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Impact factor 6.2

Geoscience Journal

ISSN:1000-8527

Indexing:

- » Scopus
- » Google Scholar
- » DOI, Zenodo
- » Open Access



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FINANCING GREEN BUSINESS: THE BANKS' PERSPECTIVE AND THE CUSTOMERS' VIEWPOINT

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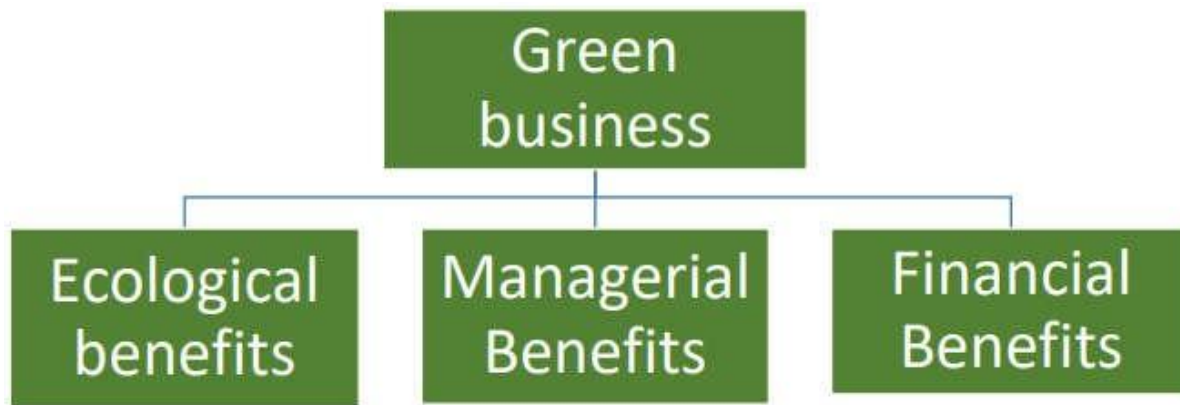
Abstract

The phrase "green finance" has become more popular in recent years. In 2007, Business Week claimed that sustainable mutual fund investment has increased by a fifteen-fold. Energy efficiency is becoming a more important factor in investment decisions. Investments throughout the 1980s and 1990s were mostly directed toward commercially viable endeavours. However, we are now living in an age when the emphasis is firmly placed on ecologically friendly initiatives. Many businesses are turning to green financing as a long-term strategy for survival. As a result, a number of businesses have already begun funding their operations using environmentally friendly resources. However, corporations must now meet the new requirements and rules of green finance or risk being left behind. Economic expansion should be accompanied with environmental improvements in nations like India to ensure long-term sustainability.

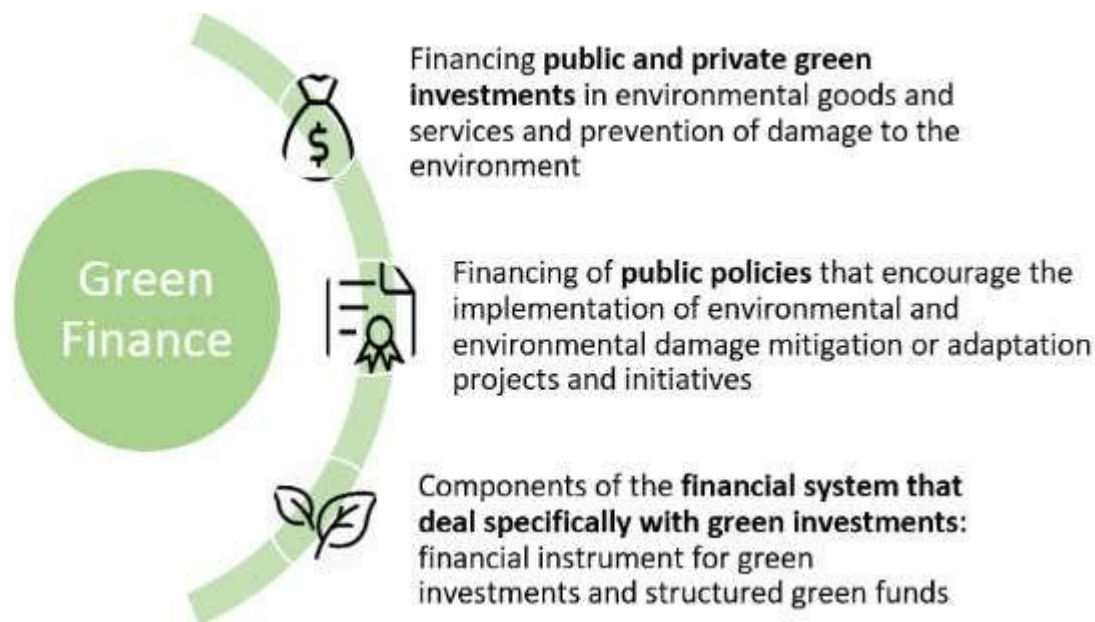
Keywords: Business, Finance, Investments, Green Financing, Green Banking.

