attitudes, awareness levels, and factors influencing satisfaction with green banking initiatives is essential for their successful implementation and growth.

Review of Literature

Sahoo and Nayak (2007) studied the importance of green banking by drawing on international experiences and providing valuable lessons for sustainable banking and development in India. They suggested various policy measures and initiatives to promote green banking practices in India.

Evangelinos et al. (2009) described green banking as the creation of new green financial products such as loans for cleaner technologies and strategies like energy efficiency and waste management programs. These initiatives not only improve banks environmental performance but also enhance their reputation.

Nigama Nanda Biswas (2011) interpreted green banking as a combination of operational improvements, technological advancements, and evolving client habits in the marketplace. He argued that green banking benefits banks, industries, and the broader economy alike.

Mehmed Aminul Islam (2013) emphasized the growing relevance of green banking, especially as the banking sector increasingly adopts digital technologies, networking, and online banking services.

Jha and Bhome (2013) explored various ways to adopt green banking. Using both primary and secondary data collected through surveys and interviews, they examined key aspects of green banking. Their findings indicated that green banking increases awareness about global warming and encourages businesses to contribute to environmental protection. Additionally, it benefits banks by improving asset quality and fostering sustainable industrial practices.

Geetika Jaggi (2014) studied banking business in such a manner that enables the reduction of external carbon emission and internal carbon footprint. They focused on the concept of Green Banking and the green initiatives taken by the largest public sector bank i.e., SBI and ICICI Bank.

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Olaf Weber & Blair Feltmate (2016) viewed green banking as a value-driven approach to banking that prioritizes social and environmental impacts while maintaining financial viability.

Gopi (2016) analyzed SBI's role in environmental protection from the perspectives of employees and customers. The study concluded that the banking sector has a significant role in implementing green banking initiatives. SBI's green initiatives have improved customer awareness about sustainable development.

Ms. Shaivya Dixit & Mr. Ashwani Dixit (2020) examined the impact of adopting green banking on all the stakeholders such as customer, employee, and organization itself. It found that the impact of customer researcher on the employee of bank had a negative impact on the employee.

Neeraja T S & Dr Raji Joseph (2021) focused on the initiatives taken by the bank in implementing green banking is remarkable and conducted an extensive study of the green products offered by the bank. A comprehensive analysis of the benefits and satisfaction of green banking is also conducted from the perspective of customers.

Research Gap

The above review of literature shows that while green banking is becoming more recognized, its adoption by banks has been slow, and the reasons behind this have not been fully explored. There is also limited research on how well customers understand green banking, their satisfaction with it, and the factors that influence them to use these services. This study aims to explore the concept of green banking and examine the initiatives undertaken by SBI, India's largest public sector bank, to implement these practices. Additionally, it analyzes customer attitudes towards green banking, offering insights into its adoption and potential for growth.

Objectives of the Study

- To explore the green banking initiatives implemented in the banking sector.
- To assess customer satisfaction with green banking initiatives.

Research Methodology

Sources of Data: This study uses both primary and secondary data. Primary data was gathered through structured questionnaires distributed to customers of SBI, and interviews were conducted with SBI branch managers to understand various green banking initiatives. The Secondary data was sourced from research journals, magazines, reports, and relevant websites.

Sample Selection:A sample of 80 respondents were selected from Mahbubnagar district through stratified Random sampling technique.

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Statistical Tools: The analysis was performed using tools such as simple percentage analysis, averages, One-way Anovaand Chi-square test.

Scope of the Study: The scope of the study is limited to the State Bank of India, Mahabubnagar district, and thus the sample may not fully represent a broader population. Additionally, the information provided by respondents may be biased, and the data collected may not be entirely accurate due to potential lack of interest from the participants. The analysis and interpretation are based solely on the opinions of the respondents, further restricting the comprehensiveness of the study.

