

## **Factors Influencing Banking Customers for Adopting Green Banking**

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### **ABSTRACT:**

Green Banking is also called as ethical banking. It helps to go green in banking activities like mobile banking, internet banking, Net banking and telephonic banking. It is also called as sustainable banking by reducing carbon footprint from the banking activities and helps to protect environment. Green banking was introduced in 2003 and SBI was the first commercial bank which introduced Green Banking strategy in India in the year 2007 to overcome global warming and climate change. Slowly from 2007 all other countries took over the concept of Green banking in their banking activities. The main aim of the study is to analyze various factors influencing banking Customers in adoption of green banking. The main factors included in the study is up gradation of new equipment's, sufficient installation of machines, attitudes of Bankers customer in handling customers, educating customers in using Green banking. 9 variables are used in the study they are Banks are up - to - date with equipment & technology, banks has Sufficient number of ATM machines, Cash counting machines, Banking staff as "polite, friendly and cooperative, Token machines installed in banks, customers' requests are handled promptly, banks provide instant solution for Problems faced by customers, Brochures to educate Customers online customer feedback services. 5 point Likert scale and Simple random sampling was used to collect the data. The total sample size collected is 100 Banking customers from Bangalore District. Google form was used to collect the data from banking customers. The study proves that Factors like upgradation of new equipment's, sufficient installation of machines, attitudes of Bankers customer in handling customers, educating customers in using Green banking has significant association between adoption of green banking. This shows that up gradation of new machines was greater impact on adoption of green banking. The biggest drawbacks of the banks that the banking employees attitude and behaviors towards banking customers is crucial issues and most of the customers has complained that banking employees attitude should be changed

and should give severe punishment for misbehaving with the customers. If the banks need to survive in this challenging world it should go beyond the expectation of customer preference.

**Key Words:**

Green Banking, Sustainable Banking, Factors Determining, Adoption of Green Banking

**Introduction**

Green banking is first introduced in the year 2009, by Congressman Chris Van Hollen of USA. By implementing a Green Bank Act. The main aim of the Act is to launching a green bank under the possession of the US government. The initial purpose of introducing green banking to reduce paper works in banking activities, which leads to reduce Green forestation. There are two kinds of green banking practices they are, firstly In house Green banking and Secondly practices green banking in Banks. (Mozib Lalon, 2015)

**Features of Green banking**

1. Introducing Automated banking system.
2. Reduced time and cost
3. Easy use
4. Green banking can operate anywhere you have internet access.
5. Reduce paper
6. To achieve sustainable development in the banks Julia, T., & Kassie, S. (2020).

**Review of literature**

1. Global climate change and environmental degradation was only cause for implementing Green banking. Asim told in his study that he framed a theoretical framework to understand the factors influence in adoption of green banking are as follows

1. Top management pressure
2. Customer pressure
3. Competitor pressure
4. Community pressure.

These are the factors influencing in adoption of green banking (Asim Ali Bukhari et al., 2019).

2. The paper explores the adoption factors influencing banking customers in adopting Green banking are economic factor, policy guideline, loan demand, stakeholder pressure,

environmental interest, and legal factor. These factor influence the Banking customers in adopting green banking. This paper also explains the benefits of commercial banks in adopting green banking are as follows:

- a) Increase Brand Image
- b) Generate Money
- c) Eliminate Legal aspects
- d) Stake holders pressures gets reduced
- e) Protect Brand Value (Ahmad et al., 2013)

3. The paper reveals that Green Banking has started his way in the year 2013. Due to various drawbacks in Branch Banking. Lack of availability in branches, lack of spaces, less customized services, rude behavior of customers, Long waiting system, lack of knowledge about financial products are some of the factors mentioned in the paper. Partial implementation has brought a tremendous changes in Green banking activities like lack of awareness, implementation cost is very high, poor utilization of human resources are some of the drawbacks of implementing green Banking (Rahman & Barua, 2016)

4. Concept of Green banking as introduced paperless banking system inside the banking activities. There are various features in green banking which to adopt Green banking initiatives in banking activities are as follows Security and Trust Features, Convenience Ease of use Features, Value Creation Features and Environmental and Social concern features of green banking initiatives have been incorporated into the model as independent variables. Overall customer satisfaction on green banking is supposed to be influenced by banking customers in adopting Green banking. (Herath & Herath, 2019)

