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A STUDY ON CUSTOMER SATISFACTION ON GREEN BANKING INITIATIVES WITH SPECIAL REFERENCE TO MYSURU

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ABSTRACT

Green Banking initiatives are gaining traction within the financial sector, encouraging institutions to adopt sustainable practices. This study delves into the perceptions consumers regarding green banking services provided in Mysore. The research examines consumer awareness and satisfaction with green banking initiatives, specifically focusing on paperless transactions and online banking. By analyzing customer perceptions of these eco-conscious practices and their influence on engagement, the study aims to identify key facilitators and barriers to widespread adoption. Findings indicate a growing awareness of green banking, yet significant opportunities remain to enhance communication and accessibility. The study provides valuable insights for banks to refine their sustainability strategies, fostering both environmental responsibility and enhanced customer experience.

KEYWORDS: *Green Banking, Customer satisfaction, Challenges and Internet Banking.*

INTRODUCTION

Green banking refers to the adoption of environmentally sustainable practices by financial institutions to minimize their ecological impact while promoting eco-friendly initiatives. With an increasing global focus on environmental conservation, banks are now integrating green practices such as paperless banking, energy-efficient operations, and financing for sustainable projects. This study aims to explore the perceptions of customers regarding green banking initiatives in Mysuru, a city that has seen a gradual shift towards sustainable practices in various sectors. By understanding how customers view these green banking initiatives, the research seeks to assess the level of awareness, acceptance, and the factors that influence customer engagement with such practices. Additionally, the study will examine the challenges and opportunities in promoting green banking within the local context. The findings are expected to provide valuable insights for banks to enhance their sustainability efforts while fostering greater customer participation in green initiatives.

LITERATURE REVIEW

Sreesha Ch's(2014) research investigates green banking initiatives undertaken by public and private sector banks in India, focusing on State Bank of India, Canara Bank, ICICI Bank, and HDFC Bank. The study examines various green banking practices adopted by these institutions, including paperless banking, energy-efficient branches, and the promotion of environment-friendly projects through lending and investment. Findings reveal that while all banks have initiated some green banking measures, public sector banks, particularly State Bank of India and Canara Bank, appear to have adopted a broader range of green initiatives compared to their private sector counterparts. The study underscores the importance of continued efforts by Indian banks to integrate environmental sustainability into their core operations.

Ashis Kumar Chaurasia (2014) in his research paper, 'A Study on Green Banking Initiatives in India,' explores the concept of green banking and its potential for sustainable development. The study examines various facets of green banking, including its definition, benefits, challenges, and the current status of its adoption by Indian banks. Chaurasia emphasizes the need for banks to integrate environmental considerations into their lending practices, encouraging industries to adopt eco-friendly technologies and management systems. He concludes that while Indian banks are beginning to recognize the importance of green banking, significant efforts are still required to fully embrace and implement sustainable practices across the sector.

Dr. A.R. Annadurai's(2014) investigation of the research paper on Green Banking reveals that the study explores the concept of green banking in India, emphasizing its importance for environmental sustainability and economic growth. The research examines various green banking products and services offered by banks, including online banking, green loans, and energy-efficient branches. It also discusses the challenges faced by Indian banks in implementing green banking practices and suggests strategies for improvement, such as promoting awareness through various channels and formulating a comprehensive green banking policy. Dr. Annadurai's analysis highlights that while Indian banks have made some progress in adopting green banking principles, significant efforts are

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still needed to fully integrate environmental sustainability into their core operations.

Kumar and Akula revealed that while a significant majority of respondents were aware of green banking products and services, knowledge gaps exist regarding specific offerings like GCDs and Green Bonds. Furthermore, the study found significant differences in satisfaction levels towards green banking practices across different age groups. This highlights the need for banks to enhance customer education and awareness programs to address these knowledge gaps and improve overall customer satisfaction with green banking initiatives. Based on the review of literature the below mentioned objectives were framed.

OBJECTIVES

1. To study the customer's satisfaction on Green Banking Initiatives
2. To understand the role of demographic variables on the customer's satisfaction on Green Banking Initiatives.

RESEARCH METHODOLOGY

This study is descriptive by nature. Both the primary and secondary data were utilized. To collect the primary data the survey technique was adopted. The questionnaire was utilized as a research instrument to collect the primary data. The sampling technique adopted was convenience sampling technique. The number of respondents were 300 users of Green Banking Services in Mysuru. The simple percentage analysis was utilized to calculate the mean and standard deviation of the collected data and to infer the data the chi-squared test was applied.

ANALYSIS AND INTERPRETATION

Objective 1-To study the customer's satisfaction on Green Banking Initiatives

The green banking services such as online and mobile banking, green accounts, green cards, green infrastructure and green marketing were considered for the study.

