



# A Holistic Perspective of Customer Satisfaction Towards Green Banking Practices

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## ABSTRACT

The banking sector is the financial pillar of any nation that stabilizes the economic and financial conditions of the country. In the present scenario of global pandemic covid 19, this sector has got highly developed with the usage of innovative current practices. One of these is going green which converts traditional banking into green banking that emphasizes safeguarding the environment from depletion and putting less burden on resources. The current study focuses on the satisfaction of customers by making use of various green banking products and services. It is a survey-based study in which a structured questionnaire has been used for data collection through convenience sampling. First-hand data of 300 respondents have been collected from various banks of Punjab state. For result analysis percentages and factor analysis have been used. From analysis, two factors have been found safety & security arrangement and green technology which influences the satisfaction of customer most. This study will be very helpful for the banking industry and researchers in gauging customer satisfaction towards various green banking practices.

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## Introduction

Banking is the prominent sector of our nation played a significant role in our economy (Bihari, 2011) and for the environment also that's why the banking industry adopted paperless banking which is also known as green banking (Shaumya & Arulrajah, 2016) (Moser, 2016). The concept of green banking is not just restricted to providing environment friendly products and services but also do focus on making less burden on natural resources and reducing carbon footprints so, that environment could get safe and balance will be maintained in the ecosystem (Rehman et.al., 2021) (Shafique & Khan, 2020) (Maniatis, 2016). It is an umbrella of a green system under which policies and regulations are framed for green practices (Tang et.al, 2014).

Green banking makes the use of information technology and infrastructure for the smart vision of environment sustainability (Oviya, 2020) (Ramayah et.al, 2010). It is a transformation from ethical and traditional banking to modern and sustainable banking (Eskildsen et.al, 2004). For making the banks more greener many green products and services are offered to consumers like green cards, internet banking, e lobby, UPI, green

pins, IMPS, etc services are provided which are customer and eco-friendly (Prabhu, 2021) (Gupta, 2015). Green banking does not only work for environment sustainability but also do focus on social responsibility by organizing campaigns, tree plantations, sports activities, etc (Goyal & Joshi, 2011) (Kaeufer, 2010). In the period of pandemic people understands the benefits of using these services and due to that green banking is growing at a very large scale making the lifestyle of consumers easy (Moulton, 2020). For promoting it more banking industry must frame and comply with strong systems and policies which is necessary for every bank to adhere (Park & Kim, 2020).

## Literature Review

Green banking has rich literature as this area has been explored extensively in many countries. There are many studies available on attitude, perception, satisfaction, behavior of customers, regulations of green banking, effect of demographics on the usage of green banking and various products and services availed under green banking practices. Few studies related to customer satisfaction have been discussed in the table given below:

Table 1

Author & Year	Country	Findings
Natalwala & Parmar (2018)	India	A study has been conducted on India and South Africa and it was concluded that respondents have awareness regarding green banking practices. It was also found that green banking practices have a significant relationship with customer loyalty, satisfaction, and service quality.
Solekah (2019)	Indonesia	Findings concluded that green banking products and green corporate image both have influence over the satisfaction of customers but the green corporate image has significant influence over customer loyalty as compared to green banking products.
Ibe-enwo et.al., (2019)	Turkey	It has been explored green banking influences bank trust, loyalty, and green image. The green image leads to bank trust and loyalty but trust and loyalty both are not interrelated.
Jayarathne et.al., (2020)	Sri Lanka	It has been seen banking employees are aware of green banking practices and their benefits and they are performing well. Therefore, employees need to be more accountable and attentive and give their best to customers.
Tzouros & Filis (2020)	Greece	It has been explored that green banking is widely accepted because of its benefits for consumers and the environment but, there is a need for proper systems and policies which regulate green banking.

