



Examining Customers' Perceptions on Green Marketing Efforts Made by Certain Indian Private Banks

Ajay Kumar Ganguly¹, Dr.Subhajit Bhattacharya²

Article History: Received: 01.02.2023

Revised: 07.03.2023

Accepted: 10.04.2023

Abstract

Green marketing began with customers increased environmental awareness. Businesses, especially the financial sector, are feeling the need to incorporate "Green Innovations" due to growing public awareness of environmental concerns. The banking industry affects both the quality and amount of economic growth. As a result, the financial sector has a critical function in promoting responsible and ethical investment strategies. Green banking includes mobile banking, mobile wallets, online banking, loans for eco-friendly home improvements, eco-friendly credit cards, and eliminating paper waste! This study investigates Kolkata semi-urban customers' views on selected Indian banks' green marketing practises. Just 123 consumers of semi-urban sector of Kolkata Bandhan Bank and Axis Bank branches will be surveyed for this research. Green banking services are supplied by a few chosen banks in the semi-urban sector of Kolkata, and this research aims to learn which characteristics, such as connectivity and ease of access, impact customers' decisions to use these services. The research uses a difference in means t-test and a chi-square dependency test to examine *consumer knowledge* of green banking products, *customer associations* or *involvement* and *customer access* to green banking. Customers think eco-friendly banking operations are faster, more mobile, have better technical assistance, and have more user-friendly workflows as compared to conventional banking processes. Age and Education is profoundly influenced by factors of connection such as the adoption of green banking products, the dissemination of green banking efforts, and the reputation and pride factor.

Keyword: *Green banking, Customer involvement, Customer access, Age, Education*

¹Sr. Faculty, Department of Commerce, Syamaprasad College, University of Calcutta
9/7, Madhusudan Banerjee Road, Kolkata 700083, West Bengal, IN
Email: research.akg@gmail.com

²Associate Professor – Marketing, XIM University, Odisha 752050, IN
Plot No. 12(A), Nijigada, Kurki, Harirajpur, Odisha 752050
Email: subhajit@xim.edu.in

DOI: 10.31838/ecb/2023.12.s1.008

1. Introduction

Green marketing, in the first place, is a direct result of the growing environmental consciousness of consumers (Shamsuddoha, 2004). Green Eco-friendly marketing, as defined by the AMA, is marketing of products generally regarded as being ecologically beneficial. Both producers and consumers are becoming increasingly aware of the need to switch to green products and services as they learn more about the effects of climate change, non-biodegradable solid waste, the harmful effects of pollution, and other environmental challenges (Karna et al., 2003). The phrase "green eco-friendly marketing" refers to an overarching approach to advertising in which the environmental effect of the product is minimised at every step of its life cycle (from manufacturing to final disposal) (Chen, 2010). Green marketing is sometimes misunderstood to be just the advertising and promotion of goods that are environmentally friendly (Lyemperopoulos et al., 2012). Typically phrases like biodegradable, renewable, ozone compatible and environmentally safe are most of the customers commonly connected with green marketing (Charter, 1999). Hence, green marketing includes a broad range of activities, including but not limited to modifying goods, processes, packaging, and promotional materials (Dharwal, & Agarwal, 2013).

Banks and other financial institutions have an impact on the country's economic growth and development, both quantitatively and qualitatively, and they use a wide range of strategies to do so (Bihari, 2013). With rising public awareness of environmental issues, businesses of all stripes, including the financial industry, are feeling the need to implement "Green Innovations." (Vikas Nath, et al., 2014). The banking sector plays a role in shaping the nature of economic expansion, affecting both its quality and its quantity (Biswas, 2011). This implies that the financial sector plays a crucial role in encouraging sustainable and ethical investing practises. When it comes to pollution and emissions, the banking industry has a relatively good reputation (Vijai, 2018). Because of its low energy, paper, and water consumption, the banking industry has a relatively low and clean internal environmental impact (Biswas, 2011). The banking industry does not directly impact

the environment, but the actions of its customers do (Bahl, 2012). Therefore, the external activity of a bank has a substantial, if hard to estimate, effect on the environment (Rahman et al., 2013). There are some forms of Green Banking – Mobile Banking, Mobile Wallet, Online Banking, Making Eco-Friendly Upgrades to One's House with a Loan, Utilizing Eco-Friendly Credit Cards, Putting an end to paper waste!

