

Title of the Paper :- 'A study on customer attitude towards Green-banking practices in Cooperative Banks: (A case study of Kalyan Janata Sahakari Bank-Branch)'

Author's Name :- Mr. Ranjeet D. Thakur

Designation :- Assistant Professor

Organisation name & Address :- NCRD's Sterling College of Arts, Commerce & Science, Sector-19, Nerul-Seawoods, Navi Mumbai.

Correspondence Address :- 2/2, Ram Niwash CHS, Nr. Chetna School, Malang Road, Chakkinaka, Kalyan-East.

E-mail ID :- ranjeett81@gmail.com

Mobile No. :- 9594826048/9082220178



176

Sumanth D. G. Paul
Coordinator, QAC
NCRD'S Sterling College of Arts,
Commerce & Science
Nerul - 400 706.

[Signature]
Principal
NCRD'S Sterling College of Arts, Commerce & Science
Nerul, Navi Mumbai - 400706

ABSTRACT :-

"Earth Provides enough to satisfy every man's needs, but not every man's greed."

- Mahatma Gandhi

Banking sector plays a very important role in promoting environmentally sustainable and socially responsible investment. The disturbance in ecological balance has adversely impacted the human and its surrounding environment. This in turn has raised an important issue of environment protection among environmentalists, government and organisation from all over the world. Various conferences such as Earth Summit and United Nation Environmental Program were being organised to create awareness about this alarming issue.

Green banking means combining operational improvements, technology and changing client habits in banking business. It is a win-win situation for all to bring benefits in an increasingly competitive marketplace. In short, the bank can minimal the use of paperwork by promoting paperless banking through online banking. The concept of green banking is new to India, but not in developed nation like USA.

Various banks in India also started green banking practices such as online banking, mobile banking, Green channel counters, e-statement, green loans, solar ATMs, etc. The issues of global warming should not be only restricted to a debate but has to be dealt with going green.

This research paper is an attempt to uncover the concept of Green banking and the factors which are relevant and required towards its development. The researcher has tried to explain the concept with a case study of an urban cooperative bank-Kalyan Janata sahakari bank.

The study tries to make a sincere effort to know the awareness and knowledge about various green banking products offered by the said bank to its customers and their opinion for the same. For this purpose certain test like (T-Test: Paired two sample for mean) is used to measure the effectiveness and prove the hypotheses.

Keywords:- Green Banking, Recycle, Sustainable development, ethical banking


Coordinator, IQAC
NCRD'S Sterling College of Arts,
Commerce & Science
Nerul - 400 706.




Principal
NCRD'S Sterling College of Arts, Commerce & Science
Nerul, Navi Mumbai - 400706

INTRODUCTION

Green banking is different from conventional banking as convention is based on the principal of security, profitability and morality which has a very little role. Green banking is a new concept that considers environmental and socially responsible investing. Green banking is defined as promoting environmental-friendly practices and reducing the carbon footprint from banking activities.

Green banking is comparatively a new development in the financial world. It is a form of banking taking into account the social and environmental impacts and its main motive is to protect and preserve environment. Foreign banks are practising green banking on a much serious note. Some of the foreign banks have introduced a formal Environmental and Social (E&S) risk policy to govern lending activities way back in 1997. They are also signatory to the Equator Principles (EP), and moved ahead in building on bank's work to measure social and economic impact of lending, reduce annual paper consumption of full-time employees and continue to reduce energy and water consumption, etc. The Indian banks are still taking baby steps into this form of banking. Still, many of them are keen to actively pursue this strategy. In December 2007, the Reserve Bank of India (RBI) issued a circular (RBI 2007-2008/216) highlighting the importance for banks to act responsibly and contribute to sustainable development and emphasizing the need for Indian banks to establish institutional mechanisms to enshrine sustainability.

The banks in India also started green banking practices such as online banking, mobile banking, Green channel counters, e-statement, green loans, solar ATMs, etc. The issues of global warming should not be only restricted to a debate but has to be dealt with going green. Thus, green banking is one of the ways of going green. There is a need to involve key stakeholders and creating awareness about environment-friendly banking.



Coordinator, IQAC
NCRD'S Sterling College of Arts,
Commerce & Science
Nerul - 400 709.



