

Green Banking (Digital Banking for Customers)

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Abstract

This paper explores the growing significance of Green Banking and how digital banking platforms play a transformative role in promoting environmental sustainability. With the increasing urgency to combat climate change and reduce environmental degradation, banks are shifting towards paperless, technology-driven processes that reduce their carbon footprint and operational waste. The research focuses on understanding customer perceptions, preferences, and awareness regarding green banking practices delivered through digital platforms. Using both qualitative and quantitative methods, the study highlights key challenges, barriers, and opportunities in implementing green banking strategies effectively in India.

1. Introduction

In today's environmentally sensitive era, the financial sector is being held increasingly accountable for its ecological footprint. As the banking sector evolves with technology, the integration of sustainable practices has given rise to the concept of Green Banking. This refers to environmentally responsible banking that encourages paperless transactions, promotes energy efficiency, and supports eco-friendly projects and investments.

Digital Banking has gained widespread popularity due to its convenience, speed, and accessibility. When combined, green and digital banking can work synergistically to reduce environmental harm while enhancing customer experience. The paper highlights how Indian banks are responding to environmental concerns by promoting digital platforms that support green initiatives such as e-statements, online fund transfers, and sustainable investment products.

2. Objectives of the Study

1. To examine the awareness of customers regarding green and digital banking services.
2. To study the impact of digital platforms on reducing environmental footprints.
3. To analyze customer satisfaction with digital banking services.
4. To identify factors influencing the adoption of green banking.
5. To explore demographic patterns affecting acceptance of green banking.
6. To provide actionable recommendations for improving green banking practices.
7. To understand the challenges and barriers customers face while using green digital platforms.

3. Literature Review

Malhotra (2013) argued that sustainability in banking is not only a social responsibility but also a strategic advantage. Sahoo (2016) highlighted the importance of paperless transactions in reducing bank operational costs and environmental burden.

Rajput et al. (2013) found that while public sector banks have been more proactive in adopting green practices, private banks lag due to limited policy frameworks. Similarly, studies by Yadav & Pathak (2013) showed that digital platforms like mobile apps, e-wallets, and net banking have a direct role in making banking more sustainable by reducing the need

for physical visits and paperwork.

Despite positive outlooks, challenges such as limited digital literacy, lack of customer awareness, and cybersecurity concerns continue to hinder progress. Several studies in India and abroad have addressed the importance of green banking. Bhardwaj &

4. Research Methodology

Research Design: This study adopts a mixed-methods approach. Quantitative data was collected through structured surveys, while qualitative insights were gathered via informal interviews.

Sampling: Stratified random sampling was used, targeting customers using digital banking in public and private banks. A total of 100 respondents were surveyed across various age groups, income levels, and regions.

Data Collection Tools: Google Forms for structured surveys, pie charts and graphs for visualization, and descriptive statistics for analysis.

Key Variables: Independent - Customer awareness, digital adoption; Dependent - Attitude toward green banking, satisfaction level; Control - Age, education, income, tech literacy

5. Data Analysis and Interpretation

Survey results reveal that 73% of respondents use digital banking, with a significant preference for online transfers (NEFT/IMPS) and balance checks. 95% believe digital banking reduces paper usage, supporting the core objective of green banking. 66% use digital banking daily. 52% respondents are female, indicating good gender participation. The 21–35 age group showed the highest usage of online services.

48% of customers reported limitations in services as a key difficulty. 47% are satisfied, and 23% are highly satisfied with the security features of online banking. This suggests that while digital banking is widely adopted, service limitations and data security are areas that need improvement.

6. Findings

1. **High Awareness:** Customers are increasingly aware of the environmental benefits of digital banking.
2. **Behavioral Change:** Many customers have reduced their physical visits to branches post-adoption of online banking.
3. **Security and UX:** Concerns over user experience and data privacy remain common.
4. **Paper Reduction:** Green banking initiatives like e-statements have significantly reduced the use of paper.
5. **Youth Adoption:** Young adults are more likely to adopt and support green digital banking.

7. Suggestions

1. **Improve Awareness:** Conduct campaigns to educate customers on the benefits of green banking.
2. **Paperless Incentives:** Offer discounts or loyalty points for choosing e-statements and online payments.
3. **Introduce Green Products:** Launch eco-loans, green credit cards, and sustainable investment funds.
4. **Ensure Data Security:** Use advanced encryption and privacy tools to enhance trust.
5. **Collaborate with NGOs:** Work with environmental bodies to boost credibility and outreach.
6. **Gamify Sustainability:** Allow customers to track their carbon savings and reward green behavior.

8. Conclusion

Green banking, supported by digital platforms, represents a vital shift toward a more sustainable financial ecosystem. This research highlights how digital banking not only improves convenience and efficiency but also plays a key role in promoting environmental responsibility. With rising customer awareness and regulatory support, the Indian banking sector is well-positioned to embrace green initiatives. However, banks must address challenges related to accessibility, education, and cybersecurity to fully realize the potential of green digital banking.

Moving forward, the integration of digital innovation with eco-conscious strategies can transform the banking sector into a catalyst for sustainable development and climate action.

9. References

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