2.0 Review of Literature

2.1 Eco-friendly Green Banking

In their article "Green Banking Practices - A Review," Nath et al., (2014) put special focus on the World Bank's environmental, green rating standards imposed by the RBI, and social norms, and describe the steps taken by public and private sector banks in India to implement Green Banking practises. Today, sustainable development ranks high on the list of global concerns. As a result, eco-friendly marketing has surged in popularity (Chen et al., 2022). Discovering Green Banking Products and Activities in India's Banking Industry is the goal of Green Banking Efforts by Indian Public and Private Sector Banks. Both publicly and privately owned banks were deemed to be making positive strides towards their green eco-friendly banking goals. When comparing the success of Green banking efforts across different types of banks, private sector banks have emerged as the clear winners (Vadrade & Katti, 2016). The purpose of "Green Banking: Efforts of Commercial Banks in India" is to research potential approaches to environmental sustainability in the context of banking in India. More and more people are using online banking services rather than visiting a branch, are paying bills electronically rather than mailing paper copies, are opening bank accounts with online banks rather than with large, multi-location banks, and are looking for the local bank in their area that is doing the most to promote local green projects (Ragupathi and Sujatha, 2015). By promoting the Bank's commitment to environmental responsibility, "green banking" activities boost customer loyalty and satisfaction (Herath & Herath, 2019).

2.2 Consumer Perceptions and Intentions Regarding Green Banking

The term "consumer attitude" describes an individual's inner appraisal of a certain action. People are more likely to carry out an activity they have a positive outlook on, as postulated by the Theory of Planned Behavior (Beck & Ajzen, 1991). As a result, one can infer a lot about a person's behaviour from their attitude. Consumers that care more about the environment are predicted to choose eco-friendly items (Wang & Wong, 2021). Several studies have shown a correlation between buying green products and caring more about environmental concerns (Huvet et al., 2016). Prior research has also shown the existence of similar connections in the developing economies of Asia (Jaiswal & Kant, 2018). From the above, it is reasonable to conclude that consumer views and preferences have a substantial impact on customers' choices to embrace green banking.

3 Research Gap

The majority of the studies evaluated compare the public and private sectors in terms of green banking practises, techniques utilised to practise green banking, efforts made to promote green banking, and so on. And also geographical extent of semi urban segment of Kolkata is not addressed in the previous research. So, there is a discrepancy in locating green banking practises among private sector banks in the semi urban section of Kolkata when customer awareness, connection, and accessibility are taken into account.

4 Statement of the Problem

The banking industry in particular has embraced environmental protection measures as a result of the growing awareness of the issue among consumers and businesses. It is because of this commitment to environmental responsibility that the notion of "Green Banking" emerged. And the bank has done certain things to promote their environmentally friendly offerings. This study aims to investigate the customers' perception of the green marketing initiatives of some private banks situated in suburban area of Kolkata.

5 Mission Statement

The major goal of this research is to examine the perceptions of consumers in the semi-urban sector of Kolkata about the Green marketing practises of selected Indian banks.

1. The first goal of this research is to learn how well informed the clients of a few chosen private Indian banks in semi-urban sector of Kolkata are about green products and services.
2. Examining the customer's level of involvement with eco-friendly products and services.

5.1 Derived Hypothesis

H₁: Green product and service awareness is strong among select private banks' clientele.

H₂: Dimensions of Education and Experience (Age) has a huge impact on how loyal a client is to eco-friendly brands.

H₃: Customer exposure to green products and services is strongly influenced by factors such as age and level of education.

5.2 Mission Statement

Just 123 consumers of semi-urban sector of Kolkata Bandhan Bank and Axis Bank branches will be surveyed for this research. The purpose of this research is to measure how knowledgeable customers are about the green marketing services provided by a few selected financial institutions specially Bandhan Bank and Axis Bank. Green banking services are supplied by a few chosen banks in the semi-urban sector of Kolkata, and this research aims to learn which characteristics, such as connectivity and ease of access, impact customers' decisions to use these services.

