



Green Banking Services Offered by Public and Private Sector Banks – A Comparative Study with Special Reference to Mangalore City.

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ABSTRACT

Purpose: Green banking as a concept is a proactive and smart way of thinking towards future sustainability. It is very important for the banks to proactive and accelerate the rate of the growth of the economy. Since there is a continuous change in environmental factors resulting the banks face intense competition in the global market. Banks need to apply the morality of sustainability and responsibility to their business model, strategy, and formulation for products and services, operations, and financing activities and become stronger.

Design/Methodology/Approach: In this study, both descriptive and analytical research designs were employed. A standardized questionnaire was administered to 120 customers of both public and private sector banks to collect primary data and demographic information. The collected data were analyzed using a One-way ANOVA statistical test and conclusions were drawn based on p value.

Finding/Result: The current research findings support the notion that Green banking has a significant impact on various practices within both public and private-sector banking. The result also helps private and public sector banks to understand their limitations and improve their performance.

Paper Type: Descriptive and Analytical Research

Key Words: Green Banking, public and private sector banks, Usage of green banking products and services.

1. INTRODUCTION:

Banks play a crucial role as intermediaries in mobilizing the savings of the public, flow of funds for required purposes, and keeping the process of the economic development of the country. Realizing the reputation of banks in economic growth, the Government of India took several initiatives after the country attained independence. The Indian banking sector is passing through an important stage of the customer market. The customers are open to more choices in choosing their banks which resulted in huge competition between the banks operating in India.

The new age of CSR is bringing about sweeping changes in the banking industry, forcing them to reengineer many of their basic processes and systems. A few of the green banking services being offered are viz. Automated Teller Machines ATM, Mobile banking, Green checking, Electronic Clearing Service (ECS), Electronic Funds Transfer (EFT), Tele-banking, Internet banking etc to promote CSR in operation. In the era of environmental issues like overpopulation and shortage of natural resources, there is an imperative need to promote awareness among the people regarding the environmental impacts of accepting various green banking initiatives. Apart from rendering normal services for customers, the practice of the green banking concept must be done at an inclusive level to the target customer.

2. LITERATURE REVIEW:

Amitabh Mishra, B R Kumar, and Dharam Bir Singh, 2013“*A study of Gaps in Service Quality at a leading Private Sector Commercial Bank in Greater Noida*” The study concludes that account holders were not satisfied with the service quality dimension, „assurance” with a high weighted gap score of 0.21, followed by reliability, responsiveness, empathy and tangibles and weighted gap scores of 0.20, 0.21, 0.08 and 0.05, respectively. Such a study is useful in determining the weak areas of a bank's service where immediate steps are necessary.

“*Demographic Inequalities in using–Banking Services: A study of Chandigarh*” Rajiv Khosla and Parul Munjal, 2013. The study of the paper specified that in total, better opportunities exist for all the banks to promote their value-added services. Those banks that will be positive in generating customers by providing advanced services more than that of their competitors will earn more benefits. For this reason, it is suggested that bank should target their

promotional activities towards literate, young, and resourceful people who have the potential to use banking services for a long as can be generalized from this study.

3. NEED FOR THE STUDY:

The success of a bank depends upon how best it can provide services to its customers. To sustain in the competitive society and provide regular customer satisfaction, the providers of banking services are now required to improve the quality of services. The globalization of the Indian economy has truly called for a much more organized approach on the part of the Indian banking sector to improve the quality of customer services through green initiatives.

The previous studies focusing on exclusively either public sector banks or private sector banks there is a need to identify and study comparative awareness and satisfaction towards green initiatives offered by both Public and private sector Banks.

In this circumstantial, the present study aims to detect the awareness level of green banking among the customers of Public and Private sector banks. The study also aims to understand the customers' perceptions and attitudes towards Green Banking products. This study aims to provide suggestions to both public and private sector banks to improve the service. In this connection, a case study will be carried out by selecting samples from both public and private sector banks in Mangalore. The study will be made with the help of a field survey using a structured questionnaire for bank customers in the selected area.

4. OBJECTIVES:

The specific objectives of this review study are,

- To assess and compare awareness levels among the customers towards various green banking services.
- To determine and compare the extent of satisfaction level among the customers towards selected green services provided by the public sector and private sector banks.

We have also framed hypotheses for this research study as detailed below.

Null Hypothesis and Research/Alternate Hypothesis 1

Ho: There is no significant difference in the satisfaction level towards online ATM service provided by public and private sector banks.

