



EFFECTIVENESS OF GREEN BANKING INITIATIVES BY SELECTED PUBLIC & PRIVATE SECTOR BANKS IN BANGALORE CITY

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Introduction

Although the roots of the environmental movement can be traced as far back as 1739, much of modern history did not reflect a conscientious concern for our natural resources and the sustainable management of such until late. Just think about how our progress has led to the demise of the environment; the Industrial Revolution, pollution, cars and smog, pesticides...the list could go on and on. In the 20th century, environmental concerns grew in popularity and recognition, and throughout the 1950s, '60s, '70s and beyond, public awareness and the encouragement to "go green" has experienced exponential growth.

As more people and businesses are recognizing the importance of preserving our environment and adopting green practices, it is safe to say the movement is not a fad, but has taken root and is here to stay. As late as 20 to 25 years ago, making ecologically friendly choices was more of a choice attributed to the "tree-hugger" types rather than a necessity and an assumed way to live. Since then, we have come to realize that if we truly intend to "save the planet," we must consider the impact we have made leading to its destruction. Not only are individuals stepping up to the plate to make changes, so are businesses across the globe.

Objective of the study

- To focus on Customers Awareness about Green Banking.
- To study the effectiveness of Green Banking initiatives taken by SBI and ICICI Bank.
- To focus on the challenges facing the adoption of Green Banking.

Statement of problem

Global warming is primarily a problem of too much carbon dioxide (CO₂) in the atmosphere which acts as a blanket, trapping heat and warming the planet. The effects of global warming that many people have experienced around the world, motivate us to think seriously about global warming and its impact and do whatever it takes to reduce this problem. Government, enterprises and people all have equal roles to play in combating this problem and building a sustainable environment. The researcher has undertaken a study on the effectiveness of the various Green Banking initiatives taken by the largest private sector Bank (ICICI Bank) and the largest public sector Bank (SBI) on protecting the environment through various methods undertaken in its day to day functioning of the Banking activities.

Research Methodology

Sample Design – The data is collected from 160 respondents of SBI and ICICI. Data is collected by using stratified random sampling, as the questionnaires were given to the chosen educated people. The sample is collected from 20 Customers of the 4 Branches each of ICICI and SBI.

Primary Data: Primary data was collected by using structured questionnaire.

Secondary Data: The present study is based on the secondary data that was collected from books, journals, internet, and research report and text books.

Scope of the study: The study is going to be conducted within the 4 Branches (North, South, East and West) of ICICI BANK and SBI in Bangalore City and it is not applicable to Banks outside Bangalore City.

Major analysis and Results

H₀: There is no difference between the awareness of Customers in SBI and ICICI Bank in Green Loan.

H₁: There is a difference between the awareness of Customers in SBI and ICICI Bank in Green Loan.

Chi-square value = 65.2

Degrees of Freedom = 1

Table value at 5 Level of Significance is 3.841.



Decision:the calculated value is more than the table value, H₀ is rejected. Hence it can be concluded that there is a difference between the awareness of Customers in SBI and ICICI Bank in Green Loans.

H₀: There is no difference between the awareness of Customers in SBI and ICICI Bank in Green Mortgages.

H₁: There is a difference between the awareness of Customers in SBI and ICICI Bank in Green Mortgages.

Chi-square value $X^2 = 36.78$

Degrees of Freedom =1

Table value at 5 Level of Significance is 3.841.

Decision:the calculated value is more than the table value, H₀ is rejected. Hence it can be concluded that there is a difference between the awareness of Customers in SBI and ICICI Bank in Green Mortgages.

H₀: There is no difference between the awareness of Customers in SBI and ICICI Bank in Solar powered ATMs.

H₁: There is a difference between the awareness of Customers in SBI and ICICI Bank in Solar powered ATMs.

Chi-square value $X^2 = 8.18$

Degrees of Freedom =1

Table value at 5 Level of Significance is 3.841.

Decision:the calculated value is more than the table value, H₀ is rejected. Hence it can be concluded that there is a difference between the awareness of Customers in SBI and ICICI Bank in Solar powered ATMs.

H₀: There is no difference between the usage of online banking among Customers in SBI and ICICI Bank.

H₁: There is a difference between the usage of online banking among customers in SBI and ICICI Bank.

Chi-square value $X^2 = 12.62$

Degrees of Freedom =1

Table value at 5 Level of Significance is 3.841.

Decision:the calculated value is more than the table value, H₀ is rejected. Hence it can be concluded that there is a difference between the usage of online banking among customers in SBI and ICICI Bank.

H₀: There is no difference between the usage of green loans among Customers in SBI and ICICI Bank.

H₁: There is a difference between the usage of green loans among customers in SBI and ICICI Bank.

