

CUSTOMER SATISFACTION TOWARDS GREEN BANKING SERVICES: A STUDY OF SELECTED BANKS IN BELTHANGADY TALUK

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ABSTRACT

Green banking integrates environmental responsibility into banking operations through digital and paperless services, resource-efficient practices and support for environmentally sustainable activities. This study examines customer awareness, use and satisfaction regarding green banking services offered by State Bank of India (SBI) and Canara Bank in Belthangady and Bantwal taluks of Dakshina Kannada district. The study is based on primary survey responses from 63 customers, supplemented by secondary sources cited in the project. Convenience sampling and descriptive analysis using frequencies and percentages were used. The results indicate that 73% of respondents were aware of green banking, while 52.4% reported regular use of green banking services. ATMs were the most commonly reported service, followed by internet banking. Time saving was the leading motivation, and 90.5% reported satisfaction with the services offered. However, respondents identified lack of knowledge as a major barrier to wider public awareness. A one-sample proportion test was conducted to assess whether awareness exceeded the 50% benchmark. The study recommends practical demonstrations, clear communication, stronger digital support and incentives for environmentally responsible banking.

Keywords: Green banking, customer satisfaction, SBI, Canara Bank, digital banking, sustainability.

INTRODUCTION

Banks influence sustainable development not only through their own operations but also through the services they provide and the activities they finance. Green banking refers to banking practices that seek to reduce environmental impact and encourage responsible use of resources. Internally, it may include reducing paper consumption, electronic statements, energy-efficient branches and digital communication. Through customer services, it can include mobile and internet banking, electronic transfers and other transactions that reduce the need for paper-based processes and branch visits. In lending, the concept may extend to evaluating environmental risks and supporting eligible environmentally beneficial projects.

The growth of digital banking has made several services more accessible and convenient. However, availability does not necessarily ensure awareness, confidence or regular use. Some customers may be unfamiliar with the range of services, uncertain about security, or unable to use digital channels without assistance. It is therefore important to examine both customers' knowledge and their experience of green banking services. SBI and Canara Bank are major public sector banks with broad customer reach. Studying their customers in Belthangady and Bantwal taluks offers a local view of awareness, use and satisfaction.

NEED AND SIGNIFICANCE OF THE STUDY

Green banking is relevant because the banking sector can contribute to environmental responsibility by reducing paper use, encouraging electronic transactions and supporting sustainable finance. Customer participation is essential for these initiatives to produce practical benefits. If customers are aware of only a limited number of services, or use them infrequently, the potential benefits may remain unrealised.

The project data show a difference between awareness and regular use: 73% of respondents knew about green banking, but only 52.4% reported using green banking services regularly. The study is therefore needed to identify the information channels through which customers learn about green banking, the services they use, the reasons they choose them, and the areas where banks can improve customer support. The findings may assist bank branches in designing awareness programmes and making digital services easier to understand and use.

OBJECTIVES OF THE STUDY

- To examine customers' awareness of green banking services offered by SBI and Canara Bank.
- To identify the green banking services used by respondents and the frequency of use.
- To assess the main factors motivating customers to use green banking services.
- To examine respondents' views on sustainability and their satisfaction with the services offered.
- To suggest measures to improve awareness, accessibility and customer experience.

REVIEW OF LITERATURE

Bahl (2012)-Bahl's paper, "Green Banking – The New Strategic Imperative," presents green banking as a strategic concern for the banking sector. The theme is relevant to the present study because banks need to integrate environmental considerations into service delivery and operational decisions rather than treating them only as promotional activities.

Ahmad, Zayed, and Harun (2013)-Ahmad et al. examine factors behind the adoption of green banking by commercial banks in Bangladesh. Their focus on adoption provides a useful background for investigating why customers become aware of, and begin using, green banking services. The present study approaches adoption from the customer perspective in two taluks of Karnataka.

Bhardwaj and Malhotra (2014)-Bhardwaj and Malhotra discuss green banking strategies in relation to sustainability and corporate entrepreneurship. This perspective supports the view that environmental responsibility can be incorporated into banking strategy and practices. The current research complements this broad strategic perspective by documenting customer awareness, usage and satisfaction.

Narang (2015)-Narang's study of selected banks in India is directly relevant to the national banking context. Its focus on green banking in Indian banks provides a basis for considering how sustainability-oriented banking practices are implemented in India. The present paper narrows the focus to customer responses concerning SBI and Canara Bank.

Deka (2015)-Deka examines the environmental strategies of banks with special reference to SBI. The work is relevant because SBI is one of the two banks included in the present study. It provides a contextual link between bank-level environmental initiatives and the customer-facing services considered in this survey.