Table – 1: Demographic and Socioeconomic Profile

Demographic & Socioeconomic Profile		No. of Respondents	Percentage
Gender	Male	51	63.8%
	Female	29	36.3%
	Total	80	100.0%
Age	18-25	32	40.0%
	26-35	14	17.5%
	36-45	33	41.3%
	46-55	1	1.3%
	Above 55	0	0.0%
	Total	80	100.0%
Educational Qualification	>SSC	3	3.8%
	Intermediate	24	30.0%
	UG	22	27.5%
	PG	28	35.0%
	Professional	3	3.8%
	Total	80	100.0%
Occupation	Student	28	35.0%
	Employed	22	27.5%
	Self-Employed	26	32.5%
	Retired	0	0.0%
	Other	4	5.0%
	Total	80	100.0%
Annual Income	<50000	34	42.5%
	Rs.50,001 – Rs.1,00,000	29	36.3%
	Rs.1,00,001 - Rs.5,00,000	12	15.0%
	>5,00,001	5	6.3%
	Total	80	100.0%

Source: Questionnaire

The table shows the demographic and socioeconomic details of 80 respondents. Most of the participants (63.8%) are male, while 36.3% are female. The age group of 18-25 years has the highest number of respondents (40%), closely followed by those aged 36-45 years (41.3%). Most respondents have a good education, with 35% having completed their Postgraduate (PG) studies, 30% with an Intermediate qualification, and 27.5% with an Undergraduate (UG) qualification. In terms of occupation, 35% are students, 32.5% are self-employed, and 27.5% are employed in various jobs. Regarding income, 42.5% earn less than Rs. 50,000 annually, while 36.3% earn between Rs. 50,001 and Rs. 1,00,000. Only a small portion of the respondents earn more, with 15% earning between Rs. 1,00,001 and Rs. 5,00,000, and 6.3% earning above Rs. 5,00,001.

Table – 2: Awareness of SBI's Green Banking Initiatives

Source of Awareness		**No. of Respondents**	**Percentage**
Source of Awareness of Green Banking initiatives	Advertisement	24	30.0%
	Branch Communication	18	22.5%
	Websites	15	18.8%
	Social media	20	25.0%
	Other	3	3.8%
	Total	**80**	**100.0%**
Awareness of SBI's Green Banking initiatives	Highly aware	24	30.0%
	Very aware	36	45.0%
	Somewhat aware	15	18.8%
	Not aware at all	5	6.3%
	Total	**80**	**100.0%**

Source: Questionnaire

The above data shows that the most common source of awareness is advertisements (30%), followed by social media (25%), branch communication (22.5%), and websites (18.8%). A small number of people (3.8%) learned about it through other sources. Regarding the level of awareness, 45% of respondents are "very aware" of SBI's Green Banking initiatives, while 30% are "highly aware." 18.8% are "somewhat aware," and a small group (6.3%) are "not aware at all." It indicates that the majority ofthe respondents are aware of SBI's efforts in Green Banking through various channels, with advertisements and social media being the key sources.

Table – 3: Usage of SBI Online Banking and Paperless Services

		No. of Respondents	**Percentage**
Usage of SBI's Online Banking Services	Daily	25	31.3%
	Weekly	24	30.0%
	Monthly	16	20.0%
	Rarely	13	16.3%
	Never	2	2.5%
	Total	80	100.0%
SBI's paperless	Yes	64	80.0%

banking options	No	13	16.3%
	Not aware of these options	3	3.8%
	Total	**80**	**100.0%**

Source: Questionnaire

The above table reveals that most respondents use online banking services regularly, with 31.3% using it daily and 30% using it weekly. 20% use it monthly, while 16.3% use it rarely, and only 2.5% have never used it. Regarding SBI's paperless banking options, a large majority (80%) are aware and use these services, 16.3% are not using them, and 3.8% are not aware of such options at all. This indicates that online banking is widely used by most respondents, and paperless banking services are well-known to most of them.

