



A STUDY ON PROBLEM OF GREEN BANKING - WITH REFERENCE TO BODINAYAKANUR

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Abstract

The concept of green banking is comparatively a new concept. Green banking reduces the use of paper, power and energy. It is a paperless banking, it is not only reducing the cost of banking and also help to save the environment. This paper discusses the problems faced by green banking customer in Bodinayakanur. The data were collected from the questionnaire. This paper concludes with suggestions to the findings of the study which will be useful to the green banking customers in Bodinayakanur.

Key words: Green Banking, Environment, Online banking

Introduction

The banking sector is the largest financial sector in India. Bank have helped in country economic development and have transferred the hopes of people in to the reality. It gives many challenges which included a shift in consumer behaviour, technological changes, regulatory changes, etc. it has faced various ups and downs and has become adaptive to changing the environment. The traditional banking payment agent for its customers. The main objective of traditional banking is to increase their financial leverage by making more and more profit without considering the negative impact of its activities on the economic and the environment. The major issue of traditional banking is that the customers have to visit banks at only specified working hours. It involves lot time of the customer long traveling, standing long queues, lot of paper work to perform their transactions.

Green banking differs from traditional banking. This system is new phenomenon in the financial world which concentrates on environment and socially responsible investing. The green banking protects the environment and reduce the carbon footprint from banking activities. It encourages banks to carry out environment friendly investments by combining its operational improvements and technology know-how in banking business activities. Bank started providing various services of online banking, mobile banking, green loans, E-statement, etc. They have providing services 24*7 hours to the consumers. Banks have started providing various services like online opening of the bank accounts, online payment of bills, online investment, use of ATMs, etc.

Statement of the problem

Green banking plays a vital role in banking sector. The green banking processes have been digitised, and it takes a few minutes to realise one single transaction. Also, there is no time boundation. One can do banking at any hour of day and night. The valuable resources like electricity and forests are saved as there is a diminishing need to establish more branches. People need not visit the branch for transacting. As a result, carbon could be controlled easily. ATMs can be used both for withdrawing and depositing money. The account holder does not need to wait for the branch to open up in open up in order to take money out of the account or deposit it. These are the advantages of green banking. The researcher aim finding the problems towards green banking customer.

Objectives

- ❖ To analyse the various demographic characteristic of the respondents;
- ❖ To study the problem of green banking; and
- ❖ To offer suggestion on the basis of the results of the study.

Review of the Literature

Sudhalakshmi and Chinnadorai (2014) present the status of Indian Banks in respect of Green Banking and state that though goes green mantra is essential for emerging economies like India but significant efforts have not been taken. Banks are required to include their green aspect in the lending principle. Every step taken today will mean a better global environment in future. So, a policy measure to promote Green Banking is needed in India, Indian banks are running behind time in adoption of this green phenomenon. Serious steps are required to be taken in this regard.

Jaggi (2014) studies the initiative by SBI and ICICI on Green Banking. SBI has introduced a Green Channel Counter, no queue banking, enhanced commitment towards achieving carbon neutrality, online money transfer, wind farms. Green Products and Services initiative of ICICI Bank includes instabanking (anytime, anywhere), vehicle finance and home finance. Moreover, these bank have taken other steps for energy conservation like duplexing (two side printing), recycling, CFLS, carpool etc.

The scope of the study

The present study is related to customer of green banking in Bodinayakanur. The study also covers demographic characteritics of the respondents and problem faced by the green banking customer.

Methodology

A study is the collection of both the primary and secondary data. The primary data collected from 60 respondent by using the questionnaire method. Simple random technique by using lottery method is adopted to collect primary data.

Tool for the study

For the purpose of analysing the various demographical characteristics of the sample respondent's percentage analysis was used. In order to find the problems of green banking customer, Garret ranking method was used.

Analysis and interpretation

In this study descriptive information given for the data collected from 60 respondents, belonging to Bodinayakanur, who are all the customers of green banking.