5. Technological has expanded banking sector in tremendous ways by implementing Green banking in banking activities. Various demerits in green banking as mentioned in the study are Customers can perform banking transactions smoothly with high speed, accuracy, and convenience in banking transaction. The various banking activities done through digital has mentioned as follows:

- Cash deposits
- Withdrawals
- transfers'
- Bill Payments

- Account management and services
- financial products
- Loan Management
- Portfolio Management
- Investment in financial services

Green banking is not a choice of using in banking activities but it is a necessarily for business and economy (HARALAYYA, 2021).

The variables considered in this study are

- Banks are up - to - date with equipment & technology
- banks has Sufficient number of ATM machines
- Cash counting machines
- Banking staff as “polite, friendly and cooperative
- Token machines installed in banks
- customers’ requests are handled promptly
- banks provide instant solution for Problems faced by customers
- Brochures to educate Customers online customer feedback services.

### **Research methodology**

This paper is based on Descriptive study. The data was collected from various banking customers using green banking in past 2 years. 5 point Likert scale was used to collect the data. SPSS 25 version was used to analyses the factors determining banking customers for adopting green banking. Regression methods was to analyses the data and to interpret the findings and suggestions.

### **Hypothesis**

Null hypothesis (ho): Factors like upgradation of new equipment’s, sufficient installation of machines, attitudes of Bankers customer in handling customers, proper control of customers’ requests in using Green banking has no significant association between adoption of green banking

Alternative hypothesis (hi): Factors like upgradation of new equipment’s, sufficient installation of machines, attitudes of Bankers customer in handling customers, educating

customers in using Green banking has significant association between adoption of green banking.

SI No.	Factor Variables	P VALUE (<0.05)	Co-efficient	Output
1.	Banks are up - to - date with equipment & technology	0.001	11.683	Null hypothesis is Rejected
2.	banks has Sufficient number of ATM machines	0.033	4.562	Null hypothesis is Rejected
3.	Cash counting machines	0.005	7.849	Null hypothesis is Rejected
4.	Banking staff as “polite, friendly and cooperative	0.003	8.593	Null hypothesis is Rejected
5.	Token machines installed in banks	0.010	6.598	Null hypothesis is Rejected
6.	customers’ requests are handled promptly	0.273	1.200	Null hypothesis is Accepted
7.	banks provide instant solution for Problems faced by customers	0.475	0.511	Null hypothesis is Accepted
8.	Brochures to educate Customers	0.038	4.285	Null hypothesis is Rejected
9.	online customer feedback services	0.135	2.233	Null hypothesis is Accepted

The Regression analyzing shows that out of 9 variables only 6 variables are influenced by banking customers in adoption of green banking they are upgradation of new equipment, Installation machines like ATM, Cash counting machine and token machine and the attitude and behavior of Banking employers, educating customers are the main factors influencing the banking customers to Go green that’s is using Green banking. Generating brochures, handling Feedback system is not significant to influence in the banking customers adopting green banking. The study proves that Factors like upgradation of new equipment’s, sufficient installation of machines, attitudes of Bankers customer in handling customers, educating customers in using Green banking has significant association between adoption of green banking.

## Conclusion

Green banking brought a tremendous changes in activities of banking activities. This study aim to find out the various factors influencing banking customers in adoption of green banking. the study reveals that the banking customers faced lots of issues in branch banking so they started adapting new technology i.e Green banking. There are various factors can influencing banking customers in implementing green banking. but the customers issues was taken as a factor for adoption of green banking they are upgradation of new equipment's, sufficient installation of machines, attitudes of Bankers customer in handling customers, proper control of customers' requests in using Green banking. The study found that upgradation of new machines was greater impact on adoption of green banking. The biggest drawbacks of the banks that the banking employees attitude and behaviors towards banking customers is crucial issues and most of the customers has complained that banking employees attitude should be changed and should give severe punishment for misbehaving with the customers. The banks should go proactive in nature in dealing with customers.

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