H1: There is a significant difference in the satisfaction level towards online ATM services provided by public and private sector banks.

Ho: There is no significant difference in the satisfaction level towards online banking services provided by public and private sector banks.

H1: There is a significant difference in the satisfaction level towards online banking services provided by public and private sector banks.

Ho: There is no significant difference in the satisfaction level towards mobile banking services provided by public and private sector banks.

H1: There is a significant difference in the satisfaction level towards mobile banking services provided by public and private sector banks.

Ho: There is no significant difference in the satisfaction level towards green checking services provided by public and private sector banks.

H1: There is a significant difference in the satisfaction level towards green checking services provided by public and private sector banks.

Ho: There is no significant difference in the satisfaction level towards overall green services at public and private sector banks.

H1: There is a significant difference in the satisfaction level towards overall green services at public and private sector banks.

5. METHODOLOGY:

This study utilized a research design that incorporated both descriptive and analytical research methods. The primary data was collected through the questionnaire method. The data collection period spanned from August 2023 to October 2023, and the sample included 200 college teachers out of which 100 are the customers of public sector banks and 100 are the customers of private sector banks in Mangalore city, Karnataka, India. To collect information from customers about green services provided by public sector banks and private sector banks Likert scale is used. To analyze the data, statistical tools such as simple average and One-way ANOVA statistical tests are used and conclusions are drawn based on the p-value.

Sample Size

6. FINDINGS, RESULTS, AND ANALYSIS:

Table No. :1: Green banking Initiatives by Banks and its awareness among their customers

	Green Initiatives	Public Banks	Private Banks
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SI No		Aware	Not Aware	Aware	Not Aware
1	Green Loans	75	25	40	60
2	Green Mortgages	63	37	50	50
3	Green CDs	56	44	50	50
4	Controlled use of energy	50	50	60	40
5	Reduced wastage of papers	35	65	90	10
6	Bank Environmental Policy	35	65	87	13
7	Use of Solar powered ATMs	68	32	80	20
8	Using recycle waste	60	40	85	15
9	Providing recyclable debit cards and credit	23	77	85	15
10	Conducting Workshops and Seminars for Green banking	60	40	15	85

From the above data, we can see that green initiatives like green loans, green mortgages, and green CDs are known to a majority of the customers of public sector banks. Whereas the majority of other green initiatives like controlled use of energy, reduced wastage of papers, bank environmental policy, solar ATMs, using recycled waste, and providing recyclable debit cards and credit cards are known to a majority of the private bank respondents. However, these concepts are not very old in India therefore it can be the probable reason for poor awareness levels among consumers. The case could be that even though few green banking strategies are initiated by the banks, customers are not aware of those services. For instance, SBI was the first in India to start introducing solar power ATMs but only 68 % of the respondents of public sector banks know this.

Satisfaction level towards Green initiatives

Table No: 2: Satisfaction level towards ATM services

H₀: There is no significant difference in the satisfaction level towards online ATM service provided by public and private sector banks.

H₁: There is a significant difference in the satisfaction level towards online ATM services provided by public and private sector banks.

Groups	No of respondents	Average	p – Value
Public	100	3.77	0.9005
Private	100	3.75	

The above table shows the result for H₀, which is accepted because the p-value is more than the alpha value (0.05). The study reveals that there is no significant difference in the satisfaction level towards ATM services provided by public and private sector banks, which means that customers of both public and private sector banks have the same satisfaction level concerning ATM services.

The average satisfaction level is 3.7 for both public and private sector banks, which indicates the satisfaction level falls between moderate and good for both sector banks.

Table No: 3: Satisfaction level towards Online banking

H₀: There is no significant difference in the satisfaction level towards online banking services provided by public and private sector banks.

H₁: There is a significant difference in the satisfaction level towards online banking services provided by public and private sector banks.

Groups	No of respondents	Average	p – Value
Public	100	3.75	0.0477
Private	100	4.11	

The above table shows the result for H₀, which is rejected because the p-value is less than the alpha value (0.05). The study reveals that there is a significant difference in the satisfaction level towards online banking services provided by public and private sector banks., which means that customers of both public and private sector banks do not have the same satisfaction level concerning online banking services.

The average satisfaction level is 3.75 and 4.11 for public and private banks respectively, which indicates that satisfaction level is higher in the case of private sector bank customers than public sector bank customers towards online banking service.

