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A STUDY ON CUSTOMER AWARENESS AND ADOPTION OF GREEN BANKING PRACTICES WITH SPECIAL REFERENCE TO THANE

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Abstract:

Green banking has emerged as a crucial approach in promoting environmental sustainability within the banking sector. It refers to the adoption of eco-friendly policies, digital banking tools, and sustainable financing that help reduce carbon footprints and encourage responsible banking behaviour. This research paper examines customer awareness, perceptions, and adoption of green banking practices. It also explores the factors influencing customer acceptance, the challenges encountered, and the steps banks can take to enhance the adoption of green banking services. The findings indicate that although customers increasingly use digital banking services, their awareness of "green banking" as a concept remains moderate. Improved education, incentives, and communication strategies can significantly enhance adoption levels.

Keywords : *Green Banking, Customer Awareness, Sustainable Banking Practices, Digital Banking, Eco-Friendly Financial Services, Green Finance, Paperless Banking, Customer Perception.*

Introduction:

Environmental sustainability is one of the most pressing priorities of modern economies. Various industries are actively attempting to reduce their environmental impacts, and the banking sector is no exception. Green banking, also known as ethical or sustainable banking, aims to minimize negative environmental consequences through environmentally responsible practices. These include paperless transactions, digital banking, reduced energy consumption, financing eco-friendly projects, and promoting sustainable investments.

Today's customers, especially the younger generation, are becoming more conscious of environmental issues. As a result, banks worldwide are adopting green banking strategies not only to reduce operational costs but also to fulfill social responsibility commitments and meet regulatory expectations.

This study focuses on evaluating the awareness and adoption of green banking practices among customers. It also highlights the importance of green banking and the factors affecting its implementation.

Meaning of Green Banking:

Green banking refers to banking practices and policies that promote environmental sustainability and reduce the negative impact of banking activities on the environment. It involves the use of eco-friendly initiatives such as paperless transactions, digital banking services, energy-efficient branch operations, and financing environmentally responsible projects

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like renewable energy, electric vehicles, and sustainable infrastructure. Green banking encourages both banks and customers to adopt responsible financial behavior that conserves natural resources, reduces carbon emissions, and supports sustainable economic development. By integrating technology with environmental responsibility, green banking plays an important role in achieving long-term sustainability in the financial sector.

Review of Literature:

Green banking, also known as sustainable or eco-friendly banking, has gained significant attention in recent years due to increased environmental concerns and regulatory emphasis on sustainability. According to Ajzen's (1991) Theory of Planned Behavior, customer attitudes, awareness, and perceived behavioral control significantly influence the adoption of innovative practices, including green banking services. Studies show that awareness is a key determinant for adopting green financial products, as customers must first understand the benefits before usage intention is formed.

Rana and Paul (2017) found that environmental consciousness positively affects customer willingness to use green banking services such as electronic statements, online payments, and green loans. Similarly, Joshi and Rahman (2015) highlighted that a lack of awareness is a primary barrier to the adoption of sustainable banking practices, especially among rural and less educated customers.

Research by Panda and Garg (2019) indicated that banks' promotional strategies and customer education initiatives significantly improve adoption rates of eco-friendly banking products. Their study revealed that customers who receive proper information and guidance are more inclined to use digital banking channels, paperless services, and products with environmental benefits.

In contrast, Kaur (2020) reported that despite increasing awareness, actual adoption of green banking practices remains moderate due to factors like perceived complexity, low trust in digital platforms, and limited incentives from banks. The study suggests that banks should focus not only on awareness campaigns but also on enhancing service quality and customer trust

Objectives of the Study:

1. To assess the level of customer awareness regarding green banking practices.
2. To identify the extent of adoption of green banking services by customers.