5.3 Methodology adopted in our Study.

Descriptive research methodology was used to obtain information from 123 Bandhan and Axis Bank clients (through Stratified Sampling). For this purpose, a structured questionnaire is made available to the clients. The analysis and interpretation of findings are based only on primary data. The research uses a difference in means t-test and a chi-square dependency test to examine *consumer knowledge* of green banking products, *customer associations* or *involvement* and *customer access* to green banking.

6.0 Analysis

<TABLE 1>

The demographic data of the respondents(customer) is shown in the table above (customer). Men make up the vast majority of those who answered the survey. Almost as many and as equal are those who are childless and those who are married with children. Those who have completed college are more likely to be graduates. Clients' incomes tend to fall within a very narrow platykurtic range, which is convenient for banks. The banks do have a powerful role under CASA.

H₁: There is a substantial variation in the proportion of assigned private bank customers who are aware of and are not aware of private banks' green offerings.

<TABLE 2>

<TABLE 3>

The table above illustrates customers' knowledge of green bank services. The outcome is not promising for green product awareness among the sampled financial institutions. At the 5% level of significance, the p-value of 0.00 indicates that there is a statistically significant difference between the proportion of customers who are aware of and who are uninformed of green goods offered by the two financial institutions. When comparing the average levels of awareness and ignorance, the average of the latter is far higher. As a result, it's safe to say that not enough people know about eco-friendly banking options.

H₂: Considerations of Experience (Age) and Knowledge (Education) Impacts the extent to which a customer identifies with "green" offerings.

<TABLE 4>

These findings are based on a test of the "age-degree of involvement" dependence at the 5% level of significance. Customers of any age may and do participate in the green banking system. The age of a bank's clients is not a factor in any way when it comes to provide eco-friendly banking services. All age groups talk about green banking on social media. The

reputation index relies on age in any meaningful way.

<TABLE 5>

The aforementioned findings are based on a test of the correlation between educational attainment and green banking service integration at the 5% level of significance. Use of green banking channels, promotion of green banking activities on social media, and perceived status all correlate strongly with academic attainment.

H₃: Differences in Age and Level of Education affects the customer's ability to get eco-friendly goods and services significantly.

<TABLE 6>

In order to examine whether or not there is a correlation between a user's age and the effectiveness of various accessibility features, a chi-square test for dependence is performed at the 5% level of significance. The aforementioned findings are annotated, and their meaning is explained below. There is a correlation between one's age and their level of expertise with respect to utilising green banking channels, banks' willingness to provide information about green technology, the convenience of being able to bank from anywhere in the world, and the safety of their financial transactions. Aging has significant impact on the discovery of server faults, longer transaction times, or time consumption.

<TABLE 7>

At a 5% significance level, the chi square test for dependence is used to examine the relationship between accessibility characteristics and Education. The aforementioned findings have been labelled, and the explanation follows. Education level is heavily reliant on advanced knowledge of green banking channels, banks' initiative in offering know-how in utilising green technology, flexibility in using anyplace without domicile restrictions, and risk quotient. Education has a significant impact on finding server faults, resulting in longer transactions and time waste.

7.0 FINDINGS

Men clients predominate in the research region i.e. semi-urban segment of Kolkata. The respondents' understanding of green banking

services is quite low. Many customers see the use of technology in green banking operations as a status symbol, and they may choose to utilise it to impress their peers. On the other hand, they admit that they employ less eco-friendly financial options. As a result, it is reasonable to assume a positive attitude towards environmentally responsible banking practises. The age of the customer is a factor in the green banking process. There is an age-related drop in the prestige associated with green banking projects, the spread of green banking practises through social media, or similar activities. Education is profoundly influenced by factors of connection such as the adoption of green banking products, the dissemination of green banking efforts, and the reputation and pride factor. Participation in eco-friendly banking is open to people of all educational backgrounds. There is no distinction between scholastic attainment and participation in environmentally responsible banking. Age has a major effect on accessibility factors including the need for supplementary knowledge of unique talents, technical expertise, and safety. Differences in age have a major effect on accessibility factors including the need for more specialised skills, technical knowledge, and a concern for safety. Problems experienced on the internet, the duration of the process, and the amount of time needed are all constant for everyone. Age has a major effect on accessibility factors including the need for more specialised knowledge, technical expertise, and safety precautions. It is not the case that others will have less difficulties or a shorter process time while interacting with a service online.