Table No: 4: Satisfaction level towards Mobile banking

H₀: There is no significant difference in the satisfaction level towards mobile banking services provided by public and private sector banks.

H₁: There is a significant difference in the satisfaction level towards mobile banking services provided by public and private sector banks.

Groups	No Of respondents	Average	p - Value
Public	100	4.18	0.0079
Private	100	4.52	

The above table shows the result for H_0 , which is rejected because the p-value is less than the alpha value (0.05). The study reveals there is a significant difference in the satisfaction level towards mobile banking services provided by public and private sector banks, which means that customers of both public and private sector banks do not have the same satisfaction level concerning mobile banking services.

The average satisfaction level is 4.18 and 4.52 for public and private banks respectively, which indicates that satisfaction level is higher in the case of private sector bank customers than public sector bank customers towards mobile banking service.

Table No:5: Satisfaction level towards Green Checking

H_0 : There is no significant difference in the satisfaction level towards green checking services provided by public and private sector banks.

H_1 : There is a significant difference in the satisfaction level towards green checking services provided by public and private sector banks.

Groups	No Of respondents	Average	p - Value
Public	100	4.16	0.0254
Private	100	4.44	

The above table shows the result for the H_0 , which is rejected because the p-value is less than the alpha value (0.05). The study reveals that there is a significant difference in the satisfaction level towards green checking services provided by public and private sector banks. This means that customers of both public and private sector banks do not have the same satisfaction level concerning green-checking services.

The average satisfaction level is 4.16 and 4.44 for public and private banks respectively, which indicates that satisfaction level is higher in the case of private sector bank customers than public sector bank customers towards green checking service.

Table No: 6: Satisfaction level towards overall green services

H_0 : There is no significant difference in the satisfaction level towards overall green services at public and private sector banks.

H_1 : There is a significant difference in the satisfaction level towards overall green services at public and private sector banks.

Groups	No Of respondents	Average	p - Value
Public	100	4.29	0.0127
Private	100	4.57	

The above table shows the result for the H_0 , which is rejected because the p-value is less than the alpha value (0.05). The study reveals that there is a significant difference in the satisfaction level towards overall green services at public and private sector banks, which means that customers of both public and private sector banks do not have the same satisfaction level concerning green services provided by the respective banks.

The average satisfaction level is 4.29 and 4.57 for public and private banks respectively, which indicates that satisfaction level is higher in the case of private sector bank customers than public sector bank customers towards green service.

7. DISCUSSION AND SUGGESTIONS:

From the research, we can observe that only a few services like green loans, green mortgages, green CDs, and workshops are more familiar to the customers of public sector banks. In the case of a majority of the other green services private sector bank customer's awareness level is satisfactory except in conducting workshops for green services. Based on this it is worth suggesting that public sector banks should try to make sure that all the green services which they provide should be made known to all its customers through various available sources. Even in the case of private sector banks awareness levels towards Green loans, Green Mortgages, Green CDs, and conducting workshops are not very satisfactory. So even private sector banks should come up with innovative ideas to attract their customers to accept its green initiatives.

From the research, we can see that only in the case of ATM services there is no significant difference between public sector and private sector banks. In all other cases that is Online Banking, Mobile Banking, Green Checking, and overall satisfaction towards green services, H_0 is rejected by concluding that there is a significant difference between satisfaction levels towards green services provided by public and private sector banks. Except for online banking in all other cases, the p-value is much lower than the alpha value indicating a high significance difference. This shows that public sector banks need to improve their green initiatives to survive in the competitive banking industry.

8. CONCLUSION:

Green banking is a major issue and can make a huge impact on the development of India. The success of Green banking would be more if the world encouraged to revise their economic standards from being 'financial economics' to 'environmental economics'. Every small 'GREEN' initiative taken by the bank today would go a long way in building a greener future and so improve the goodwill of the bank. Currently, in India, knowledge of green banking is catching up and banks are actively looking for ways to showcase themselves as a Green Bank. To survive in the competitive society both public and private sector banks need to understand their limitations, implement environmental standards for their operations, and make their customer aware of it. It

will be a proactive idea not only for the improvement of their business but also to enable eco-friendly business practices that would benefit future generations.

9. LIMITATIONS OF THE STUDY:

- The study is restricted to Mangalore city only
- The sample size is restricted to 200 respondents.

10. SCOPE FOR FURTHER RESEARCH:

Since the study is restricted to college teachers of Mangalore city and only a few green initiatives are selected for the study, there is a scope for future research on various other variables and with more demographic concepts.

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