Sahoo, Singh, and Jain (2016)-Sahoo et al. address problems and prospects of green banking in India. The topic highlights that implementation involves both opportunities and challenges. The present study contributes a local customer perspective, particularly on awareness gaps, service usage and the need for clearer communication.

HYPOTHESIS OF THE STUDY

- Null Hypothesis (H_0): There is no significant evidence that the proportion of customers who are aware of green banking services exceeds 50%.
- Alternative Hypothesis (H_1): The proportion of customers who are aware of green banking services is significantly greater than 50%.

Level of significance: 5% (0.05)

RESEARCH METHODOLOGY

- Research design: Descriptive survey research.
- Study area: Belthangady and Bantwal taluks, Dakshina Kannada district, Karnataka.
- Population and sample: Customers approached who held an account with SBI or Canara Bank; 63 responses were included.
- Sampling method: Convenience sampling.
- Data sources: Primary data collected through a structured questionnaire; secondary material drawn from books, articles and research papers cited in the original project.
- Analytical tools: Frequencies and percentages. One one-sample proportion test is added for the awareness result, using 50% as a neutral majority benchmark.

DATA ANALYSIS AND DISCUSSION

Table 1. Profile of respondents

Socio-Economic variable	Options	Number of Respondents	Percentage
Gender	Male	34	54
	Female	29	46
	Total	63	100
Age in (years)	Below 20	15	23.8
	20-40	46	73
	40-60	2	3.2
	Above 60	-	-
	Total	63	100
Educational Qualification	Graduation	23	36.5
	Diploma / ITI	17	27
	Post Graduation	11	17.5
	SSLC	9	12.7
	Animation	1	1
	II PUC	2	3.17
	Total	63	100
Income Level (in Rs.)	Belove 40,000	48	76.2
	Upto Rs. 1,00,000	7	11.1
	1,00,000 – 5,00,000	6	9.5

	Above Rs. 5,00,000	2	3.2
	Total	63	100
Marital Status	Unmarried	56	88.9
	Married	5	7.9
	Widow	-	-
	Divorcee	2	3.2
	Total	63	100
Occupation	Agriculturist	8	12.69
	Self-employed	4	6.3
	Student	17	26.9
	Private employee	19	30
	Daily wage worker	3	4.7
	Business	5	7.9
	Professionals	3	4.7
	Government employee	4	6.3
	Total	63	100

Source: Survey Data

The socio-economic profile of the 63 respondents reveals that 54% are male and 46% are female, indicating slightly higher male participation. Regarding age, the majority (73%) belong to the 20–40 years age group, followed by 23.8% below 20 years and 3.2% in the 40–60 years category. In terms of educational qualification, 36.5% are graduates, 27% hold diploma/ITI qualifications and 17.5% are postgraduates, while the remaining respondents have completed SSLC, II PUC or other qualifications. With respect to income, a significant majority (76.2%) earn below ₹40,000, indicating that most respondents belong to the lower-income category. Regarding marital status, 88.9% are unmarried, while 7.9% are married and 3.2% are divorced. In terms of occupation, private employees constitute the largest group (30%), followed by students (26.9%) and agriculturists (12.69%). The remaining respondents are engaged in business, self-employment, government employment, professional activities and daily wage work. Overall, the profile indicates that the respondents are predominantly young, unmarried and from the lower-income category, with diverse educational qualifications and occupational backgrounds.

Table 2. Awareness and regular use of green banking initiatives

Measure	Yes	No	Key result
Awareness of green banking	46 (73.0%)	17 (27.0%)	Awareness is above half of the sample.
Regular use of green banking services	33 (52.4%)	30 (47.6%)	Regular use is only marginally above half.

Awareness is more widespread than regular use. The 20.6 percentage-point gap between awareness (73.0%) and regular use (52.4%) suggests that knowing about green banking does not always translate into routine use. Banks may need to offer practical demonstrations, explain the steps involved and address customer concerns about digital transactions.

Table 3. Common services, motivations and satisfaction

Indicator	Reported result	Interpretation
Most-used service	ATM: 46 respondents (73%)	ATM use dominates the services listed; internet banking was reported by 13 respondents (20.6%).

Frequency of use	Rarely: 27 (42.9%); monthly: 18 (28.6%)	A substantial group uses services infrequently.
Main motivation	Saving time: 36 (57.1%)	Convenience is the leading reported reason; environmental concern was cited by 17 (27.0%).
Contribution to sustainable development	Yes: 39 (61.9%)	Most respondents believe green banking contributes to sustainability.
Satisfaction	Satisfied: 57 (90.5%)	Reported satisfaction is high among surveyed customers.
Would recommend services	Yes: 52 (82.5%)	Most respondents would recommend the services to family and friends.
Main barrier to public awareness	Lack of knowledge: 36 responses (57.1%, as reported)	Knowledge gaps are the leading reported barrier.