Chi-square value $X^2 = 65.04$

Degrees of Freedom =1

Table value at 5 Level of Significance is 3.841.

Decision:there is a difference between the usage of green loans among customers in SBI and ICICI Bank

Findings

- Majority of the Customers from ICICI Bank have heard of Green Banking, whereas majority of the Customers from SBI have not heard of Green Banking.
- Most of the Customers of ICICI Bank are aware of the Green Banking initiatives taken by SBI & ICICI, but most of the Customers of SBI are not aware of the Green Banking initiatives taken by SBI & ICICI.
- In comparison with ICICI Bank Customers, the SBI Customers are not aware of Online Banking and a good number of respondents of SBI are not aware of mobile Banking, Green Loans, Green Mortgages, Solar Powered ATMs, energy efficient Branches and IVR.
- Most of the ICICI Bank Customers are not aware of Green Channel Counters and No Queue Banking, bonds and Mutual Funds meant for Environmental Investments, benefit of 50% waiver in Processing Fee of Energy Efficient Cars, reduced Processing Fee on Purchase of LEED certified buildings and Online transfers between US and India from Branch Banks.
- In comparison to ICICI Bank respondents most of the SBI Bank holders are not using Online Banking, Green loans, Green mortgages, Green Credit Cards, Green Channel Counters and No Queue Banking, IVR, Energy efficient Branches, 50% waiver in Processing Fee of energy efficient cars, reduced Processing Fee on purchase of LEED certified buildings and energy efficient Branches.
- Majority of the ICICI and SBI Customers have started using Green Banking from past 1 year.
- Most of the ICICI and SBI Customers make Payments Online.
- A good number of respondents from both ICICI and SBI take the Acknowledgement Receipt when they make transactions in an ATM.
- Majority of Customers of both the Banks prefer going to physical stores than Online Shopping.



- The Customers of ICICI & SBI strongly agree that Security concerns is the most discouraging factor in using some of the Green Banking Services.
- Most of the respondents of SBI agree that they are not aware of Green Banking Services provided by their Banks.
- SBI and ICICI strongly agree that most Banks provide few Green Banking Services and some have not adopted yet.

Suggestions

- State Bank of India has to take necessary initiatives to create awareness among its Customers about Green Banking.
- State Bank of India has to take necessary measures to create awareness about the various Green Banking initiatives taken by SBI& ICICI.
- SBI has to ensure by taking necessary steps that its Customers are aware of Online Banking and mobile Banking, Green Loans ,Green Mortgages, Solar Powered ATMs, energy efficient Branches and IVR facilities provided by the Bank.
- ICICI Bank has to improve its Green Banking awareness creation on Green Channel Counters and No Queue Banking, bonds and Mutual Funds meant for Environmental Investments, benefit of 50% waiver in Processing Fee of Energy Efficient Cars, reduced Processing Fee on Purchase of LEED certified buildings and Online transfers between US and India from Branch Banks.
- SBI Bank has to take necessary initiatives to encourage Customers to use Online Banking, Green loans, Green mortgages , Green Credit Cards, Green Channel Counters and No Queue Banking, IVR, Energy efficient Branches,50% waiver in Processing Fee of energy efficient cars, reduced Processing Fee on purchase of LEED certified buildings and energy efficient Branches.
- Even though ICICI Bank has taken many measures to discourage Customers from taking an Acknowledgement Receipt, Customers are willing to take the Acknowledgement Receipt when they make transactions in ATM. Whereas SBI has to take necessary measures to create awareness about saving paper and trees and encourage Customers to make transactions electronically only.
- Both the Banks have to avail discounts on purchase of products and Services from Online Shopping as a measure to encourage Customers to shop Online thus minimizing the carbon emissions.
- ICICI &SBI Customers are discouraged to use Green Banking applications because of security concerns; the Banks can take up measures such as an Anti- Virus Protection, Firewall & Secure Socket Layer (SSL) Encryption to increase the security of the Customers Online.
- SBI and ICICI Banks have to provide more Green Banking Services and various other Banks in India have to recognise the present day need to adopt Green Banking Services in India.
- SBI has to focus on improving the awareness of Customers towards Green Banking Services provided by the Banks.

Conclusions

By comparing the response of Customers of ICICI and SBI it is clearly understood that the Customers of SBI are not aware of most of the Green Banking applications and they are not making use of the Green Banking applications which are faster than Traditional Banking, have no time limit, has a high degree of convenience and which are easier and cheaper to use than Traditional Channels. State Bank of India has to focus on improving the awareness of Customers towards the various Green Banking initiatives taken by the Bank and also ensure that the Green Banking Channels are being used effectively by the Customers and also adopt various other Green Banking Services which would bring a positive impact on the environment.