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Green Banking Initiatives as Catalyst for Demonetization Chaos – A Study with Reference to ICICI Bank

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ABSTRACT

This paper investigates the difference between the perceptions of users and non-users of internet banking. The main aim of demonetization is to dishearten the cash dependent economy. This article examined the opinion on demonetization and its effects. This study employed a quantitative approach on ICICI bank customers having salary account with this bank. Approached salary account holders of this bank in select colleges and investigated that internet banking is easy to use, reliable, convenient, safer, hassle free. Researcher observed that there is noteworthy disparity between users and non-users of green banking initiatives. Even though the account holders are having internet banking facility the study enquired that they are using this facility for transactions and to know the opinions for not adopting the facility. This article highlights the importance of activating and using internet banking to promote cash less transaction. The expected results might provide a clear view to the non-users regarding factors to use internet banking. The authors employ SPSS to analyze the opinion and awareness among the customers of the bank.

Keywords: Demonetization, Green banking, Salary account holders.

1. INTRODUCTION

The disastrous impact of decision made by our esteemed Prime Minister Mr.N.Narendra Modi on currency exchange explodes a great change in every individual financial life. The struggle by the citizens of India has an option to go with cashless transactions, which is the one among the main goals behind the process of demonetization. Banks and financial institutions plays imperative responsibility in replacing the old currency

to new currency. The confusion in currency exchange leads the general citizen in lots of dilemmas. At one point people unable to transact to satisfy the minimum needs also. Time becomes very stringy even to satisfy the minimum need of the people.

In this movement to initiate cashless transactions maximum citizens diverted their looks to green banking methods. Then the time comes to know to highlight the importance of green banking initiatives. Actually the aim of introducing green banking strategies is to reduce the impact of global warming. Green banking is the process to sustain the development and preservation of environment. Green banking is interpreting in two ways : one as environment friendly methods of banking facilities and other relates to where the bank puts the money.

Banking sector plays liaison role between economic development and ecological fortification to promote ecologically sustainable and societal responsible investment. The concept of green banking introduced to fulfill the ecological friendly practices of banking sector. Banks are deploys to avoid carbon emissions through use of stationery, which causes pollution in environment. Internally and externally through customer activities banking sector has responsibility to exact some methods to save environment.

2. REVIEW OF LITERATURE

Bihari, Suresh Chandra (2010), in his research article analyzed the social responsibility of banking sector. Their proved and suggested that banks has greater responsibility in environmental damage control. Banks needs to look at the investment and lending decisions and its impact in business. In business decision making environmental and social criteria has to include diminishing the unfavorable impact of functional activities. Financial institutions can perform set of efforts to attain sustainability for corporate social responsibility.

Dharwal, Mridul, Agrwal and Ankur (2011) in their research article on “green banking as innovative initiative for sustainable development” suggested that Indian authors has to release books on highlighting the issues of ecology and societal guidelines in banking sectors, which is in practice by banks worldwide. If Indian banks has craving to step into international markets, it is significant to recognize their environmental and social responsibilities in banking sector by initiating green banking practices.

Bahl, Sarita (2012), organized an experiential study on green banking. Their study comprises of imperative strategies followed by public sector banks, which was collected through the views of managers working with public sector banks. Particularly the study concentrated on green banking methods adopted by banks, carbon emission by paperless transactions by energy consciousness, by mass transportation system, by green building and social responsibility services. Their finding revealed that among all green banking strategies, green buildings had been given top priority and found that Indian banks can increase social responsibility services by increasing green banking strategies.

Amitabh Misra, B.R. Kumar and Dharambir Singh (2013) , in their article titled “a study of gaps in service quality at a lending private sector commercial banks in Noida” examined the importance of technology and the study reveals the weak areas of the services of the bank, which can help the bank authorities to overcome the problems leads to lowers the reputation as well as to implement the steps taken by them to improve better green practices.

3. OBJECTIVES OF THE STUDY

- To classify various strategies for adopting green banking methods during demonetization period.
- To examine the influencing factors to choose green banking strategies during demonetization period.
- To examine the impact of green banking strategies in the sustainability of ICICI customers.

4. HYPOTHESIS

- There is no adoptability difference in green banking strategies during demonetization.
- There is no significant difference between adoption of green banking strategies in pre users and post users of demonetization period.
- There is no impact of green banking strategies in the sustainability of ICICI customers.

5. RESEARCH METHODOLOGY

For this study, adopted stratified random sampling technique, where the strata is to be considered as salaried account holders from different branches of ICICI at Nellore and Gudur region. The survey targeted on 350 individuals and the information collected to identify the influencing factors to choose green banking strategies and to know the impact of demonetization in increased awareness of green banking initiatives. Total 400 questionnaires were distributed in person to various salary account holders in Nellore and Gudur region. Maximum number of savings accounts is directly allied with educational institutions in the study area. Total 384 questionnaires returned back. Excluding the incomplete questionnaires researcher considered 350 questionnaires for analysis.

The study considered the opinions of individuals after demonetization.