Table no 1- Table showing the Customer Satisfaction on Green Banking Services

Customer Satisfaction on Green Banking Services								
Green Banking Services/ Customer Satisfaction level	**Highly Satisfied**	**Satisfied**	**Neutral**	**Dissatisfied**	**Highly Dissatisfied**	**Total (in %)**	**Mean**	**S.D.**
Online Banking	0	18	3	45	34	100	2.05	1.05
Green Accounts	50	44	5	0	100	100	4.39	0.75
Green Cards	3	32	12	50	3	100	2.82	1.02
Green Infrastructure	25	66	5	4	0	100	4.12	0.67
Green Marketing	2	39	25	27	7	100	3.02	1.01

Customer Overall level of Satisfaction on Green Banking Services				
No. of respondents	Minimum	Maximum	Mean	Std. Deviation
300	2.63	4.38	3.44	0.38

Objective 2-To understand the role of demographic variables on the customer's satisfaction on Green Banking Initiatives.

To analyze the second objective, the Chi-Squared test was applied. Chi-Squared test explaining the relationship between the age of the respondents and their satisfaction on Green Banking practices.

Hypothesis:

Ho : There is no significant relationship between the age of the respondents and their satisfaction on Green Banking practices.

H_1 : There is a significant relationship between the age of the respondents and their satisfaction on Green Banking practices.

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Table 2 - χ^2 **table explaining the relationship between Age of the respondents and their satisfaction level**

X^2 Table explaining the relationship between Age of the respondents and their satisfaction level								
Age	**Satisfaction on Green Banking Services**					**Total**	**X^2 value**	**P value**
	Online /Mobile Banking	**Green Accounts**	**Green Cards**	**Green Infrastructure**	**Green Marketing**			
upto 20	72	0	0	0	0	72	6.595	0.001
21-40	3	46	85	34	0	168		
41-60	0	0	0	44	0	44		
60 & above	0	0	0	3	13	16		
Total	75	46	85	81	13	300		

The above table shows the association between the age of the respondents and their satisfaction on Green Banking practices. The P value is less than 0.01. The null hypothesis is neglected and the association was found between the age of the respondents and satisfaction on Green Banking practices.

X^2 test explaining the relationship between the Gender of the respondent and their satisfaction level on Green Banking practices.

Hypotheis:
$H_{2.0}$: There is no significant relationship between the gender of the respondent and their satisfaction on Green Banking practices.
$H_{2.1}$: There is a significant relationship between the gender of the respondent and their satisfaction on Green Banking practices.

Table - χ^2 table explaining the relationship between Gender of the respondents and their satisfaction level

X^2 Table explaining the relationship between Gender of the respondents and their satisfaction level								
Gender	**Satisfaction on Green Banking Services**					**Total**	**X^2 value**	**P value**
	Online /Mobile Banking	**Green Accounts**	**Green Cards**	**Green Infrastructure**	**Green Marketing**			
Male	43	23	25	34	22	147	10.59	0.001
Female	13	31	22	39	48	153		

The above table shows the association between the gender of the respondents and their satisfaction on Green Banking practices. The P value is less than 0.01. The null hypothesis is rejected and the association was found between the gender and the satisfaction of the respondents on Green Banking practices.

FINDINGS OF THE STUDY

The study revealed key insights into customer satisfaction and demographic influences on green banking initiatives in Mysuru:

- **High Satisfaction**: Respondents reported high satisfaction with green accounts and green infrastructure, indicating strong approval of environmentally conscious services that are tangible and transparent.
- **Low Satisfaction**: Online and mobile banking services showed lower satisfaction levels, suggesting usability issues or lack of digital familiarity among certain customer groups.
- **Awareness Gaps**: Services like green cards and green marketing reflected mixed responses, highlighting limited customer awareness and engagement with these initiatives.
- **Demographic Influence**: There is a significant relationship between age and gender and their respective satisfaction levels. Younger users (up to 20) showed more engagement with online/mobile banking, while older groups leaned toward traditional green infrastructure services.
- **Gender Variance**: Female respondents reported higher satisfaction across more green banking dimensions, especially in green marketing, emphasizing the importance of gender-sensitive communication strategies.

RECOMMENDATIONS

- **Digital banking interfaces** -To enhance the adoption and satisfaction of green banking initiatives, banks should focus on improving digital banking interfaces and providing user-friendly mobile platforms. Increasing awareness through targeted campaigns and personalized communication can bridge the knowledge gap, especially for lesser-known services like green cards and marketing efforts.
- **Digital literacy support** -Banks should also tailor strategies based on demographic insights-offering digital literacy support for older users and

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incentivizing sustainable behaviors among younger users. Gender-based preferences must be considered to ensure inclusive engagement.

- **Incentivizing paperless and eco-friendly banking behaviors** - Incentivizing paperless and eco-friendly banking behaviors, enhancing the accessibility of services across all regions and establishing continuous feedback mechanisms are essential steps toward fostering long-term customer satisfaction and environmental responsibility.

CONCLUSION

This study underscores the growing relevance and partial success of green banking initiatives in Mysuru. While green accounts and infrastructure have achieved high satisfaction, digital platforms and green marketing require focused improvement. The findings also reveal that customer satisfaction varies significantly based on age and gender, emphasizing the importance of targeted strategies.To achieve deeper integration of sustainability within banking operations, institutions must focus on enhancing digital experiences, promoting awareness, and creating inclusive, accessible platforms. These steps will not only align with environmental goals but also significantly improve customer engagement and loyalty in the long run.

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