1. INTRODUCTION

To stay in business, every company has to go through some kind of transition. Businesses and organisations have adopted a variety of tactics to keep up with the fast speed of change. Some of the unforeseen implications of this change have been harmful to the environment. Natural resources are being harmed by banks and other corporations alike. As far as direct environmental damage goes, Bank isn't doing as much of it. That the banks' internal operations do not contribute to pollution is broadly recognised. As a result of their linkages to different industries, such as those that manufacture paper or steel or chemicals or cement or power or fertilisers or textiles for example, banks are related to environmental damage. For these companies, we as a bank provide a variety of funding possibilities. Aiming to be more ecologically friendly, all banks are now implementing green banking practises.



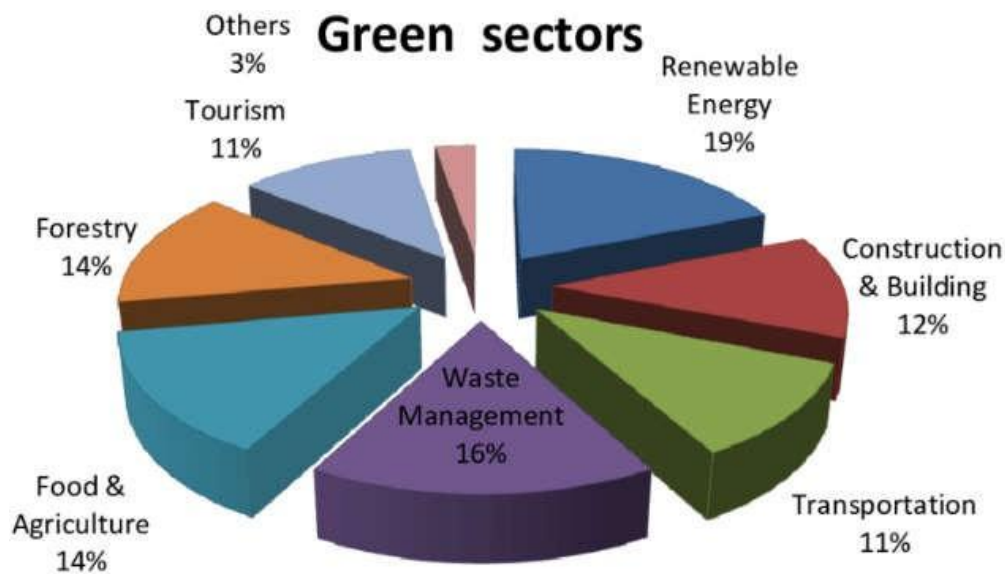
Green Banks' whole business strategy is based on environmentally friendly practises, from the people that work there to the products and services they provide and the infrastructure they use. There are many different approaches to implement 'green banking,' but they all have one goal in common: to educate people about the need of environmental preservation. As a result, a bank is able to maintain environmental stewardship. Banks commonly utilise environmentally friendly electronic equipment to pursue green practises. A reduction in carbon emissions would result as a direct result.