Author & Year	Country	Findings
Clementina et.al., (2020)	Nigeria	It has been found customers and employees are aware of green banking products and services but due to lack of knowledge, information technology, age and low literacy rate it becomes difficult to adopt it and it leads to customer dissatisfaction.
Shafique & Majeed (2020)	Pakistan	In this study, few factors have been found which were responsible for customer adoption and satisfaction for green banking. These factors were policies & regulations of green banking, attitude, bank employees and management commitment.
Sharma & Choubey (2021)	India	Concluded that green banking initiatives have a significant impact over trust and green brand image because of good brand image customer adopts more green products and services and it increases the green trust and makes a better green image.
Kwakye & Nor (2021)	Ghana	The study was conducted on banking employees and it was found that green banking practices are affected by internal driven forces, not externally driven forces. Pressure from external forces (customers, competitors) do not affect it and supportive management and adoption of green practices by the bank have positive relationships.
Sultana et.al., (2021)	Bangladesh	Researched that customers are not satisfied with green banking practices due to lack of technology, services & system and it has been interpreted customer satisfaction and customer retention has a positive relationship. So, a bank should focus on adopting the latest technology and proper system.

## Objective of the Study

Satisfaction is the utmost desire of any business as it leads to long-term good relations with customers and it is a very important variable for exploring the customers' behavior. So, the current study aims to examine customer satisfaction towards green banking practices.

## Research Methodology

In the current study, descriptive research design has been used which does focus on understanding the

physiognomies of individuals, groups and situations. Convenience sampling has been used for data collection which means data collected by investigator on convenience basis and it was done through a well-formed questionnaire having 12 statements from various consumers who were under the category of major and consuming various products and services of public and private sector banks of Punjab state. For collected data percentages have been used on various demographics and dimension reduction which is known as factor analysis has been used for finding the factors which influenced the customer's satisfaction most.

**Table 2** Demographics Profile

Demographics	N=300	Percentage
<i>Gender</i>		
Female	123	41
Male	177	59

<i>Demographics</i>	<i>N=300</i>	<i>Percentage</i>
<i>Age Group</i>		
18-30	73	24
31-40	127	42
41-50	59	20
Above 50	41	14
<i>Education</i>		
Post-Matric	30	10
Graduation	47	16
Post Graduate	180	60
Others	43	14
<i>Occupation</i>		
Student	44	15
Employed	145	48
Unemployed	22	7
Self Employed	36	12
Housewife	53	18
<i>Annual Income</i>		
Below 1 lakh	23	8
1 lakh- 10 lakh	174	58
10 lakh- 20 lakh	85	28
Above 20 lakh	18	6

**Source:** Surveyed data

Table 2 consists of demographics gender, age, occupation, education and income. In gender, males were 59% and females were 41%. In the case of age group, 18-30 have 24% respondents, 31-40 have 42%, 41-50 have 20% and above 50 have 14% respondents. Next education has 10% in post- matric, 16% in graduation, 60% in post-graduation and 14% in others. In terms of occupation, students have 15% respondents, 48% lies in employed, 7% in unemployed, 12% in self-employed and 18% in housewives. In the case of income below 1 lakh have 8%, 1-10 lakh have 58%, 10-20 lakh have 28% and above 20 lakh have 6% respondents.

KMO and Bartlett test of sphericity are used for checking the adequacy of the sample for further implementing the factor analysis. If the value of KMO is above 0.6 then it is perfectly acceptable and here the value is 0.933 which is adequate and acceptable. The degree of freedom is 66 and the chi-square has a value of 3167.297 which shows the significant correlation between the variables.

Eigenvalue defines the factor which is supported and explained by various variables. In table 4 two factors explained the variance value 73.755 which is acceptable.