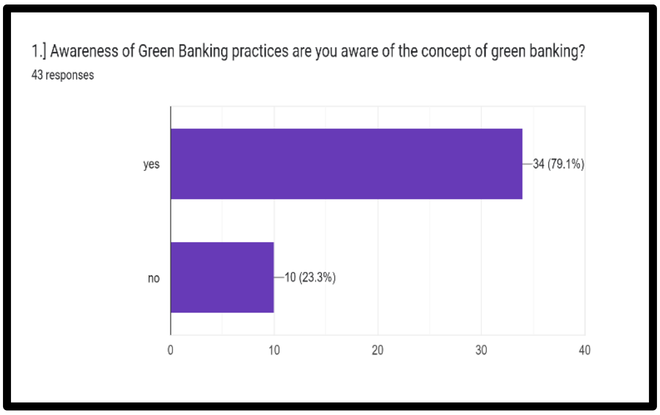
Research Methodology:

1. **Research Design:** The study employs a mixed-method approach, combining quantitative surveys with qualitative interviews.
2. **Sample Size and Demographics:** A sample of 43 respondents aged between 18-50 will be taken for a survey. The sample will include students, young professionals, and entrepreneurs.
3. **Data Collection:**

   Primary Data: - Research is done through observation and data collected through questionnaires

   Secondary Data:-Secondary data is collected through journals, books, and case studies, and literature on AI in SIP, websites.

Data Analysis and Interpretation:



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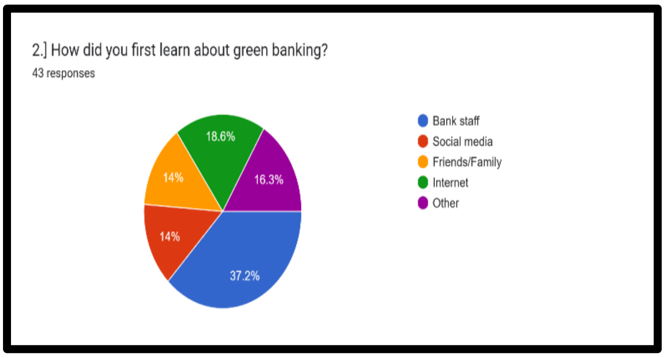
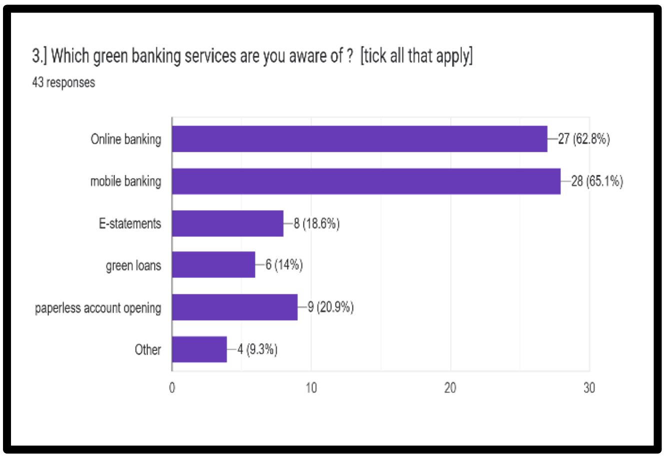
Interpretation: -The bar graph presents the results of a survey question regarding awareness of green banking practices, with a total of 43 responses. The data indicates a high level of awareness among the respondents. Specifically, 34 individuals (79.1%) answered "yes", indicating they are aware of the concept of green banking. Conversely, 10 individuals (23.3%) responded "no", indicating a lack of awareness. The results suggest that the concept is widely known within the surveyed population.



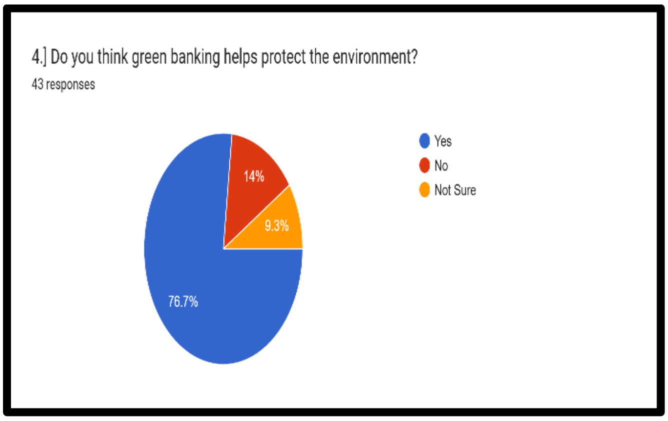
Interpretation:

The pie chart illustrates how 43 respondents first learned about green banking. The most prevalent source of information is bank staff, accounting for the largest portion of responses at 37.2%. Other sources of information are less common, with "Other" making up 18.6%, the internet 16.3%, and both social media and friends/family accounting for 14% each. Overall, direct interaction with bank employees appears to be the primary channel through which individuals are introduced to green banking.



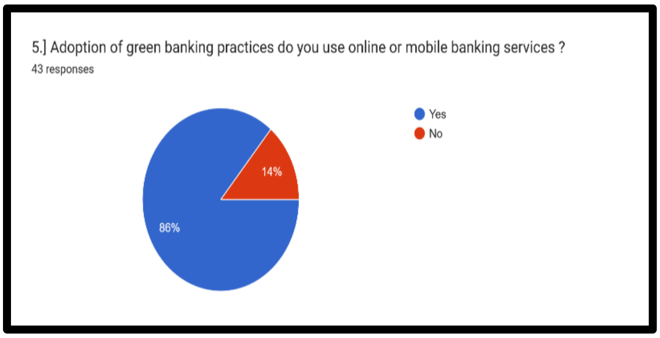
Interpretation:

The provided bar chart summarizes the awareness of various green banking services among 43 respondents. Mobile banking and online banking are the most well-known services, with 65.1% and 62.8% awareness, respectively. Other services like e-statements (18.6%), green loans (14%), and paperless account opening (20.9%) have significantly lower awareness among participants.



Interpretation:

The pie chart displays the results of a survey asking 43 respondents if they believe green banking helps protect the environment. A significant majority, 76.7%, responded "Yes," indicating strong public confidence in the environmental benefits of green banking practices. Conversely, 14% of respondents said "No," and a smaller segment, 9.3%, were "Not Sure" about the impact. The data suggests a clear consensus among participants regarding the positive environmental role of green banking.



Interpretation-: The provided pie chart illustrates the results of a survey on the adoption of green banking

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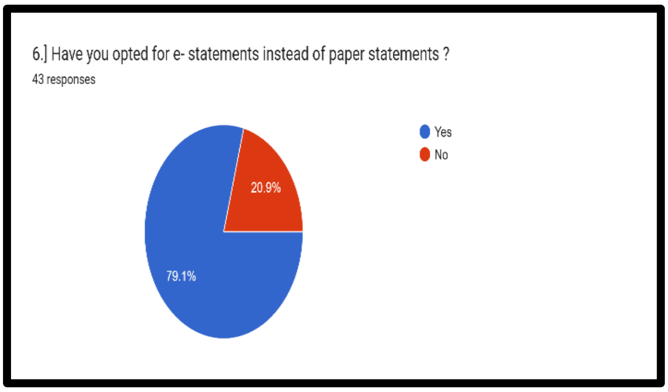
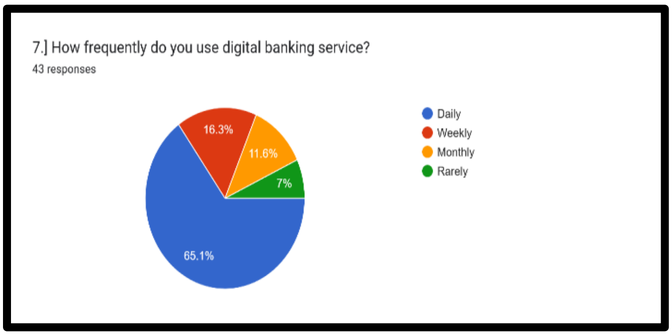
practices, specifically asking if respondents use online or mobile banking services. Based on 43 responses, a significant majority of participants (86%) indicated they use these digital services, while a smaller portion (14%) do not. This suggests widespread adoption of digital banking among the survey respondents



