



IMPACT OF GREEN BANKING PRACTICES DURING COVID-19

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Abstract

Modern Banking sector is the icon of growth and development of the economy. Recent changes made in banking sector have achieved sustainability over environment called Green Banking. Online mode of banking services in turn reduces the usage of paper. Green banking also helps to save the energy resources. My study focused on specialised banking services rendered in current difficult times i.e. during covid-19 pandemic situation Green banking services has helped the society in many ways. ATMs, online banking, Mobile banking and other green banking services helped the public from Monetary difficulties and banks are conducting Green banking awareness programs to the public to adopt the green banking services through their promotional activities like TV advertisements explaining regarding online money transfer and bill payment apps etc. A new recent and trending banking service called Door step banking service is introduced by banks, Door step banking nothing but providing basic banking services to its senior citizens and differently abled customers like cash delivery, cash pick up and cheque pick up services. Banks also installed new ATMs in convenience to customers and near to their access in their locality and in few areas Banks introduced mobile ATMs which moves ATMs by fixing them to vans from one locality to another to avoid the public from moving out of their locality for cash withdrawals. It is a descriptive study and the data is collected from secondary sources from newspapers, magazines and articles.

Introduction

From the decades banking sector is playing its role towards the development of economy. Changes in the business patterns, advancement of technology and due to competitive advantage banking system has brought a paradigm shift from traditional banking methods to modern banking practices called as Green banking. Now a days Green banking is a trending topic in the banking sector. Green banking is nothing but reduction of carbon gas emissions from its activities and adopting online banking through desktops, laptops, tabs, mobiles etc. it leads to save the time and cost of both banks and customers. And also adoption of Green banking reduces the usage of paper and wasting of energy and other resources, which directly helps to protect the environment from natural calamities

and reduces the Global warming and release of greenhouse gases with their Green banking products and services. Basically Banks are not classified under polluting industry, but their lending activities towards different businesses which are considered as polluting sectors may leads to environmental degradation. As a Green banking initiative banks are required to analyse the projects whether they are eco-friendly projects or not before lending loans.

Objectives of the study

1. To study the impact of green banking services towards customers during covid-19 pandemic.
2. To study the new concept of banking - doorstep banking



Research Methodology

The study is based on secondary data. It is descriptive in nature. Initiatives of Banks during Covid-19 pandemic and their special services towards senior citizens and specially disabled are highly appreciable. Data is collected from secondary sources like articles, newspaper, and website of banks.

Review of Literature

Geetika (2014) highlighted the green banking initiatives of top public and private sector banks in India. The study done on evolution of green banking and the services of green banking. It is based on secondary data and the study concluded that banks need to go for promotions to create awareness of green banking among its customers.

Dipika (2015) emphasized about different strategies of banks to adopt green banking and to implement green banking services. RBI has given new guidelines and it is implemented by both private and public sector banks with different strategies. It is an exploratory study. Data collected from secondary published sources. Elaborated the benefits of green banking towards banks and challenges facing by the banks in implementing green banking. Study concluded that banks need to promote different green banking activities and create customers awareness through media and to conduct the training and development facilities to improve the skills of employees.

Kanak tara et.al (2015) examined the various guidelines of environmental conservation and to achieve sustainability and also analysed the initiatives of SBI and ICICI to implement the green banking services. The study conducted through primary and secondary data collection. Study concluded that they have to create awareness of green banking services towards customers and need to be responsible towards environment to stand and compete with global market.

Suresh Chandra et.al (2015) explored the responsibilities of banks towards protecting the environment by making their services green. Study done on steps taken in implementing green banking services. Green banking services implemented by

few selected banks studied and the study concluded that implementation of green banking services is not enough but also needs to create awareness among bank employees, customers. Study done based on secondary data published and unpublished sources and sustainability reports of selected banks.

Easwari et.al (2019) analysed the green banking initiatives of State Bank of India, aims to measure the levels of awareness and customer perception towards green banking services and also to identify the motivating factors for using green banking services. Both primary and secondary data sources used to collect data. Sample is selected based on Simple random sampling method. The findings of the study show that awareness of green banking is low. ANOVA test, 'T' test and garrate ranking method is used for data interpretation. The study concluded that customers are mostly aware of only ATMs and Green channel counters. So the banks need to create awareness about other green banking services towards customers.