**Table 3:** KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.933
	Approx. Chi-Square	3167.297
Bartlett's Test of Sphericity	Df	66
	Sig.	.000

**Source:** SPSS Output

**Table 4:** Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	7.847	65.389	65.389	7.847	65.389	65.389	5.011	41.755	41.755
2	1.004	8.366	73.755	1.004	8.366	73.755	3.840	31.999	73.755
3	.697	5.806	79.561						
4	.515	4.291	83.852						
5	.369	3.072	86.924						
6	.338	2.821	89.745						
7	.283	2.355	92.099						
8	.252	2.096	94.196						
9	.214	1.787	95.983						
10	.197	1.643	97.626						
11	.162	1.354	98.980						
12	.122	1.020	100.000						

**Source:** SPSS Output (Principal Component Analysis)

**Table 5:** Rotated Component Matrix

Statements	Component	
	1	2
OTPs generated for transactions by the bank are secured	.887	
Bank maintains the transparency over its operations and activities	.842	
It is safe and secure to transfer the funds online	.800	
There is no fear of occurring any fraud	.785	
The bank always maintains confidentiality	.781	
It is safe and secure to make use of green banking practices	.732	
Information provided on the bank's website and application is secured and authenticated	.589	
Banks make use of energy-efficient technology		.861
Green transactions are rapid and don't unsettle by technical issues		.818
The technology used by banks is environment friendly		.738
Application and website of the bank are using green technology and its customer friendly		.716
Efficient and green technology helps in providing connectivity worldwide		.634

**Source:** SPSS Output

**Table 6:** Customer Satisfaction Towards Green banking Practices

Statements	Factor Loadings	Produced Factors
OTPs generated for transactions by the bank are secured	.887	Safety and Security Arrangements
Bank maintains the transparency over its operations and activities It is safe and secure to transfer the funds online	.842	
There is no fear of occurring any fraud The bank always maintains confidentiality	.800	
It is safe and secure to make use of green banking practices	.785	
Information provided on the bank's website and application is secured and authenticated	.781	
	.732	
	.589	
Banks make use of energy-efficient technology	.861	Green Technology
Green transactions are rapid and don't unsettle by technical issues The technology used by banks is environment friendly Application and website of the bank are using green technology and its customer friendly	.818	
Efficient and green technology helps in providing connectivity worldwide	.738	
	.716	
	.634	

**Source:** Author's Compilation

A rotated component matrix is used to see the correlation between the various variables and in table 5 all twelve statements show they are correlated with each other.

In table 6 two factors have been found which represent all other statements. The first factor is named as safety and security arrangement which has a value of 5.416 and it signifies seven statements and the second factor is a green technology and it signifies five statements having the value of 3.767.

## Findings

The primary focus of this study is to explore the satisfaction of customers towards green banking practices. Data analysis shows that customers are quite satisfied with green banking products and services. With the application of factor analysis, two factors have been produced safety & security arrangement and green technology which signifies that customers are comfortable with the usage of products and services as the bank maintains customer's privacy and information and followed all rules and policies with proper symmetry because of that users trust the banking industry and their efficient green technology which saves their precious time, customer and eco-friendly also.

It also has been found that males are making more use of it as compared to female respondents and it has

been seen respondents who belong to the age group of 31-40 are making more use of green products and services followed by young generation 18-30. It proves that all the other age group needs more awareness for having trust on green practices and making more comfortable on part of usage for them. Rest, all demographics do not have a direct impact on the satisfaction of customers.

## Conclusion and Implications of Study

It is concluded that satisfied customers are most loyal and stick by the company always and it is very important for any industry to make their customers satisfied only then they can retain them and spread positive word of mouth and goodwill in the market. It is interpreted from results customers are satisfied with green products and services and they understand the significance and benefits of using green banking practices and they comprehend its effect on the environment also (Omar et.al, 2020). Factor analysis has produced two factors named safety & security arrangements and green technology which show its worth and customers satisfaction. As safety and security are the main concern for any user and always want to be sure their information is always be kept private and secure which leads to having trust in the banking industry. The purpose of making

the efforts on green banking practices by the banking industry is to save the environment and to promote green practices in which green technology plays a vital role and give the chance to customers to become green and make the environment clean and green by using green products and services.

This study has positive implications and acts as a base for other researchers in their study. Researchers can also do work on attitude, intention, usage, perception and recent developments in green banking as they all have an impact on customer's behavior. The results of the present study can be used by the banking industry and financial sector of India in making various decisions regarding green banking practices and customers.

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