ATM was the most frequently reported service in the project, followed by internet banking. As the original questionnaire permitted multiple selections for types of service, service percentages should not be interpreted as mutually exclusive categories. Time saving was the leading motivation, followed by environmental concern. Although reported satisfaction was high, the frequency table shows that 42.9% used green banking services rarely. This suggests that satisfaction among users and frequency of use are distinct issues.

A majority (61.9%) believed that green banking contributes to sustainable development, and 82.5% said they would recommend the services. At the same time, lack of knowledge was identified as the most common reason for limited public awareness. The pattern points to a practical opportunity: banks can build on existing satisfaction and positive word-of-mouth by improving customer education and access to digital support

Testing of Hypothesis: Decision rule: If the p-value is less than 0.05, reject H_0 and accept H_1 .

Otherwise, fail to reject H_0 .

Test component	Result
Sample size (n)	63
Respondents aware	46
Observed proportion	73.0%
Null benchmark	50.0%
Exact one-sided binomial p-value	0.0002
Decision at 5% significance	Reject H_0 ; evidence that awareness exceeds 50%

Result: Since the p-value is 0.000168, which is less than 0.05, H_0 is rejected and H_1 is supported. Therefore, the study provides statistically significant evidence that more than 50% of the surveyed customers are aware of green banking services. The survey reports 46 aware respondents out of 63, giving an observed awareness proportion of $46/63 = 73.0\%$. A one-sided exact binomial test was used against $p_0 = 0.50$. This benchmark tests whether awareness is above a simple majority; it is not a regulatory or industry target.

Interpretation: The p-value (0.0002) is below 0.05. Therefore, the null hypothesis is rejected in favour of the alternative hypothesis. Within this sample, the proportion aware of green banking is statistically greater than 50%.

MAJOR FINDINGS

- Of the 63 respondents, 73% reported awareness of green banking, while 27% were

unaware.

- Regular use was reported by 52.4%; 47.6% did not use green banking services regularly.
- Social media was the leading reported information source (33 responses), followed by family and friends (14). The source table allows multiple responses, so these counts need not sum to 63.
- ATM was the most commonly reported service (46 respondents; 73%), followed by internet banking (13; 20.6%).
- Rare use was the most common frequency category (42.9%), followed by monthly use (28.6%).
- Saving time was the leading motivation (57.1%), while environmental concern was cited by 27%.
- About 61.9% believed green banking contributes to sustainable development.
- Reported satisfaction was 90.5%, and 82.5% said they would recommend green banking services.
- Lack of knowledge was the leading reported barrier to wider public awareness.
- The hypothesis test found statistically significant evidence that awareness in this sample exceeded the 50% benchmark (exact one-sided binomial $p < 0.05$).

SUGGESTIONS

- Conduct short awareness sessions at branches and in local communities, explaining what green banking means beyond ATM use and online transactions.
- Offer live demonstrations of internet banking, mobile banking, electronic statements and fund transfers, with particular attention to first-time users.
- Communicate security practices clearly, including safe use of PINs and OTPs, and explain how customers can report suspicious transactions.
- Use local-language notices, short videos, SMS messages and social media posts to reach customers through channels already used by respondents.
- Train frontline bank employees to explain green services in simple language and assist customers who need guidance.
- Make digital services accessible and user-friendly, while retaining appropriate in-person assistance for customers who face digital or accessibility barriers.
- Promote the environmental benefits of paperless statements and electronic transactions without overstating their impact; provide customers with clear, practical examples.
- Review customer feedback periodically and monitor awareness, usage frequency, complaints and satisfaction separately, so that high satisfaction does not conceal low usage.

CONCLUSION

The study of 63 customers of SBI and Canara Bank in Belthangady and Bantwal taluks indicates that green banking has achieved a reasonable level of awareness among the respondents, but regular use remains less widespread. ATMs were the most commonly reported service, and saving time was the leading motivation for using green banking services. The high reported satisfaction level and willingness to recommend services are

positive signs for the selected banks.

Nevertheless, the high share of respondents who use services rarely and the identification of lack of knowledge as the main awareness barrier suggest that further customer education is required. Banks should focus on practical demonstrations, accessible communication, digital confidence and reliable customer support. The hypothesis test supports the conclusion that awareness in this sample exceeds 50%, but the small convenience sample and absence of respondent-level cross-tabulations limit wider inference. Future research could use a larger random sample and test whether awareness, age, education and digital confidence are associated with actual usage and satisfaction.

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