6. DATA ANALYSIS

Awareness on Green Banking Practices

<i>Specification</i>	<i>Male</i>	<i>Female</i>	<i>Total</i>	<i>Percentage</i>
Have awareness	133	84	217	62%
No awareness	79	54	133	38%
Total	212	138	350	100%

Users of ATM

<i>Specification</i>	<i>After Demonetization</i>				<i>Before Demonetization</i>			
	<i>Male</i>	<i>Female</i>	<i>Total</i>	<i>%</i>	<i>Male</i>	<i>Female</i>	<i>Total</i>	<i>%</i>
User	212	126	338	96.5	189	89	278	79.4
Non-user	0	12	12	3.5	23	49	72	20.6
Total	212	138	350	100	212	138	350	100

Users of Internet-banking

<i>Specification</i>	<i>After Demonetization</i>				<i>Before Demonetization</i>			
	<i>Male</i>	<i>Female</i>	<i>Total</i>	<i>%</i>	<i>Male</i>	<i>Female</i>	<i>Total</i>	<i>%</i>
User	146	95	241	69	73	74	147	42
Non-user	66	43	109	31	139	64	203	58
Total	212	138	350	100	212	138	350	100

Users of Mobile-banking

<i>Specification</i>	<i>After Demonetization</i>				<i>Before Demonetization</i>			
	<i>Male</i>	<i>Female</i>	<i>Total</i>	<i>%</i>	<i>Male</i>	<i>Female</i>	<i>Total</i>	<i>%</i>
User	103	42	145	41.3	67	31	98	28
Non-user	109	96	205	58.7	145	107	252	72
Total	212	138	350	100	212	138	350	100

Users of Point of Sale

<i>Specification</i>	<i>After Demonetization</i>				<i>Before Demonetization</i>			
	<i>Male</i>	<i>Female</i>	<i>Total</i>	<i>%</i>	<i>Male</i>	<i>Female</i>	<i>Total</i>	<i>%</i>
User	125	57	182	52	84	28	112	32
Non-user	87	81	168	48	128	110	238	68
Total	212	138	350	100	212	138	350	100

**Influencing Factors to Adopt Green Banking Practices
Test Statistics^a**

	<i>Easy and convenient to use</i>	<i>Hassle free</i>	<i>Time saving</i>	<i>Availability of internet connection</i>	<i>Quick access</i>	<i>Cost affective</i>
Mann-Whitney U	127.500	184.500	81.500	469.500	248.000	495.000
Wilcoxon W	3287.500	3344.500	186.500	574.500	153.000	600.000
Z	-4.649	-4.002	-5.095	-.912	-4.054	-.667
Asymp. Sig. (2-tailed)	.000	.000	.000	.362	.000	.505

^aGrouping Variable: green banking strategies

Mann Whitney-Wilcoxon result shows the difference of perception to adopt green banking initiatives between pre users and post users.

The test statistic results indicates that there is a significant difference between pre users and post users of green banking initiatives in terms of easy and convenient to operate, hassle free, time saving and quick access among ICICI bank salaried account holders.

In case of availability of internet connection and cost effectiveness, there is no significant difference between the perceptions to adopt green banking strategies. With this analysis we can conclude that above all the factors hassle free, easy and convenient use, quick access and time saving are the more influencing factors despite of availability of good internet connection and cost effectiveness to use.

Effect of ATM, POS, RTGS, ECS, NEFT and mobile banking on the sustainability of ICICI customers.

Model	R	R square	Adjusted R square	Std. error of the estimate
1	0.972	0.916	0.534	0.38542

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	21.077	9	2.342	13.188	.000 ^b
Residual	60.377	340	.178		
Total	81.454	349			

Form the above table R = 0.972, R square value is 0.916 and adjusted R square is 0.534. This shows the variance ranges from 97.2 to 91.6 and between green banking strategies and sustainability of ICICI customers with the bank.

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 ECS	1.449	0.075	0.962	4.219	.000
Mobile banking	.390	0.124	0.804	3.146	.002
NEFT	.166	0.049	0.779	3.381	.001
RTGS	.165	0.088	0.734	2.890	.040
ATM	3.216	0.336	0.976	6.984	0.012
POS	1.339	0.342	0.865	3.854	0.041

From the above table ATM ($t=6.984, p=0.012$), ECS ($t=4.219, p=0.000$), POS ($t=3.854, p=0.041$), NEFT ($t=3.381, p=0.001$), mobile banking ($t=3.146, p=0.002$), and RTGS ($t=2.890, p=0.040$) are statistically significant at 5%. Since the t -value of ECS is more than the remaining initiatives of green banking. It is concluded that ATM play major role in sustainability of ICICI customers. Next to that ECS, POS facilities are used by customers to overcome demonetization chaos.

7. RESULTS AND DISCUSSIONS

From the above analysis among green banking initiatives ATM, ECS and POS are mostly used by the customers of ICICI. They are playing a key role in the perception of customers to sustain with the bank for long term even though some confusion like demonetization, awareness among these facilities making the customers happy and convenient to bank with. In this study it is observed that the increase in usage of green banking strategies due to demonetization. Research organized on salary account holders, in this view samples are graduates and have the capability to understand and can easily adopt for the change.

After demonetization a greater increase observed in usage of ATM, POS, NEFT. The study reveals that there is no difference of opinions in both males and females. From the analysis all kinds of green banking strategies have some effect on the sustainability, among them ECS, POS and ATM are having major preference by the customers. Thus the green banking methods adopted by ICICI salaried account customers creating a bigger importance of being paperless banking.

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