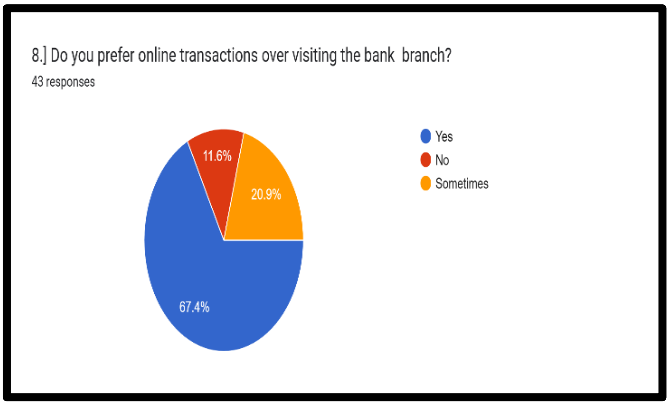
Interpretation:

The survey, with 43 responses, indicates a strong preference for e-statements over paper statements. A significant majority of respondents, 79.1%, have opted for e-statements. Conversely, only 20.9% of the participants still choose to receive paper statements. This suggests a high adoption rate for digital documentation among the surveyed group.



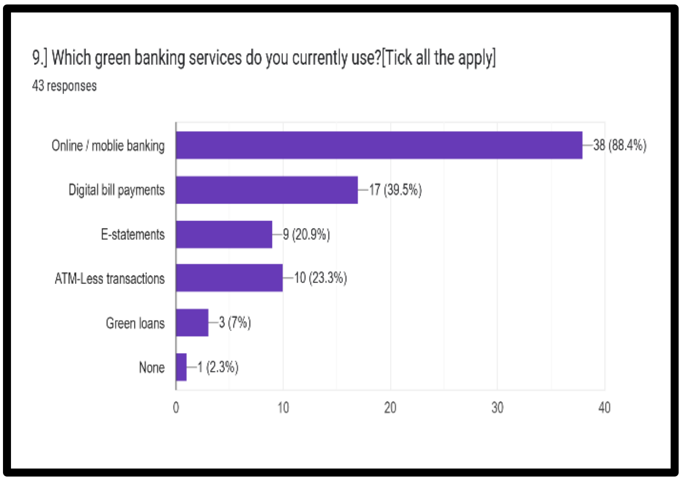
Interpretation:

This pie chart illustrates the frequency of digital banking service usage among 43 respondents. A significant majority of users, 65.1%, access digital banking daily. Weekly usage accounts for 16.3% of respondents, while 11.6% use it monthly. A minority of 7% reported using digital banking services rarely. The data suggests digital banking is a common, frequent activity for most respondents.



Interpretation:

The graph illustrates that the majority of respondents prefer online transactions over visiting a bank branch. Out of 43 responses- 67.4% said "Yes," indicating a strong inclination towards digital banking. In contrast, only 11.6% said "No," preferring physical branch visits. A notable minority of 20.9% selected "Sometimes," suggesting situational use of both methods.



Interpretation-: This highlights the significant preference for online banking among the provided graph, based on 43 responses, reveals a strong preference for digital green banking services. Online/mobile banking is the most used service by a significant margin (88.4%). Digital bill payments (39.5%) and ATM-less transactions (23.3%) are also utilized, while options like green loans (7%) and none (2.3%) are less popular. The data indicates a clear shift towards digital platforms.