Principal
NCRD'S Sterling College of Arts, Commerce & Science
Nerul, Navi Mumbai - 400709

4. Green Banking Financial Products

Various green banking financial products are:

- ✓ Green Deposits
- ✓ Green Mortgages and Loans
- ✓ Green Credit Card
- ✓ Green Reward Checking Accounts
- ✓ Mobile Banking

(B) Carbon Footprint Reduction

Carbon foot-print is a measure of the impact of our activities on the environment. It relates to the amount of Green House Gases (GHG) we are producing in day-to-day business while burning fossil fuels for electricity, heating, transportation etc. Banks can reduce their carbon footprints by adopting the following measures:


- ✓ Paper-less Banking
- ✓ Energy Consciousness
- ✓ Using Mass Transportation System
- ✓ Green Building
- ✓ Go Online
- ✓ Save Paper
- ✓ Use of Solar and Wind Energy

Various Cooperative banks in India have also started practicing Green banking norms in its day to day banking activities. The financial products as above are also being offered by such cooperative banks. And so, it becomes essential to study the attitude and acceptance of cooperative bank customers with respect to the same.



Coordinator, IQAC
NCRD'S Sterling College of Arts,
Commerce & Science
Nerul - 400 706,




Principal
NCRD'S Sterling College of Arts, Commerce & Science
Nerul, Navi Mumbai - 400706

REVIEW OF LITERATURE

- Jeucken (2001) compared world regions Europe, North America and Oceania for the period 1998-2000 on the basis of environmental and annual reports of banks and analyzed some important differences between regions, countries, and banks with regard to sustainable banking. The results showed that a defensive position towards the environmental issue is adopted by 53% of the banks and a large number of banks are unaware of the role that they can play for sustainable development.
- Sahoo, Pravakar and Nayak, Bibhu Prasad (2008), in their research article on "Green Banking in India" highlighted that banking sector is one of the major stake holders in the industrial sector; it can find itself faced with credit risk and liability risk. Further, environmental impact might affect the quality of assets and also rate of returns of banks in the long run. Thus the banks should go green and play a pro-active role to take environmental and ecological aspects as part of their lending principle, which would force industries to go for mandated investment for environmental management, use of appropriate technologies and management systems.
- Amirul Afif Muhamat et al (2010) in their research paper "The Development of Ethical Banking Concept Amongst the Malaysian Islamic Banks" have set up that "Ethical banking is a concept that is gradually receiving attention and acceptance from the depositors and investors who are not only searching for a place to save and invest their money safely, but also a place where their money will be channeled to productive activities which are free from elements that contribute to the deterioration towards standard of living and environmental aspects."
- Goyal and Joshi (2011) highlighted social and ethical issues such as social banking, ethical banking, green banking, global banking, rural banking and agri-banking etc. which facilitate the achievement of sustainable development of

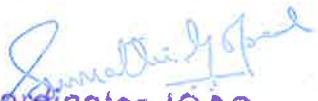
Sumathi J. Joshi
Coordinator, IQAC
NCRD'S Sterling College of Arts,
Commerce & Science
Nerul - 400 706.



Sumathi J. Joshi
Principal
NCRD'S Sterling College of Arts, Commerce & Science
Nerul, Navi Mumbai - 400706

banking and finance. They concluded that Banks can act as a socially and ethically oriented organization by disbursement of loans only to those organizations, which have environmental concerns. Even though, this can slow down the economic and industrial growth but human race cannot afford the fast pace of growth at the cost of environmental depletion.

- Nanda, Sibabrata and Bihari, Suresh Chandra (2012), in their empirical study on "Profitability in Banks of India: An Impact study of Implementation of Green Banking" tested the relationship between the implementation of green banking along with two other variables, net income and expenses, and the profitability in India using a fast data panel regression. The result of the study revealed significant relationship between net income and expenses with profitability, whereas no significant relationship between the implementation of green banking and profitability was proven.


Coordinator, IQAC
NCRD'S Sterling College of Arts,
Commerce & Science
Nerul - 400 706.