Green banks differ from typical banks in a variety of ways, including their emphasis on environmental sustainability. Traditional banks are less concerned with the environment than green banks are. The company's goal is to do business in an environmentally and socially responsible manner. When applying for a loan, they go through every detail of the application. You can only get a loan if the project you're working on is eco-friendly. The following are examples of green banking:

1. Online bill payment is a convenient way to take care of business.
2. Online banking, as opposed to branch banking, is becoming more popular.
3. Creating bank accounts using internet institutions.

Consumers' carbon footprints will be reduced as a result of green banking. Paper conservation is good for the environment and good for the customer. Customers and institutions alike should be engaged in a green banking effort that is perfect. Online banking is the clearest illustration of this. Technical advances and operational enhancements go hand in hand to make green banking possible.



2. REVIEW OF LITERATURE

Studies reveal a connection between financial success and environmental success. A bank's rate of return and asset quality might be adversely affected by the influence of the environment. As a result, banks should become green and take environmental and ecological considerations into account when making loans. Additionally, adopting green banking practises would improve operational efficiency and benefit the environment. There has, however, been little effort by Indian banks and other financial organisations in this direction. When it comes to the environment in India, the banks aren't taking any huge steps in the right way.

Green banking has been embraced by some Indian banks that provide funding for green banking initiatives. Clients and bank employees also have little understanding of the advantages of eco-friendly banking (Verma M. K., 2012). It was found "Green Banking: Innovative Approach to Sustainable Development," by Dharwal, Mridul, and Agrwal, Ankur (2011a). Indian banks lag behind their counterparts in wealthy nations when it comes to green banking.

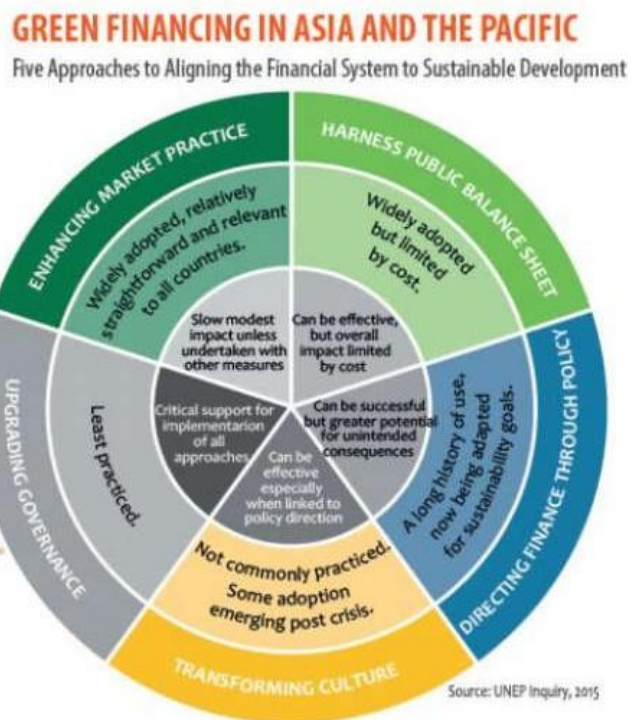


Due to growing concern about climate change, The State Bank of India is the country's biggest financial institution by deposits, has taken immediate action to reduce emissions while also educating customers about the benefits of doing so (Sharma, N., 2011).

Other banks may learn from it by installing 10,000 new ATMs equipped with environmentally and power friendly technology that create a precedent. In spite of its potential, various kinds of electronic banking have failed to garner mainstream appeal despite their popularity with ATMs (Joshua A J & Koshy M P 2011). To learn more about a job in e-banking, all you have to do is take a few minutes to conduct some research. When compared to other e-banking platforms, ATM has the highest customer satisfaction rating (CSR) and the largest user base (Komal D. & Rani V. 2012).