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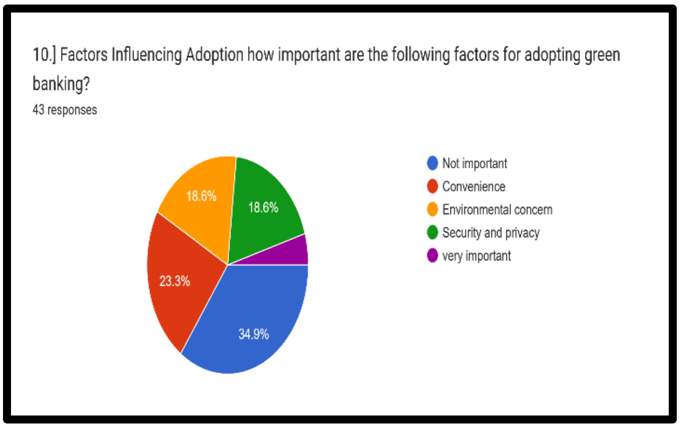
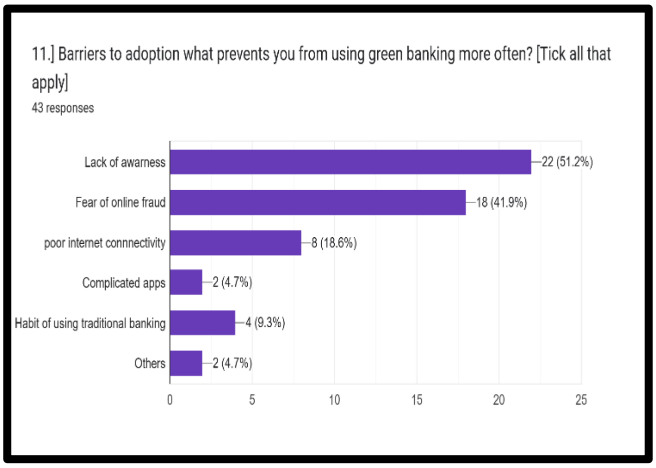
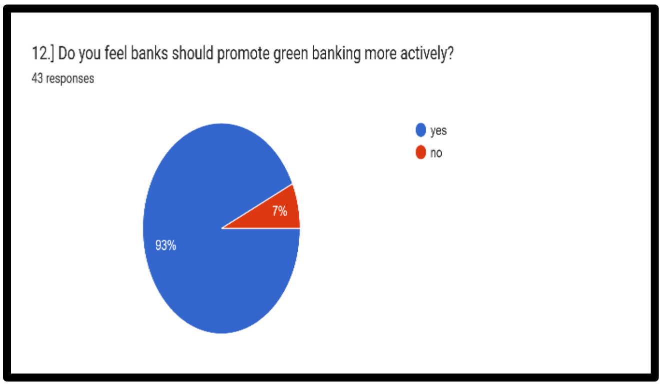


Interpretation:

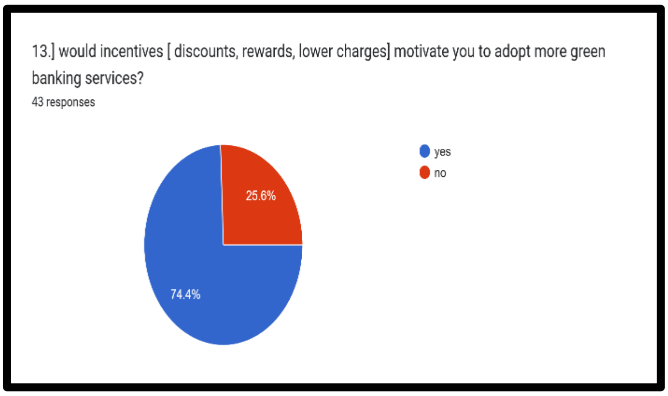
The survey on factors for adopting green banking (43 responses) shows that the majority of respondents (34.9%) consider the factors "Not important". "Environmental concern" is the next most significant factor at 23.3%. Both "Convenience" and "Security and privacy" were rated equally at 18.6%, while only 4.7% rated the factors as "very important".



Interpretation -: The graph, based on 43 responses, highlights the primary barriers to adopting green banking. "Lack of awareness" is the most significant barrier, cited by 51.2% of respondents. "Fear of online fraud" is the second major concern at 41.9%. Less prominent barriers include poor internet connectivity (18.6%) and the habit of using traditional banking (9.3%).



Interpretation-: The provided pie chart displays the results of a survey asking whether banks should promote green banking more actively. Out of 43 respondents, a significant majority, 93%, answered "yes," indicating strong public support for increased bank involvement in green initiatives. Only 7% of respondents felt otherwise, answering "no." The data suggests a clear consensus among respondents regarding the proactive promotion of green banking.



