

# GREEN BANKING A TOOL OF DIGITAL BANKING AND FINANCIAL SERVICES PRACTICES IN INDIA.

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**Abstract:**

Changes is the need of hour for survival in all spheres. Climate is most complicated issue the world is facing. The world has seen much focus on economic progress, the side effects of this has resulted in climate change, environmental damage. The banks can play an important role between economic growth and environmental protection. The banking of this kind is termed as ‘Green banking’. It means combining technology and changing client’s habits in banking business. Green banking practices will be useful not only for environment but also lead to cost reductions in banking activities. To reduce the external carbon emissions, banks should finance green technology and pollution reducing projects. Green banking is a part of green initiatives taken by stakeholders to save environment.

**Keywords :** Green Banking, Technology, Digital.

**Introduction:**

Green banking defined as promoting environmental eco-friendly practices and reducing carbon footprints from banking sector. The word green gives some pleasant atmosphere in the minds of people in the same way green banking introduced to reduce the carbon footprint by environment eco-friendly practices in banks. Green banking provides services to all levels like industries, student, employees etc. Green banking includes, sustainable banking, ethical banking, green mortgages, green loan, online purchasing through digital payments, mobile banking, net banking and credit, debit cards, green money market, green financing etc. The green banking concept is evolved in western countries and now is practiced in most of the countries in the world. The main goal of green banking is to ensure the use of organizational resources in favor of the environment and society. Green banking as a concept is proactive and smart way of thinking with a vision for future sustainability of our only spaceship earth.

**Sustainability and Green banking**

Banks play a prominent role in the development of the economy. In today’s competent era every industries trying to sustain in the market. The process of sustainable development involves all sectors in the economy. Government, NGOs, Corporates, citizens and financial sector. Banking is often associated with formal and rigid approaches and the sector generally perceives itself as environmentally neutral. There is a need for continuous changing environment in banking sector operations. Although banks themselves are generally use eco-friendly and do not impact the environment much through their own internal operation in view of the relationship between the banking sector and the firms who are users of banks products the external impact on the environment through these entities is substantial.

Banking official taking vital decision for sustainable development in framework of principles, policies, loans, concern investments and other facilities to glee and attract the customers which includes the shareholders, industries, government etc.

**Scope of the green banking**

Green banking give the many eco-friendly uses, the main goal of the green banking are avoiding paper work and giving priority to

environment and society. Some of the initiative sustainable development in banking are

- ✓ To reduce the paper work as much as possible and reduce carbon footprint
- ✓ To achieve cost and time efficiency
- ✓ To compete with the market
- ✓ Energy saving customer can operate transaction anywhere.
- ✓ Free electronic bill payments.

**Objective of the study**

- ✓ To know the green banking practices
- ✓ To study the customer satisfaction level on green banking
- ✓ To study the green banking services provided by banks
- ✓ To study the measures undertaken by banks to overcome the problems in green banking

**Methodology of the study**

Methodology of the study adopted for justifying the research work includes both primary and secondary resources of information. A structured objective questioner distributed to customers like, business person, employees, students, researchers’ etc. Through a direct interaction with them. The sample size taken was 70. And other secondary data information collected from journals, research articles, e-books, conference edited book and web sites etc.

**DATA INTERPRETATION**

**Table 1: Gender**

Gender	No of respondents	Percentage
Male	58	83
Female	12	17
<b>Total</b>	<b>70</b>	<b>100</b>

**Table 2: Factor influenced to green banking**

Factors influenced for choosing green banking	No of respondents	Percentage
Easier and Quicker activities	32	46
Busy work schedule	27	38
Distance	4	6
Others	7	10
<b>Total</b>	<b>70</b>	<b>100</b>

**Table 3: Mode of transaction choose in green banking**

Mode of transaction choose in green banking	No of respondents	Percentage
Credit card	32	6
Debit card	27	35
Mobile banking / Mobile App	4	43
Internet banking	7	16
<b>Total</b>	<b>70</b>	<b>100</b>