Table – 4: Feedback on SBI's Green Banking Practices

		No. of Respondents	**Percentage**
Challenges do you face in adopting green banking practices	Lack of awareness	33	41.3%
	Limited Products / services	31	38.8%
	High Cost	7	8.8%
	Other	9	11.3%
	Total	80	100.0%
Satisfied are you with the overall Green Banking initiatives of SBI	Very Satisfied	18	22.5%
	Satisfied	40	50.0%
	Neutral	21	26.3%
	Dissatisfied	1	1.3%
	Very Dissatisfied	0	0.0%
	Total	80	100.0%
Accessibility and user-friendliness of SBI's online banking services	Excellent	18	22.5%
	Good	54	67.5%
	Fair	7	8.8%
	Poor	1	1.3%
	Very Poor	0	0.0%
	Total	80	100.0%
Customer support provided for green banking services	Very Satisfied	13	16.3%
	Satisfied	46	57.5%
	Neutral	21	26.3%
	Dissatisfied	0	0.0%
	Very Dissatisfied	0	0.0%
	Total	80	100.0%
SBI's green banking initiatives have positively	Highly Dissatisfied	16	20.0%
	Dissatisfied	43	53.8%

impacted the environment	Neutral	18	22.5%
	Satisfied	3	3.8%
	Highly Satisfied	0	0.0%
	Total	80	100.0%
introduce more green banking initiatives	Highly Dissatisfied	66	82.5%
	Dissatisfied	9	11.3%
	Neutral	5	6.3%
	Satisfied	0	0.0%
	Highly Satisfied	0	0.0%
	Total	80	100.0%

Source: Questionnaire

The table shows the challenges faced by respondents in adopting green banking practices and their opinions on various aspects of SBI's green banking initiatives. The most common challenge is a lack of awareness, reported by 41.3% of respondents, followed by limited products and services (38.8%). Only 8.8% mentioned high costs, and 11.3% faced other challenges. Regarding satisfaction with SBI's green banking initiatives, 50% of respondents are satisfied, while 22.5% are very satisfied. Only 1.3% are dissatisfied. As for the accessibility and user-friendliness of SBI's online banking services, 67.5% rated it as good, and 22.5% rated it as excellent. Customer support for green banking services was rated positively, with 57.5% satisfied and 16.3% very satisfied. However, when asked about the environmental impact of SBI's green banking initiatives, most respondents were dissatisfied (53.8%), and 20% were highly dissatisfied. Furthermore, a large majority (82.5%) feel that more green banking initiatives should be introduced. This reflects a mix of satisfaction with services but a strong desire for more improvements in green banking practices.

Table – 5: Satisfaction of the Green Banking Initiatives

Rate your satisfaction with the following aspects of the Green Banking Initiatives of SBI analysed with the help of 5 point scale i.e. Highly Satisfied, Satisfied, Neutral, Dissatisfied, Not Dissatisfied, and assigned the weights i.e. 5, 4, 3, 2 and 1 respectively. The number of respondents of multiplied with the respective points and total weights and rank of these are presented below:

Green Banking Initiatives	Total Weights	Rank
Paperless Banking	342	1
Green Loans	316	5
Solar ATMs	329	3
Green Bonds	310	6
Online banking services	338	2
Responsiveness of SBI's staff to your queries	310	6
Overall green banking initiatives	325	4

Source: Questionnaire

The above table shows that satisfaction of the green banking initiatives. Customers are satisfied with the paperless banking with the total weighting points of 342 and ranked as 1. It is also observed that the following are Online Banking services (338), Solar ATMs (329), Over all Green Banking Initiatives (325), Green loans (316), Green bonds and

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Responsiveness of SBIs staff to your queries (310) it ranked last among all programmes. Overall, respondents expressed high satisfaction with SBI's green banking efforts, particularly with paperless banking and online banking services, although there is still room for improvement in certain areas.

Table -6: ANOVA Analysis of Sources of Awareness for SBI's Green Banking Initiatives

Null Hypothesis (H_0): There is no significant difference in awareness of green banking initiatives by SBI across different sources.

Alternative Hypothesis (H_1): There is a significant difference in awareness of green banking initiatives by SBI across different sources.