TABLE 1.1
DEMOGRAPHIC CHARACTERISTICS OF THE RESPONDENTS

Gender of the respondent			
S.No	Particulars	No. of. Respondents	Percentage
1	Male	40	67
2	Female	20	33
TOTAL		60	100
Age of the respondent			
1	Below 20 yrs	5	8
2	20-30 yrs	30	50
3	30-40 yrs	15	25
4	Above 40 yrs	10	17
TOTAL		60	100
Marital status of the respondent			
1	Married	45	75
2	Unmarried	15	25
TOTAL		60	100
Education qualification			
1	School level	5	8
2	Graduate	30	50
3	Post Graduate	15	25
4	Others	10	17
TOTAL		60	100
Type of banking service used by the respondent			
1	Green deposits	8	13
2	Green Loans	-	-
3	Green credit card	12	20
4	Online banking	30	50
5	Banking through ATM	10	17
6	Others	-	-
TOTAL		60	100
Customer satisfaction			
1	Less paper work	20	33
2	Eco-friendly business practices	10	17
3	Transaction can be done at any place	30	50
TOTAL		60	100
Green banking charges to the customer			
1	Reasonable	20	33
2	Un reasonable	40	67
TOTAL		60	100
Customer services			
1	Satisfied	15	25
2	Unsatisfied	45	75
TOTAL		60	100

Source: Primary data

The above Table 1.1 exhibits that out of 60 respondents, 40(67%) respondents are male and 20(33%) respondents are female. It also indicates that nearly two-third of the respondent to belong male category. It is known from the Table 1.1 that out of 60 respondents, 30(50%) respondent are in the age group of 20-30 years of age group, 15(25%) respondents belongs to the age group of 30-40 years. 10(17%) respondent are in the age group of Above 40 years and remaining 5(8%) have their age belong 20 years. Hence, it is inferred that the majority of the respondent belong to the age group of 20-30. Table 1.1 represent marital status of 60 respondents. Among them 15(25%) are unmarried and 45(75%) responds are married. Thus, a majority of respondent are married. The above Table 1.1 shows that, 30 respondents (50%) belong to the category of Graduate respectively. 15 respondents (25%) belong to the category of post graduate. 10 respondents (17%) belong to the category of others and 5 respondents (8%) belong to the category of school level respectively. Majority of respondents (50%) are graduate. It is noted from Table 1.1 the out of 60 respondents, 8(13%) respondents are using green deposits ,10(17%) respondents are using banking through ATM, 12(20%) respondents are using green credit card, 30(50%) of respondents using online banking. The majority of the respondent (50%) using online banking service. It is observed from the Table 1.1 that out of 60 respondents, 30(50%) respondents are satisfied in the transaction can be done at any place, 20(33%) respondents are satisfied in the less paper work, 10(17%) respondents are satisfied in the eco-friendly business practices. The high percentage of the respondents ae satisfied in the transaction done at any place. It is inferred from the Table 1.1 that out of 60 respondents 20(33%) of green banking charges are reasonable and 40(67%) of green banking charges are unreasonable. The majority green banking charges are reasonable. Table 1.1 show that out of 60 respondents 45(75%) of respondents are unsatisfied in customer service, 15(25%) respondents are satisfied in customer service. The majority of the respondents are unsatisfied in customer services.

Problems faced by the green banking customers.

The responds were asked to rank the factors responsible for such problems. The order of merits assigned by the respondents was converted into score by the Garrett ranking technique.

Table 1.2
Problems of green banking customer

SI.No	Problems	Mean score	Rank
1	Difficult to operate	56.16	I
2	Customer care	51.05	II
3	Security concern	50.81	II
4	Technical break downs	41.96	IV

Source: Computed data.

It is known from Table 1.2 that ‘Difficult to operate’ is the major problems faced by sample respondents with a mean score of 56.16. ‘Customer care’ is the second problem faced by sample respondents with mean score of 51.05. ‘Security concern’ is the third problem faced by the sample respondents with mean score of 50.81. ‘Technical break downs’ is the fourth problem faced by the sample respondent with a mean score of 41.96.

Findings

- ❖ It is found that 45(75%) of the respondents are unsatisfied in customer services.
- ❖ It is understood from the above table 40(67%) of the respondents' bank charges are unreasonable.
- ❖ The study shows that majority of the respondents are frequently using online banking facilities.

Suggestions

- ❖ In green banking the service can be improved. Its help to get more customer and its leads to the economic development.
- ❖ The green banking charges are reduced it give more eco-friendly business practices.
- ❖ Give more advertisement about green banking and create awareness programme to the banking customers.

Conclusion

The current situation banks are providing huge support to development of the business. The bank increases the green banking customer its leads to the economic development. Give more customer care services and security services its helps to reduce the mistakes. The future of green banking seems to be very important give lots of green product and services are expected in the future. Bank can act like a guideline towards the economic transformation will and a platform that would give more opportunities for financing and investment policy and contribute towards creation of low carbon economy.

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