**Table 4: Level of satisfaction in green banking**

Level of satisfaction	No of respondents	Percentage
Satisfied	42	60
Partly satisfied	16	23
Dis-satisfied	12	17
Total	70	100

**Table 5: Difficulties in green banking**

Problem faced in green banking	No. of Respondents	Percentage
Wrong transfer	8	11
Network busy	48	69
Delay in transaction	14	20
Total	70	100

**Table 6: Ability to solve the problem in time related to green banking**

Able to solve the problem in time	No of respondents	Percentage
Yes	44	63
No	26	37
Total	70	100

**Table 7: opinion of the customers regarding the service provided by green banking**

Opinion of customers regarding service provided by green banking	No. of Respondents	Percentage
Excellent	41	59
Good	17	24
Average	4	6
Poor	8	11
Total	70	100

**Findings :**

- Table 1 shows that majority of the respondent where male 83% and 17% are female respondent in total 70 sample size of response, which includes students, business persons, and employees respectively.
- Table 2 contain the factor influencing to use the green banking, out of the survey for about 70 respondents it found that 46 percent of the respondents say they are easier to use green banking in fingertip from anywhere no need to visit every time to branch for transactions, and 38 percent of the respondents opined they were busy with work scheduled behalf of the level of employment. Now a days is trying to sustain in the job while 6 percent respondents says that distance is the factors from bank to home/work place

whereas 10 percent of the respondent given other reasons.

- Table 3 Most of the respondents who have direct transactions and less transactions are preferring debit and mobile banking to know the withdrawal and deposits for their security. Internet banking option is preferred mostly by the employee who earning more than 50,000 per month incomes, having more transactions related to payments or transfer of funds prefer internet banking. Credit card are only preferred by business person and employee who earn more than 10 lacks per annum. Overall each and every option is having its own importance basing on the need and income level of the respondent.
- Table 4 reveals that overall 60 percent of the respondents are satisfied with green banking facility because it makes all the banking transactions easier and prompt whereas 17 percent of the respondent are dis-satisfied due to lack of knowledge on green banking options utilities. The reaming 23 percent of the respondents are partly satisfied.
- Table 5 The study also reveals that in table 5 a maximum 69 percent respondents are facing network/ server problem with green banking and delay in transaction while 11 percent of the respondents don't have knowledge related to green banking services like green loans, market account opening, how to buy or sell, due to which they attempt for wrong transactions. The remaining 20 percent of the respondents are suffering from problems in transactions like delay in payments, not being updated etc.
- Table 6 shows that 63 percent of the respondents are saying yes because bank providing good service in problem solving which includes wrong transfer, server problem, helping suggesting related to green mortgage, green money market account opening or buying or selling of instruments etc. Few times it takes time to solve but able to solve the problem or rectifying the errors.
- Table 7 reveals the opinion of the customers regarding green banking is everyone who uses the services has given the ratings as excellent, because it reaches the needs of the customers which saves the environment as well as their time. Only 6 percent has given the rating as average because they don't have clear picture about green banking and 11 percent who is completely aware of green banking has given poor.

**Some of the suggestions :**

1. Banks has to setup outlets and promote about the ethical/ green banking and its products.
2. Banks should construct a website and promote the news related to green banking.
3. Banks has to conduct a participative meeting with the customers and public.
4. Banks should appoint a separate help desk in every branch.
5. For making green banking successful banking sector has to take quick and effective steps to promote to its customers for user friendly service.

**Conclusion:**

Green banking plays an important role in the development of the economy. Green banking is like a normal banking, as the banking sector has to sustain in this competitive world, they have to adopt the new technologies and electronic communication devices which can glee the customers. This green banking facilities is useful mostly to the educated people rather than uneducated who are not aware of using internet. The motive of green banking is to protect the environment to reduce the carbon footprint. Green banking is providing number of facilities like mobile banking, internet banking, paper less account

statements which is directly sent to the customer e-mail id, which is very useful for the industries, government, banks etc. most of the customers are confused about the concept of green banking even though they are enjoying the facilities.

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