Objectives

1. Studying green banking practises in India is the purpose of this research.
2. To see whether green banking techniques can work.
3. To find out what Indore consumers think about green banking.



3. METHODOLOGY

Study Area: Several of Indore's largest financial institutions participated in the current study's field survey.

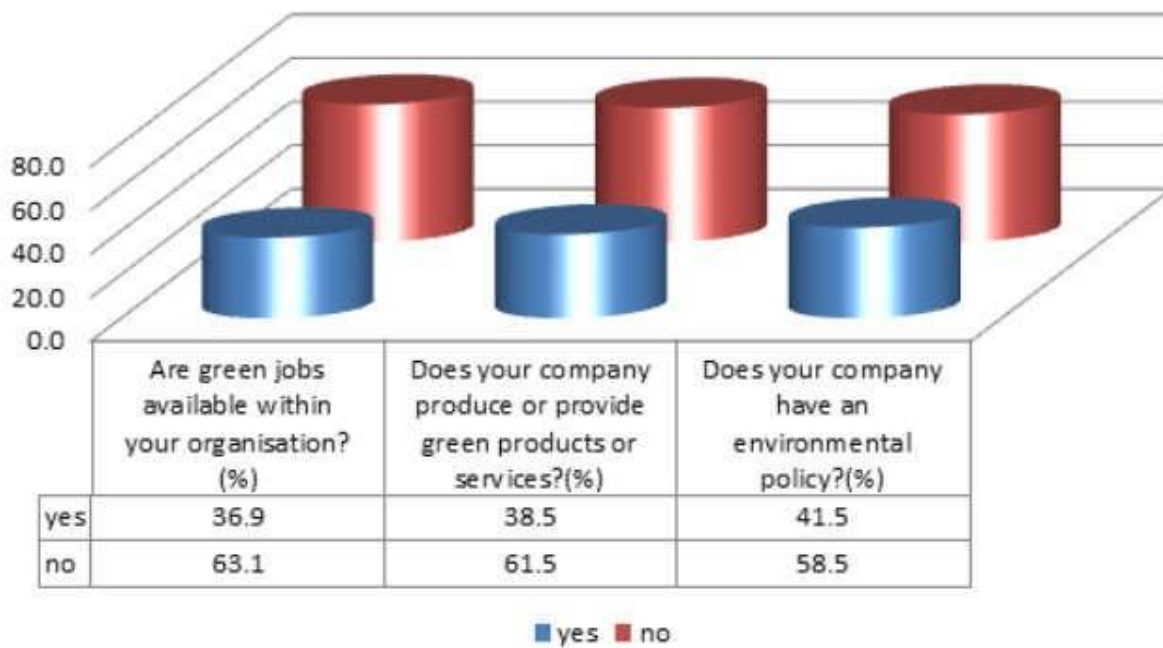
Assemblage of Data: Incorporating primary data was done in the research. In order to gather primary data, questionnaires were sent to the clients of Indore's banks with savings accounts. Three hundred and ninety-seven questionnaires, distributed by convenience sampling, were used to gather the essential primary data.

Investigation Instruments: The survey tools utilised in this investigation were questionnaires. 'Strongly Agree' denoted the greatest degree of belief, while 'Strongly Disagree' denoted the highest level of disbelief. The questions were constructed using a five-point Likert scale.

Procedure of analysis of Data: A variety of tables and graphs have been created in accordance with the circumstances. Percentage tests have been used to establish conclusions.

From this, it may be concluded that the majority of people deposit their money in a bank.

Green Jobs within organisation



Q1. Depositing the funds in the bank requires a trip to the bank.

		Frequency	Percent	Valid Percent	CumulativePercent
Valid	1	74	18.6	18.6	18.6
	2	73	18.4	18.4	37.0
	3	72	18.1	18.1	55.2
	4	125	31.5	31.5	86.6
	5	53	13.4	13.4	100.0
	Total	397	100.0	100.0	

When asked whether they use ATM to deposit money 26.4% respondents held a neutral view towards these point. 23.7 % respondents agreed to this while 16.6% people disagreed. It can be said that people are using ATM's as well as going to bank to deposit the money .