Concept of Green Banking

Green banking is the process of reduction of carbon footprint from its banking activities and encouraging environment friendly practices. Green banking specifically uses online banking instead of branch banking; it helps to pay bills online and avoids mailing and printing them. Banks are the centre point for all loan borrowing industries. So banks while providing loans to the industries need to assess its impact on the environment. Banks are providing many green banking services to its customers towards protecting the planet. In India green banking is in Introduction stage and banks are taking key steps to implement them. Indian banks have introduced many Green banking products and services among them few are mostly used by the customers and few are still at their initial stage.

Green Banking Products and Services

1. ATMs-Automated Teller Machine

An ATM is a specialized computer that makes it convenient to manage a bank account holder's funds. It helps to check the account balances, withdraw and deposit money, print a statement



of account activities or transactions. It is a 24*7 service.

2. **Mobile Banking**

It is a service provides by banks which allows its customers to conduct banking transactions remotely using a mobile device such as smart phone, tablet. It is available on 24- hour basis

3. **Online banking/Internet banking**

Online banking allows a user to conduct banking transaction through internet. Online banking is also has different names called internet banking and web banking. Online banking offers its customers each and every service which is available at local branch including deposits, transfers and online bill payments

4. **Point-Of-Sale Terminal (POS)**

A point of sale terminal is a hardware system for processing card payments at retail locations. it is computerised replacement of cash register which can process credit and debit card. Here customer needs to enter the PIN number of his card to complete the transaction using the POS terminal.

5. **Electronic clearing services (ECS)**

Electronic clearing service is an electronic mode of fund transfer from one bank account to another. It is mostly used by firms, individuals and corporates for the payment of bills such as electricity bills, water bills and loan payment and other services like payment of insurance premium etc. can also be paid.

6. **National Electronic Fund Transfer (NEFT)**

National Electronic Fund Transfer is a nationwide payment system facilitating one-to-one funds transfer. This scheme facilitates the individuals to transfer funds electronically from one bank branch to any individual having an account with any other bank branch in the same country.

7. **Real Time Gross Settlement (RTGS)**

RTGS is a fund transfer method which is done on a real-time basis and without any delays.

This allows the money sent by the remitter to immediately reach the beneficiary/payee as and when the request is received. It is the fastest interbank money transfer method.

8. **Green Mortgages**

A green mortgage is an energy efficient loan product, here the borrower obtain finance from a bank to purchase house and to refinance the existing house.in green mortgage monthly payments are high for the loan borrowed. Green mortgage is eligible only for an environment friendly building like recycled glass, bamboo flooring etc.

Relevance of Green Banking during Covid-19 pandemic

- Covid-19 has brought many changes in the lifestyle of society. But Implementation of Green Baking has brought worthiness to the banks and their services at current pandemic times. Because of social distancing norms and the national lockdown in the coronavirus pandemic, banks are implementing their doorstep banking policies. Let us see Green initiatives taken by different banks during the pandemic:
- During the current lockdown the Reserve Bank of India had recently advised banks to ensure that certain basic banking services are offered to senior citizens of over 70 years and differently abled persons at the doorstep.
- State Bank of India setup new standards to serve their customers during the pandemic providing banking services like cash delivery at the doorstep.
- Doorstep banking service offered by the SBI include cash pickup, cash delivery, cheque pickup, cheque requisition slip pickup, form15H pickup, delivery of drafts, delivery of term deposit advice, life certificate pickup and KYC documents pickup
- HDFC also providing the services to the senior citizens like cash pickup and drop as well as cheque pickups.



- Cash and payments solutions company CMS info systems has launched a free cash2home facility for doorstep cash delivery service to help senior citizens and differently disabled get cash safely at home with partner banks.
- Many banks have also launched mobile ATM facilities in select cities to ensure that customers have easy access to cash.
- Many banks are also operating mobile ATMs to ensure that customers can easily access cash without having to crowd at ATMs and branches.
- Due to coronavirus impact HDFC bank installed Mobile ATM s across India to avoid the customers move out of their stipulated locality to withdraw cash from ATMs. The mobile ATMs has successfully implemented in Mumbai and Noida. Banks may extend their services across India.

Conclusion

Banking sector has implemented Green Banking services years ago. But the importance of those services realised in covid-19 times. The real worth of green banking services is at the cost of serving the senior citizens and different abled persons with the initiative doorstep banking. Now the banks are in a position to implement 80% of their green banking services, if this continues for future days definitely we can curb the environmental degradation to large extent. The study concluded that the impact of green banking services during this pandemic is implemented only few noticed banks and many are failed to provide the services to the doorsteps of customers. So the banks must get them to a position to implement the services at the doorstep of the customers.



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