Principal
NCRD'S Sterling College of Arts, Commerce & Science
Nerul, Navi Mumbai - 400706

RESEARCH METHODOLOGY

o STATEMENT OF THE PROBLEM

Not only the business firms have realized the importance of the environment but in this context the financial sector and especially the banks have taken initiatives to protect the environment. In this regard, this concern for environmental sustainability by the banks has given rise to concept of Green Banking. And bank has taken certain measures to market their green products/ services. Therefore an attempt is made to know consumer attitude towards green banking practices of selected Urban Cooperative Bank- Kalyan Janata Sahakari Bank.

o OBJECTIVES OF THE STUDY


- To understand and examine green banking processes/procedures.
- To evaluate the initiatives taken by Kalyan Janata Sahakari Bank towards Green Banking Practices and Customer's Attitude towards the same.
- To offer suggestions based on findings of the study.

➤ HYPOTHESES

On the basis of above-mentioned objectives, the present study aims to test the following hypotheses:

H0: The Green banking practices have no significant influence on Mean Customers Attitude.

H1: The Green banking practices have significant influence on Mean Customers attitude.


Coordinator, IQAC
NCRD'S Sterling College of Arts,
Commerce & Science
Nerul- 400 706.




Principal
NCRD'S Sterling College of Arts, Commerce & Science
Nerul, Navi Mumbai - 400706


➤ RESEARCH DESIGN

- For the purpose of Research, Data is collected through
 - a) Primary Data source
 - b) Secondary Data source
- For the purpose of analysis a study is made on the customers of Kalyan Janata Sahakari Bank (KJSB)- Malang Road Branch.
- **Primary Data source-** 50 Respondents of KJSB- Malang Road Branch are selected based on 'Convenience Sampling' technique. Responses are collected through structured questionnaire consisting of close ended multiple choice questions on Green banking practices of the said bank.
- For Secondary data source- KJSB Publication magazines, web sites, banking magazines, Research Journals, Research Papers, Text books & reference books are used.
- The Data collected from respondents are tabulated and analysed through charts/graph.
- The collected data is also analysed by using T-Test.

○ SCOPE OF THE STUDY

The study is confined to 50 customers of Kalyan Janata Sahakari Bank of Kalyan-Malang Road Branch.

The study tries to assess customer's attitude towards green financial products offered by selected bank. The study also tries to understand the attitude the bank employees towards green financial products, green price, green promotion, green place, green physical evidence, green process, green people management and technology.


Coordinator, IQAC
NCRO'S Sterling College of Arts,
Commerce & Science
Navi Mumbai - 400 706.




Principal
NCRO'S Sterling College of Arts, Commerce & Science
Navi Mumbai - 400 706

○ **LIMITATIONS OF THE STUDY**

Though proper care has been taken while collecting information and analysis, but the present study is having certain limitations too.

- The study is confined only to selected urban cooperative bank- Kalyan-Malang road Branch of Kalyan Janata Sahakari Bank.
- Only the respondents of Kalyan-Malang road Branch are concentrated for collecting the data.


Coordinator, IQAC
NCRD'S Sterling College of Arts,
Commerce & Science
Nerul - 400 706




Principal
NCRD'S Sterling College of Arts, Commerce & Science
Nerul, Navi Mumbai - 400706

DATA ANALYSIS & FINDINGS

Gender	No. of Respondents
Male	28
Female	22
Total	50


Education	No. of Respondents
SSC & Below	8
PUC/Diploma/ITI	15
Graduate	18
Post Graduate	5
Others	4
Total	50

Income	No. of Respondents
Below Rs.20,000/-	10
Rs.20,000/- to Rs.40,000/-	17
Rs.40,000/- to Rs.60,000/-	15
Rs.60,000/- and Above	8
Total	50

Marital status	No. of Respondents
Single	20
Married without Kids	09
Married with Kids	20
Divorced	01
Total	50

Occupation	No. of Respondents
Employed	18
Self Employed	22
Student	04
Home Maker	06
Total	50

Product	No. of Respondents
Saving Account	12
Current Account	28
TD/RD	10
Total	50

