

Sustainable Banking- An Analysis of Customer Awareness, Attitude and Perceptions

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Abstract

Today the problems of global warming are now becoming worse due to the accelerated climatic transitions. The rising concern of the general public about the status of the natural environment is shared by financial institutions like banks, which are essential to society's growth. To fulfill this obligation, the banking industry has adopted the idea of sustainable banking. The present study analyses the customer awareness towards sustainable practices adopted by the banks and the perception of customers towards green banking.

Keywords: Sustainable Banking, Green Banking, Sustainability, Carbon output.

INTRODUCTION

In today's business world, being environmentally responsible is essential. Now a days, more emphasis has placed on the environment and people in the business than merely on profit. To fulfill this obligation, the banking industry has adopted the idea of sustainable banking. One of the service industries in India with the quickest growth is banking. (Abinaya & Suresh). Not only banking institutions, but also brokerage firms, insurance providers, and client financing firms are some of the providers in the financial service industry which have adopted sustainable method for business activities (Rai et al.). Banks play a crucial role in sustainable development by applying green banking practices (Rajesh and Dileep). Banks must work methodically to provide money or investment to customer's suggestions that will reduce CO₂ emissions. "Green banking" advocates for the greater automation and eco-friendliness of banking operations to guarantee long-term profitability. It seeks to establish

sustainable banking without unfavourable effects on individuals, societies, or the environment (Charan, A Dahiya, R Kaur, 2019). As a result, the "sustainability" concept has gained significance in all facets of the business.

State Bank of India (SBI) was the pioneer in India when it came to environmentally friendly banking. SBI Chairman Shri O.P. Bhatt started work on a wind farm in Coimbatore as the first move towards "Sustainable banking." Numerous firms have implemented green banking practises to promote environmental sustainability, including internet banking, greener mortgages, m - banking, solar ATMs, green credit cards, and green deposits. By using "green banking" practises, the bank may contribute to a greener and better world. The government, NGOs, business organisations, and customers must support the bank's efforts to expand its sustainable banking activities. They must continue to play a crucial role in the introduction of new commodities if they are to advance both their own interests and the interests of the

general public. Clients must effectively use the sustainable strategies that financial institutions have created. Studying public opinion on environmentally friendly banking choices is crucial for this reason. As a result, it is one of the significant changes in the banking industry that requires extensive customer education.

STATEMENT OF THE PROBLEM

Several companies are becoming innovative in order to meet the demands of an environmentally aware consumer base. Being environmentally conscious may mean various things to different individuals. For some, it may mean reducing their energy use, for others, it may mean switching to organic foods or composting, and yet others, it may simply mean turning out the lights when they leave a room. As a method of bridging the gap between economic development and environmental protection, sustainable banks encourage ecologically and socially responsible finance. "Sustainable banking" in this sense refers to conducting banking operations in certain areas and methods that help to lower total carbon production.

Banks should invest in green technologies and pollution-reducing initiatives to help cut down on harmful carbon emissions from the outside world. In addition to being beneficial to the planet, this option is also very practical.

OBJECTIVES OF THE STUDY

- To study the awareness of sustainable banking initiatives among consumers
- To analyse the perception of customers towards sustainable banking.

RESEARCH METHODOLOGY

A Survey approach was used to collect data for the study. The target group of respondents were 150 customers of various banks. Judgement sampling technique was used to collect the data from the target group. The primary data was collected through structured questionnaire and secondary data from various articles, journals and websites. Excel was used to do percentage analyses, and the One Sample T-test in SPSS was utilised to assess the validity of the hypotheses.

RESULTS AND DISCUSSIONS

Table 1- Customer awareness about sustainable banking practices

Particulars	Frequency	Percentage
Aware	119	79.33
Unaware	31	20.67

(Source: Primary Data)

From the table it is clear that 79.33 percentage of the customers are aware about the various sustainable banking

practices adopted by banks whereas 20.67 percent are unaware.

Table 2- Source of information about sustainable banking practices

Particulars	Frequency	Percentage
Online sources	82	54.67
Books and Journals	12	8

Banking employees	41	27.33
Friends and family	15	10
Others	0	0

(Source: Primary Data)

The above table shows that 54.67 percentage of the respondents gained knowledge about sustainable banking practices from online sources and only 8 percentage respondent’s source of information is from books and journals.

HYPOTHESIS TESTING

Hypothesis	
H1	Sustainable banking methods provide the benefit of saving money and time.
H2	Sustainable banking methods provide the benefit of round the clock access to customers
H3	Sustainable banking methods creates a hygienic atmosphere
H4	Sustainable banking methods promotes sustainable development
H5	Sustainable banking methods minimizes carbon emissions and pollutants
H6	Sustainable banking methods promotes installation and usage of power saving technologies

One- sample statistics				
	N	Mean	Std. Deviation	Std. Error Mean
Saves money and time	150	.9733	.16165	.01320
Round the clock access	150	.9267	.26156	.02136
Hygienic atmosphere	150	.9133	.28229	.02305
Promotes sustainable development	150	.8200	.38547	.03147
Minimizes carbon emissions and pollutants	150	.7867	.41103	.03356
Installation and usage of power saving technologies	150	.7267	.44716	.03651

One-Sample Test						
	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Saves money and time	-153.554	149	.000	-2.02667	-2.0527	-2.0006

Round the clock access	-97.084	149	.000	-2.07333	-2.1155	-2.0311
Hygienic atmosphere	-90.533	149	.000	-2.08667	-2.1322	-2.0411
Promotes sustainable development	-69.264	149	.000	-2.18000	-2.2422	-2.1178
Minimizes carbon emissions and pollutants	-65.950	149	.000	-2.21333	-2.2796	-2.1470
Installation and usage of power saving technologies	-62.265	149	.000	-2.27333	-2.3455	-2.2012

The results of the statistical test supported the first hypothesis (H1) (Mean = .9733, $t = -153.554$, $P < 0.05$). Hence it is inferred that sustainable banking methods provide the benefit of saving money and time.

The results of the statistical test supported the second hypothesis (H2) (Mean = .9267, $t = -97.084$, $P < 0.05$). Hence it is inferred that sustainable banking methods provide the benefit of round the clock access to customers.

The results of the statistical test supported the third hypothesis (H3) (Mean = .9133, $t = -90.533$, $P < 0.05$). Hence it is inferred that sustainable banking methods creates a hygienic atmosphere.

The results of the statistical test supported the fourth hypothesis (H4) (Mean = .8200, $t = -69.264$, $P < 0.05$). Hence it is inferred that sustainable banking methods promotes sustainable development.

The results of the statistical test supported the fifth hypothesis (H5) (Mean = .7867, $t = -65.950$, $P < 0.05$). Hence it is inferred that sustainable banking methods minimizes carbon emissions and pollutants.

The results of the statistical test supported the sixth hypothesis (H6) (Mean = .7267, $t = -62.265$, $P < 0.05$). Hence it is inferred that sustainable banking methods promotes installation and usage of power saving technologies.

CONCLUSION

"Sustainable banking," a still-new concept and is gaining popularity in India. This concept requires thorough consideration as a potential treatment since the problem of global warming is now becoming worse due to the accelerated climatic transitions. Every business owner has the opportunity to make a difference by doing their share to combat climate change via green finance. Sustainable banking benefits banks, companies, and the economy as a whole. Green banking will benefit both businesses and financial institutions by encouraging a shift towards more sustainable practices.

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