Interpretation:

The pie chart illustrates the results from 43 respondents regarding whether incentives like discounts, rewards, or lower charges would motivate them to adopt more green banking services. A substantial majority of respondents, specifically 74.4%, indicated that "yes," such incentives would be motivating. In contrast, 25.6% of participants responded "no." This data highlights that financial incentives are a significant driver for encouraging the adoption of green banking services.

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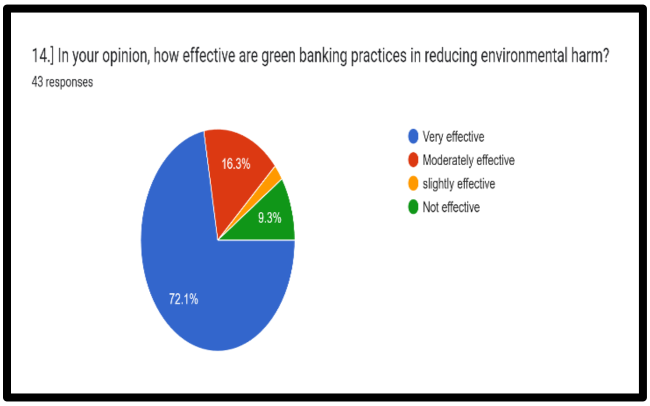

Interpretation:

The pie chart, based on 43 responses, indicates a strong belief in the effectiveness of green banking practices. A significant majority (72.1%) consider them "Very effective". "Moderately effective" received 16.3% of responses, while "Slightly effective" received 2.3%. Only 9.3% believe they are "Not effective", suggesting overall positive perception.

Scope of the Study:

The scope of the study on **Customer Awareness and Adoption of Green Banking Practices** covers an examination of customers' level of knowledge, perception, and understanding of green banking concepts such as paperless transactions, online banking, mobile banking, green loans, and eco-friendly banking initiatives. The study focuses on identifying the extent to which customers adopt these practices in their daily banking activities and the factors influencing their adoption, including demographic variables, technological awareness, environmental concern, and trust in digital platforms. It also evaluates the role of banks in promoting green banking through awareness programs, incentives, and service innovation. The scope is limited to assessing customer perspectives and behavior within a defined geographical area and time period, providing insights that can help banks, policymakers, and researchers develop effective strategies to enhance awareness and increase the adoption of sustainable banking practices.

Key Components of Green Banking:

1. Paperless Banking: Use of e-statements, online account opening, and digital transactions.
2. Digital Banking: Mobile apps, net banking, UPI, and digital payments reduce the need for physical visits.
3. Green Products: Green loans, green deposits, sustainable mutual funds, and environmentally responsible financing.
4. Energy Efficiency: Energy-efficient ATMs, solar-powered bank branches, and reduced electricity consumption.
5. Corporate Social Responsibility (CSR): Environmental projects funded by banks under CSR programs.

Green banking combines digital transformation with sustainability goals, making it an essential element of modern banking.

Recommendations and conclusion:

Recommendations:

Banks should increase customer awareness through targeted campaigns and educational programs on green banking.

Financial literacy and digital training programs should be organized to improve customer understanding and usage.

Incentives such as lower service charges and rewards should be provided for adopting paperless and digital banking.

Digital banking platforms should be made more secure, reliable, and user-friendly.

Bank employees should be trained to guide and motivate customers toward green banking practices.

Conclusion:

Green banking is a vital step toward achieving environmental sustainability and transforming the financial sector. Though digital banking adoption is significantly increasing, customer awareness of green

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banking as a concept is still relatively low. Customers appreciate the convenience of digital banking but do not always connect it with environmental responsibility.

To improve adoption, banks must increase awareness, strengthen security, offer incentives, and expand digital literacy programs. With the right strategies, green banking can lead to reduced environmental impact, increased customer satisfaction, and enhanced financial sustainability.

The future of green banking is promising, and with growing awareness, customers will increasingly adopt environmentally responsible banking practices.

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