Test of Homogeneity of Variances			
Levene Statistic	**df1**	**df2**	**Sig.**
0.159	3	76	0.923

ANOVA					
	Sum of Squares	**df**	**Mean Square**	**F**	**Sig.**
Between Groups	13.308	3	4.436	2.992	.036
Within Groups	112.692	76	1.483		
Total	126.000	79			

The Test of Homogeneity of Variances shows a Levene Statistic of 0.159 with a significance level of 0.923, indicating that the assumption of equal variances across groups is satisfied. The ANOVA results reveal a significant difference (F=2.992, p=0.036) in the awareness levels of SBI's green banking initiatives across different sources. This implies that the source of information significantly impacts individuals' awareness levels. Consequently, identifying and leveraging the most effective sources can enhance the dissemination and awareness of green banking initiatives.

Table -7: Awareness and Satisfaction with SBI's Green Banking Initiatives - Pearson Chi-Square Analysis

Null Hypothesis (H_0): There is no association between awareness of different green banking initiatives and satisfaction with the bank's services.

Alternative Hypothesis (H_1): There is an association between awareness of different green banking initiatives and satisfaction with the bank's services.

Green Banking Initiatives	**Pearson Chi-Square**					
	Value	**df**	**Asymp. Sig. (2-sided)**	**Phi**	**Cramer's V**	**Pearson's R**
Paperless banking	17.070^a	9	0.0476	0.4619	0.2667	0.0474
Green loans	12.739^a	9	0.1748	0.3990	0.2304	-0.0952
Solar ATMs	10.274^a	9	0.3288	0.3584	0.2069	-0.1942
Green bonds	12.045^a	12	0.4421	0.3880	0.2240	-0.0137

Online banking services	13.193[a]	12	0.3551	0.4061	0.2345	-0.1319
Responsiveness of SBI's staff to your queries	16.975[a]	12	0.1505	0.4606	0.2660	-0.0592
Overall Green banking initiatives	21.053[a]	12	0.0496	0.5130	0.2962	-0.0679

The Pearson Chi-Square results show that while some green banking initiatives, like paperless banking (p=0.0476), show a significant association with satisfaction, others, like green loans, solar ATMs, and green bonds, do not (p>0.05). For paperless banking, the Phi and Cramer's V values suggest a moderate association, meaning that awareness of this initiative has some impact on customer satisfaction with SBI services. However, initiatives such as green loans and solar ATMs have weaker or no significant relationships with satisfaction. These findings highlight the varying impact of different green banking initiatives on customer satisfaction and suggest that focusing on more effective initiatives like paperless banking could be key to improving customer engagement and satisfaction.

Conclusion

It is concluded that the significant role of green banking initiatives implemented by the State Bank of India (SBI) in promoting environmental sustainability and customer engagement. It reveals that most of the respondents are aware of SBI's green banking efforts, especially paperless banking and online banking services, with a majority expressing satisfaction. However, a considerable number of customers highlighted challenges such as a lack of awareness and limited product offerings, which hinder broader adoption. The analysis also indicates that certain initiatives, such as paperless banking, have a stronger association with customer satisfaction compared to others like green loans and solar ATMs. Despite the overall positive reception of SBI's green initiatives, a significant number of respondents expressed a desire for more comprehensive green banking options.

Suggestions

It is suggested that SBI should focus on raising awareness about green banking through targeted marketing campaigns and educational events. These campaigns could use social media and digital platforms to reach younger customers, while in-branch advertisements could explain the benefits of green banking more clearly. Organizing workshops, webinars, and awareness drives can also play a key role in educating people about the importance of green banking and how they can get involved in it.

To meet growing customer demand, SBI could expand its range of eco-friendly banking products, such as green loans and solar-powered ATMs. Improving online banking services, which have already received positive feedback, should also be a priority for the bank. Additionally, making green banking more affordable and accessible will encourage more people to adopt it. By reducing costs, simplifying the process, and providing clear instructions and dedicated support, SBI can make it easier for customers to choose eco-friendly options. Finally, strengthening the environmental impact of green banking, such as by installing solar panels in all branches, and gathering regular customer feedback will help the bank improve its services and ensure higher customer satisfaction.

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