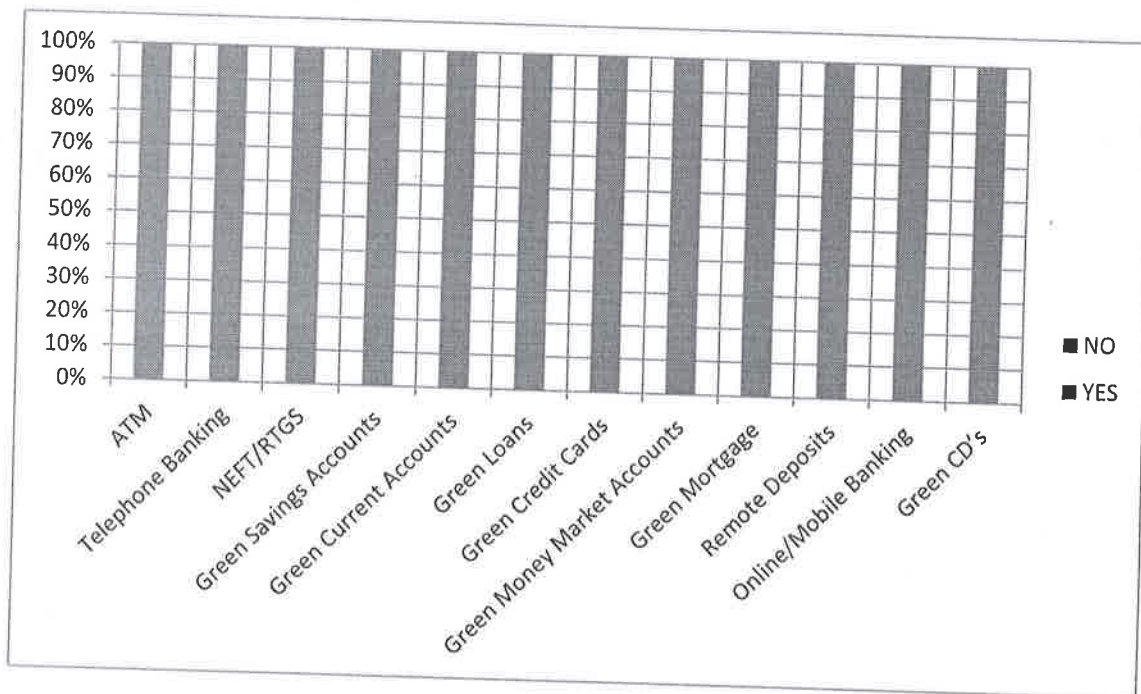

Coordinator, IQAC
NCRD'S Sterling College of Arts,
Commerce & Science
Nerul - 400 706.




Principal
NCRD'S Sterling College of Arts, Commerce & Science
Nerul, Navi Mumbai - 400706

Table No.7: Awareness of Green Products

Green Products/Services	Yes	No	Total
ATM	45	5	50
Telephone Banking	3	47	50
NEFT/RTGS	23	27	50
Green Savings Accounts	02	48	50
Green Current Accounts	01	49	50
Green Loans	04	46	50
Green Credit Cards	01	49	50
Green Money Market Accounts	0	50	50
Green Mortgage	02	48	50
Remote Deposits	01	49	50
Online/Mobile Banking	36	14	50
Green CD's	02	48	50



(source: Primary Data- Table 7)

Sumalatha J. Gopal
Coordinator, IQAC
 NCRD'S Sterling College of Arts,
 Commerce & Science
 Nerul - 400706.



Principal
Principal
 NCRD'S Sterling College of Arts, Commerce & Science
 Nerul, Navli Mumbai - 400706

Conclusion :-

The above analysis describe the attitude of average customers towards green banking practices of the said cooperative bank. The result obtained is unfavorable as it shows the for most of the green banking products as offered by the said bank, average customers attitude is negative and therefore the Red shaded area is more as compared to the Blue one. Therefore, it can be concluded that the said bank should promote more such products among the customers through its promotional strategies. Probably, the bank being the cooperative bank and location is in remote-rural area & therefore the approach is not favorable.


t-Test: Paired Two Sample for Means

	YES	NO
Mean	10	40
Variance	244.545455	244.545455
Observations	12	12
Pearson Correlation	-1	
Hypothesized Mean Difference	0	
Df	11	
t Stat	-3.3227838	
P(T<=t) one-tail	0.00339883	
t Critical one-tail	1.79588481	
P(T<=t) two-tail	0.00679766	
t Critical two-tail	2.20098516	

(source: Primary Data- Table 7)

CONCLUSION :-

The above analysis describe the awareness of green banking products among customers. The result obtained is unfavorable. for the awareness of green products in the selected banks. As the p-value is 0.003 for one-tail & 0.006 for two-tail. hence, it is interpreted as there is a significant difference between the proportions of awareness and unawareness among green products at 5% significance level and therefore the Null hypotheses is rejected and it can be said that mean customer's attitude is influenced by Green banking practices of the said bank.