8.0 Conclusion

To raise public consciousness about the human cost of climate change, private banks should expand their existing campaign efforts. That a less ecological footprint may be achieved. Customers' willingness to share their knowledge on green banking can only benefit financial institutions trying to increase their client conversion rates. With consumers talking about their green banking experiences, banks may get new clients just by glancing at the information being shared. More effort should be put into strengthening the software infrastructure and ensuring the safety of online

transactions so as to increase their prevalence. As part of their consumer education efforts, banks must provide seminars on sustainable finance so that awareness, connectedness, and accessibility can be increased.

This research aims to better understand the green banking policies and procedures of private sector banks in the semi-urban area of Kolkata. In this region under consideration, private sector banks have adopted environmentally friendly policies in a nearly identical stance. The study's findings suggest that just a small fraction of private sector bank clients are aware of green banking solutions. Customers are only vaguely acquainted with a handful of goods or services in the banking industry. Customers are acquainted with just a few products, including as ATMs, RTGS/NEFT, and online/mobile banking. Very less population is knowledgeable with most financial services and products, including green loans, remote deposits, CDs, money market accounts, mortgages, loans, credit cards, loans, money market accounts, and mortgages.

Evidently, private banks in the study region are not yet offering fully developed green banking options. About consumers' degree of involvement with green banking practises, customers see green banking projects as novel, and they talk about them with their friends and family on social media. Furthermore, they believe that purchasing environmentally friendly items gives them social status and are happy to spread the word. Nonetheless, there is a concerning trend towards decreased green product utilisation. As compared to conventional banking processes, customers believe eco-friendly alternatives save them time, allow for more geographic mobility, provide superior technical support, and have more user-friendly workflows. Yet users believe that infrastructural concerns, such as slow service and insufficient security, are more persistent. The research concludes that private banks have more room for development in the implementation of a comprehensive green banking system to better meet the needs of their clientele.

9.0 Scope of Future Research

Although every precaution has been taken, the current research cannot escape the constraints

inherent in an investigation of this kind. Although interesting, the study's limited scope means that its findings may not be applicable beyond the scope of the suburban segment of Kolkata. Since the research was limited to just a few banks in the assigned region, the findings may not be generalizable. As a consequence, future researchers will have additional opportunities to conduct surveys in various cities, provinces and different urban and rural segment. There are other constructs can be extracted which can influence the consumer preference and it might be an additional opportunity for the future researchers.