Q2. Depositing money at an ATM requires using an ATM.

		Frequency	Percent	Valid Percent	CumulativePercent
Valid	1	66	16.6	16.6	16.6
	2	56	14.1	14.1	30.7

3	105	26.4	26.4	57.2
4	76	19.1	19.1	76.3
5	94	23.7	23.7	100.0
Total	397	100.0	100.0	”

When asked how often they use the mobile banking feature, respondents were mostly agnostic. Some 27.5 percent of respondents were dishonest while selecting neutral. Only 12.3% of respondents indicated they exclusively use mobile banking, while 15.6% claimed they never use mobile banking. It follows that the vast majority of individuals do not make use of mobile banking.

Q3. Your choice of mobile banking service is really practical.

	Frequency	Percent	Valid Percent	CumulativePercent
Valid 1	62	15.6	15.6	15.6
2	97	24.4	24.4	40.1
3	109	27.5	27.5	67.5
4	80	20.2	20.2	87.7
5	49	12.3	12.3	100.0
Total	397	100.0	100.0	

Only 31.5% of those polled claimed they often use online banking, while 5.8% stated they had never done so. The results of this study make it quite evident that the vast majority of respondents make use of online banking.

Q4 Internet banking allows you to do a variety of financial tasks from your home.

	Frequency	Percent	Valid Percent	CumulativePercent
Valid 1	23	5.8	5.8	5.8
2	75	18.9	18.9	24.7
3	118	29.7	29.7	54.4
4	125	31.5	31.5	85.9
5	56	14.1	14.1	100.0
Total	397	100.0	100.0	

When asked about tele-banking 23.9 % respondents said that they use tele-banking completely and same is the percentage of respondents who held a neutral view. From analysis it can be said that maximum number of respondents are

using tele-banking facilities”.

Q5. Telebanking allows you to take care of your financial matters from the comfort of your own home.

	Frequency	Percent	Valid Percent	CumulativePercent
Valid 1	57	14.4	14.4	14.4
2	80	20.2	20.2	34.5
3	95	23.9	23.9	58.4
4	70	17.6	17.6	76.1
5	95	23.9	23.9	100.0
Total	397	100.0	100.0	

As many as 25.4% of those polled on the subject of safety reported feeling generally secure. The results show that the vast majority of people who use green banking methods do so in complete safety.

Q6. With green banking, you can relax.

	Frequency	Percent	Valid Percent	CumulativePercent
Valid 1	72	18.1	18.1	18.1
2	90	22.7	22.7	40.8
3	63	15.9	15.9	56.7
4	101	25.4	25.4	82.1
5	71	17.9	17.9	100.0
Total	397	100.0	100.0	

When asked whether they thought green banking practises were a worthwhile move, 29.5 percent of those polled said they were. While 13% of those surveyed did not approve of such actions. Overall, the highest possible percentage of respondents expressed enthusiasm for eco-friendly banking options.

Q7 In your opinion “Green banking practices” is an appreciable step taken by the banks .

	Frequency	Percent	Valid Percent	cumulativePercent
Valid 1	54	13.6	13.6	13.6
2	96	24.2	24.2	37.8

3	70	17.6	17.6	55.4
4	117	29.5	29.5	84.9
5	60	15.1	15.1	100.0
Total	397	100.0	100.0	

Respondents were asked whether they thought green banking was good for the environment or not.. One-third of those polled chose neutral because they believe it has both benefits and drawbacks. However, just 2.5 percent of those polled believed it was not ecologically friendly. In light of this, it may be concluded that green banking practises do not meet everyone's expectations.

Q8. Is Green Banking a genuine eco-friendly solution in your opinion?