Coordinator, IQAC
NCRD'S Sterling College of Arts,
Commerce & Science
Nerul - 400 706.




Principal
NCRD'S Sterling College of Arts, Commerce & Science
Nerul, Navi Mumbai - 400706

Referring to the average of awareness and unawareness, average of later is too high. Hence it can be said that awareness about of green banking products is too low.

FINDINGS :-

- It seems that majority customers as per the selected sample are showing negative attitude towards the practice of Green banking products and seems happy with the traditional products available.
- Around 90% customers know about the ATM facility but only 3% customers actually know the concept of telephone banking. This may be due to lack of awareness or knowledge of operating.
- None of the customer actually have any idea on Green marketing products.
- Very few customers know the concept of Green mortgage and Green CD.
- Few customers are aware of Green credit card and Loans facilities.

SUGGESTIONS :-


- The Cooperative banks shall increase more promotional activities to create awareness about green house effect and its impact on lives. So that reduction in carbon foot print is possible.
- Banks shall educate the customers by providing various workshops that focus on learning green banking practices.
- Secured transactions and software infrastructure shall be made still robust to encourage online transaction without any hazels.

FINAL CONCLUSION :-

The study intends to know the green banking practices by said Cooperative Bank (Kalyan Janata Sahakari Bank) Kalyan-Malang road Branch. The study area exhibits almost squat position green practices by the Cooperative banks.


Coordinator, IQAC
NCRD'S Sterling College of Arts,
Commerce & Science
Nerul - 400 706.




Principal
NCRD'S Sterling College of Arts, Commerce & Science
Nerul, Navi Mumbai - 400706


As per the obtained results for the analysis, there exists a very low proportion of awareness about of green banking products among the customers of private sector banks. Very few products like ATM, RTGS/NEFT, Online/Mobile banking are having familiar with the customers.

Most of the products like Telephone banking, Green Saving Accounts, Green Checking Accounts, Green Loans, Green Credit Cards, Green Money Market Accounts, Green Mortgages, Remote Deposits and Green CDs are not even having an awareness of at least 10% in each case.


This clearly shows an immature green banking solutions rendered by the said cooperative bank in the study area.

SCOPE FOR FURTHER RESEARCH :-

- ✓ The current research focus on the Green Banking practices followed at Cooperative Banks through a case study of Kalyan Janata Sahakari Bank, Whereas there is further scope of research through other banking practices in the same bank.
- ✓ The Current research is restricted to only one branch of the said bank whereas if other branch are also considered, the conclusion may vary.
- ✓ The current research deals with the Green banking practices followed in cooperative banks through a case study. There is a further scope of research in case of other type of banks.
- ✓ The current research is done through a sample size of 50 respondents consisting of varied nature. There is further scope of research wherein the sample size can be increased further.
- ✓ The current research talks on customer's attitude towards green banking practices, there is further scope of research on customer's preference or customer's choice.


Coordinator, IQAC
NCRD'S Sterling College of Arts,
Commerce & Science
Nerul - 400 706.




Principal
NCRD'S Sterling College of Arts, Commerce & Science
Nerul, Mumbai - 400 706

REFERENCES :-

1. Vikas Nath, et al.,(2014) "Green Banking Practices – A Review", IMPACT: International Journal of Research in Business Management (IMPACT: IJRBM) ISSN(E): 2321-886X; ISSN(P): 2347-4572
Vol. 2, Issue 4, Apr 2014, 45-62
2. Ms. Neetu Sharma, et al., "A study on customer's awareness on Green Banking initiatives in selected public and private sector banks with special reference to Mumbai", IOSR Journal of Economics and Finance (IOSR-JEF), e-ISSN: 2321-5933, p- ISSN: 2321-5925, PP 28-35
3. Ragupathi .M & Sujatha .S (2015) Green Banking Initiatives of Commercial Banks in India IRJBM Volume No – VIII, January – 2015, Issue – 2


websites:-

1. www.khoj.com
2. www.indianbanking.com
3. www.rbi.org.in
4. www.wikipedia.com
5. <http://greenbankreport.com>



Coordinator, IQAC
NCRD'S Sterling College of Arts,
Commerce & Science
Nerul - 400 706.




Principal
NCRD'S Sterling College of Arts, Commerce & Science
Nerul, Navi Mumbai - 400706