References

- Bahl, S. (2012). Green banking-The new strategic imperative. *Asian Journal of Research in Business Economics and Management*, 2(2), 176-185.
- Beck, L., & Ajzen, I. (1991). Predicting dishonest actions using the theory of planned behavior. *Journal of research in personality*, 25(3), 285-301.
- Beck, L., & Ajzen, I. (1991). Predicting dishonest actions using the theory of planned behavior. *Journal of research in personality*, 25(3), 285-301.
- Bihari, S. C. (2011). Green banking—socially responsible banking in India. *The India Banker*, 6(1), 32-37.
- Biswas, N. (2011). Sustainable green banking approach: The need of the hour. *Business Spectrum*, 1(1), 32-38.
- Biswas, N. (2011). Sustainable green banking approach: The need of the hour. *Business Spectrum*, 1(1), 32-38.
- Chen, Z., Mirza, N., Huang, L., & Umar, M. (2022). Green banking—can financial institutions support green recovery?. *Economic Analysis and Policy*, 75, 389-395.
- Dharwal, M., & Agarwal, A. (2013). Green banking: An innovative initiative for sustainable development. *ACCMAN Institute of Management Article*, 2(3), 1-7.
- Herath, H. M. A. K., & Herath, H. M. S. P. (2019). Impact of Green banking initiatives on customer satisfaction: A conceptual model of customer satisfaction on green banking. *Journal of Business and Management*, 1(21), 24-35.
- Huvet, A., Paul-Pont, I., Fabioux, C., Lambert, C., Suquet, M., Thomas, Y., ... & Sussarellu, R. (2016). Reply to Lenz et al.: quantifying the smallest microplastics is the challenge for a comprehensive view of their environmental impacts. *Proceedings of the National Academy of Sciences*, 113(29), E4123-E4124.
- Jaiswal, D., & Kant, R. (2018). Green purchasing behaviour: A conceptual framework and empirical investigation of Indian consumers. *Journal of Retailing and Consumer Services*, 41, 60-69.
- Kärnä, J., Hansen, E., & Juslin, H. (2003). Social responsibility in environmental marketing planning. *European journal of marketing*, 37(5/6), 848-871.
- Lymperopoulos, C., Chaniotakis, I. E., & Soureli, M. (2012). A model of green bank marketing. *Journal of Financial Services Marketing*, 17, 177-186.
- Nath, V., Nayak, N., & Goel, A. (2014). Green banking practices—A review. *IMPACT: International journal of research in business management (IMPACT: IJRBM)* Vol, 2, 45-62.
- Polonsky, M. J., & Charter, M. (1999). *Greener marketing: a global perspective on greening marketing practice*. Greenleaf Publishing Limited.
- Ragupathi, M., & Sujatha, S. (2015). Green banking initiatives of commercial banks in India. *International Research Journal of Business and Management*, 8(2), 74-81.
- Rahman, M., Ahsan, M., Hossain, M., & Hoq, M. (2013). Green banking prospects in Bangladesh. Ali and Ahsan, Md. Ali and Hossain, Md. Motaher and Hoq, Meem, *Green Banking Prospects in Bangladesh* (June 2, 2013). *Asian Business Review*, 2(2).
- Shamsuddoha, M. (2005). Green marketing and its implication problem in Bangladesh. *Pakistan journal of social sciences*, 3(3), 216-224.
- Vadrade, K. S., & Katti, V. P. (2016). Green banking initiatives by Indian public and

private sector banks. In The International Conference On Green Banking For Green Industry And Green Economy, 12th February to the 13th February in Belgaum, India (pp. 1-14).

Vijai, C. (2018). A study on customer's awareness on green banking initiatives in selected public and private sector banks with special reference to Cuddalore district. International Journal of

Innovative Research in Science, Engineering and Technology, 7(11), 9362-9367.

Wang, L., & Wong, P. P. W. (2021). Marketing of environmentally friendly hotels in China through religious segmentation: a theory of planned behaviour approach. Tourism Review, 76(5), 1164-1180.

TABLES AND FIGURES:

Table No. 1: Demographic Profile

Gender	MALE	67
	FEMALE	56
	Total	123
Marital Status	SINGLE	43
	MARRIED WITH KIDS	63
	MARRIED WITHOUT KIDS	17
	Total	123
Education	CLASS X	05
	CLASS X+2	18
	GRADUATE	60
	POST GRADUATE	28
	OTHERS	12
	Total	123
Occupation	EMPLOYED	40
	SELF-EMPLOYED	30
	STUDENT	23
	HOME MAKER	30
	Total	123
Income	BELOW RS. 20,000/-	23
	RS.20,000-RS.40,000	55
	RS.40,000-RS.60,000	24
	RS. 60,000	21
	Total	123

Source: Primary Data

Table No. 2: Awareness of Green Banking Products

	Green Products/ Services	Yes	No
1.	ATM	120	03
2.	Telephone Banking	05	118
3.	Green Savings Accounts	11	112
4.	Online app based NEFT	56	67
5.	Accounts detail checking in online mode [Green mode]	22	101
6.	Loans in Green Mode	19	104
7.	Electronic Credit Cards	10	113
8.	Remote Green way Deposit	8	115
9.	Mortgage in Green way	10	113
10.	Mobile app Banking	90	33
11.	Online Banking	95	28
12.	Mobile Transaction through Wallet	83	40