	Frequency	Percent	Valid Percent	CumulativePercent
Valid 1	10	2.5	2.5	2.5
2	26	6.5	6.5	9.1
3	143	36.0	36.0	45.1
4	131	33.0	33.0	78.1
5	87	21.9	21.9	100.0
Total	397	100.0	100.0	

When asked how they felt about helping the environment by using less paper and less energy, 30.2% of respondents said they didn't have a strong opinion one way or the other. However, just 1.5% of people thought it was a good way to save paper and energy. It's safe to assume that the majority of respondents aren't enthusiastic about eco-friendly banking policies.

Q9 Paper and energy are being saved by using greenfinancing practices by banks.

	Frequency	Percent	Valid Percent	CumulativePercent
Valid 1	105	26.4	26.4	26.4
2	105	26.4	26.4	52.9
3	120	30.2	30.2	83.1
4	61	15.4	15.4	98.5
5	6	1.5	1.5	100.0
Total	397	100.0	100.0	

When asked whether they could cut down on expenses and get more done with eco-friendly options, respondents were again

agnostic. Not all respondents are pleased, and those that are have found faults.

Q10 The elimination of the need to visit the bank is just one more way that using these eco-friendly options saves both money and time.

		Frequency	Percent	Valid Percent	CumulativePercent
Valid	1	51	12.8	12.8	12.8
	2	93	23.4	23.4	36.3
	3	135	34.0	34.0	70.3
	4	93	23.4	23.4	93.7
	5	25	6.3	6.3	100.0
	Total	397	100.0	100.0	

When asked whether they thought eco-friendly banking methods were easy to use, respondents gave a mixed response. Some 32.7 percent of people say they are frustrated by the lack of user-friendliness in the procedures. Thus, it is reasonable to conclude that banks should adopt more customer-friendly procedures.

Q11 According to you, eco-friendly banking operations are straightforward.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	46	11.6	11.6	11.6
	2	83	20.9	20.9	32.5
	3	130	32.7	32.7	65.2
	4	122	30.7	30.7	96.0
	5	16	4.0	4.0	100.0
	Total	397	100.0	100.0	

When people were polled on how many ATMs there are in their area and whether or not they are convenient to locate, this was a common response. Forty-two percent of those surveyed were agnostic about this. Of those polled, 8.1% were strong agreeers and 3.0% were strong disagreeers.

Q12. You feel like there is a lack of ATMs and at times you can't even locate one.

		Frequency	Percent	Valid Percent	CumulativePercent
Valid	1	12	3.0	3.0	3.0
	2	76	19.1	19.1	22.2

3	167	42.1	42.1	64.2
4	110	27.7	27.7	91.9
5	32	8.1	8.1	100.0
Total	397	100.0	100.0	

Finally, people were asked whether they found eco-friendly banking procedures to be a good fit for their lifestyle. Twenty-seven percent didn't have an opinion either way on this issue. This suggests that there are areas of convergence between green banking and more conventional banking methods.

Q13 There is no comparison between the ease of use provided by green banking and that of conventional banking.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1	60	15.1	15.1	15.1
2	67	16.9	16.9	32.0
3	106	26.7	26.7	58.7
4	69	17.4	17.4	76.1
5	95	23.9	23.9	100.0
Total	397	100.0	100.0	

4. CONCLUSION

Various measures are being taken by banks to ensure that their customers are happy". Adoption of ecologically friendly measures is one of the measures. Reduce paper use and deploy services that save both time and money are the two most significant features of green banking. Many of today's financial institutions are taking steps to reduce their impact on the environment via the use of ATMs and other environmentally-friendly technologies. Environmentally friendly measures have been demonstrated to be effective, as seen by the examples provided above. People are beginning to put their faith in ecologically friendly activities because of their shown feasibility, as seen above. Education and improvements to the system's usability are all needed to gain the clients' confidence in environmentally friendly banking operations. People have begun to believe in green techniques in the last few years and discourage the old ones. Indians realize the importance of green banking, which has revolutionized financial systems. Indians realize the importance of green banking, which has revolutionized economic systems.

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