Source: Primary Data

Table No. 3: t-Test for Two Samples with Assumed Equivalent Variances

		yes	No
01	MEAN	44.08	78.92
02	OBSERVATIONS	12	12
03	VARIANCES	1212.81	1212.81
04	POOLED VARIANCES	1212.81	
05	Df	22	
06	t-Stat	-4.32	
07	P one-tail(T<=t)	0.00	
08	t Critical one-tail	1.81	
09	P(T<=t) two-tail	0.00	
10	t Critical two-tail	2.19	

Source: Primary Data [Table # 2]

Table No 4: Analysis Table for Age and degree of involvement

Items	X ² obtained	X ² critical value*	Result
I'd want to contribute to the bank's efforts to create a more environmentally friendly culture by participating in green banking.	19.12	33.92	H ₁ Rejected
While making routine transactions, I often choose eco-friendly banking options.	5113.79	33.92	H ₁ Accepted
In an effort to raise public awareness, I often write about green banking efforts and programmes offered by various banks and publish my findings on various social media platforms.	21.29	33.92	H ₁ Rejected
As comparison to waiting in line at a bank, I feel more important and convenient when I use an online / mobile banking service.	3001.23	33.92	H ₁ Accepted

Source: Primary Data

*5% significance level

Table No 5: Analysis Table for Education and Degree of Involvement

Items	X ² obtained	X ² critical value*	Result
I'd want to contribute to the bank's efforts to create a more environmentally friendly culture by participating in green banking.	17.32	33.92	H ₁ Rejected
While making routine transactions, I often choose eco-friendly banking options.	571.79	33.92	H ₁ Accepted
In an effort to raise public awareness, I often write about green banking efforts and programmes offered by various banks and publish my findings on various social media platforms.	272.29	33.92	H ₁ Accepted
As comparison to waiting in line at a bank, I feel more important and convenient when I use an online / mobile banking service.	311.28	33.92	H ₁ Accepted

Source: Primary Data

*5% significance level

Table No 6: Analysis Table for age and access to green products/services

Items	X ² obtained	X ² critical value*	Result
If my bank provides a green banking channel, I don't need to have any specialized knowledge or training to utilize it.	3133.32	33.92	H ₁ Accepted
Since my bank has the necessary technical know-how, I feel comfortable using environmentally friendly methods of banking.	664.79	33.92	H ₁ Accepted
Thanks to paperless banking methods, I can complete my transaction whenever and wherever I choose.	731.28	33.92	H ₁ Accepted
While making an online transaction, I have not encountered any issues with the server.	311.28	33.92	H ₁ Accepted
My money transfer to another account is secure.	222.23	33.92	H ₁ Accepted
While doing a transaction online, a more time-consuming process is avoided.	291.81	33.92	H ₁ Accepted
Online banking takes hardly any time at all.	146.97	33.92	H ₁ Accepted

Source: Primary Data

*5% significance level

Table No 7: Analysis Table for Education and access to green products/services

Items	X ² obtained	X ² critical value*	Result
If my bank provides a green banking channel, I don't need to have any specialized knowledge or training to utilize it.	412.77	33.92	H ₁ Accepted
Since my bank has the necessary technical know-how, I feel comfortable using environmentally friendly methods of banking.	821.45	33.92	H ₁ Accepted
Thanks to paperless banking methods, I can complete my transaction whenever and wherever I choose.	2121.28	33.92	H ₁ Accepted
While making an online transaction, I have not encountered any issues with the server.	346.78	33.92	H ₁ Accepted
My money transfer to another account is secure.	398.83	33.92	H ₁ Accepted
While doing a transaction online, a more time-consuming process is avoided.	491.21	33.92	H ₁ Accepted
Online banking takes hardly any time at all.	349.17	33.92	H ₁ Accepted

Source: Primary Data

*5% significance level