



GREEN BANKING MOVING TOWARDS CASHLESS ECONOMY

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*Abstract*

*Banking sector is the major sector in providing financial assistance to the society. It plays a prominent role in the growth of commerce, trade and whole economy. Green banking is a new practice moving towards sustainability. It is a normal bank which provides framework for the entire reduction of carbon footprints by using environmental friendly practice. The main area of research is based on Honnavar taluk commercial banks customer and bankers. The data is collected on the basis of both primary as well as secondary data. Successful usage of Green Banking methods properly enables to moving towards cashless economy and helps to earn big success.*

*Keywords: Cash less Economy, Digitalization, E-wallets, RTGS.*

**I. INTRODUCTION**

Banking sector is the major sector in providing financial assistance to the society. It plays a prominent role in the growth of commerce, trade and whole economy. It had adopted green banking concept to march towards cashless economy. Cashless economy means the entire reduction of the quantity of paperwork & usage of debit cards, ATM, mobile banking etc. Cashless transactions enable all the activities performed digitally. India considered as emerging economy so it is necessary to implement go green techniques to ensure the better development.

Green banking is a strategy which ignores the wasteful utilization of natural resources & gives priority to the ecofriendly nature .Government & banking sector has to play significant role in taking initiative steps for the digitalization .Technology ensures better and the fastest work .Green strategies gives reasonable impact on protection of environment and economic growth of the country as well.



## II. MEANING OF GREEN BANKING

Green banking is a new practice moving towards sustainability. It is a normal bank which provides framework for the entire reduction of carbon footprints by using environmental friendly practice. It implies in creation of good social activities which reduces paperwork thereby provides a way i.e. carbon emissions also reduced and march towards cashless economy.

## III. OBJECTIVES TO THE STUDY

- To know the concept of green banking.
- To study the methods involved in green banking.
- To study the benefits of green banking.

## IV. RESEARCH METHODOLOGY

The main area of research is based on Honnavar talluk commercial banks customer and bankers. The data is collected on the basis of both primary as well as secondary data. Primary data through questionnaire and personal interview and data also collected through newspaper, articles, different journals etc.

### Methods of green banking:

**4.1 ATM: Automatic** Teller Machine. A person can able to withdraw the amount using ATM in any time which has certain limit. It offers 24 hours service facility. A person gets the needed amount without visiting bank branches. ATM is useful in the time of travelling here, no need to carry big amount.

**4.1.1 Debit card:** It is a plastic card used at the time of payments during the time of purchase. It is gaining popularity nowadays & acts as a cashless transaction. Payments done by debit cards are instantly transferred from specified bank account. Here, debit card offers a quick withdrawal of cash as ATM used.

**4.1.2 Credit card:** It is also a plastic card .This card allows the customer to purchase the products anywhere without making the payment of cash on spot immediately. "Buy now pay later" principle applied here.

**4.2 Net banking:** In these days internet is gradually used by people mainly used by youths. It enables the customer to make payments, transfer the funds i.e. using NEFT, etc without visiting bank premises. It save the effort and time of the customer .A secured banking websites allows availing the banking services easily.



**4.3 Core banking:** It is the latest and popularizing service by a group of networked bank branches in which a customer can operate his bank account and perform the transaction from any of the member branch office. It includes generally depositing and lending and functions like loans, mortgage and payments are covered by CBS network from any branch of the bank.

**4.4 Mobile banking:** Nowadays mobile is becoming new trend. A customer can operate his account through using mobile phones i.e. check the balance, make payments and also allowed to transfer the funds. So this purpose application in mobile phones developed by the banks to carry out the transaction easily.

**4.5 E-wallets:** It is getting famous nowadays. It includes paytm and freecharge facility. The user allowed to make payments using their mobile number or by scanning QR code in this E-wallet system. So there may be need to add money to this wallet using net banking or debit/credit card also recharging areas available across India.

**4.6 RTGS:** RTGS stands for Real Time Gross Settlement. It is important service that it involves the transfer of funds/securities from one bank to another bank on the basis of real time. RTGS system are highly used by the central bank of the country as it is a critical infrastructure for the economy. It is mainly used by higher value activities & need to receive clearings instantly.

**Benefits of green banking:**

- **Reduction of quantity of paperwork :**  
Adoption of green banking system in banking helps to reduce paper transaction and encourages to the electronic transaction i.e. usage of E-statements.
- **It helps the banks to control competition:**  
Green strategies help the banks to control or manage the competition by implementing their new methods.
- **It protects our environment:**  
It involves environmental friendly concept therefore reasonably reduces the paper quantity and thereby ignores the carbon footprint as no tree will be cut for producing paper.
- **It saves time, effort transaction cost of the customer:**  
Bank allows the customer to carry out the transactions through mobile banking, net banking, etc. These all facilities save the time, efforts of the customer without visiting bank premises thereby reduces transaction cost.
- **Ensures speed work:**  
Through the help of green banking methods like mobile banking, net banking etc helps to perform their work within a fraction of the second.



• **Risk assessment:**

It helps the banks to control various risk involved in the daily transaction & helps to create good reputation to the banks. Green banking allows banks to manage risk assessment by making the recovery of loan easily thereby control credit risk of the bank. It helps to do the activities with a electronic media i.e. in banks computer is used it ensures better work where risk is reduced.

**Data Analysis:**

**Table1: Do you aware about green banking?**

Variable	No. of respondents
Aware	45%
Not aware	55%

Above table states that the number of respondents majority they are not aware about the green banking and remaining 45% of them know about green banking.

**Table 2: How did you come to know about green banking methods**

variable	From bank officials	Television & Radio advertisement	Net advertisement	Family members	From friends
No .of respondents	40%	25%	20%	4%	11%

From the above table reveals that 40% respondents come to know green banking methods by the bank officials, 25% by television and radio advertisement, 20% by the Net advertisement. , 4% from family members and 11% from friends.

**Table 3: Respondents opinion about methods of green banking**

Sl. NO	Statements	Agree	Disagree
1	All customers satisfied with methods of green banking?	73%	27%
2	Green banking facilitates faster and better work than traditional banking?	85%	15%
3	It saves the time, effort, cost of customer as well as banker?	90%	10%

According to above statement it is clearly states that 73% respondents agree to the first statement , 85% are agree to the second statements and 90% are strongly agree to the third statement.



#### V. FINDINGS

- The concept of green banking is key to the sustainable development of the economy.
- The various method of green banking introduced by the banks to perform the work electronically and improves quality of banking activities.
- It decreases quantity of paper work, carbon emissions and thereby promotes nature.
- Bank offers the facilities like ATM, Online banking etc. this enables the customer to transact easily.
- After the demonetization it is found that there is improvement in the digital payment.

#### VI. SUGGESTION

- Our Government and banks take initiatives to create awareness about green banking mainly in rural areas.
- Central bank of a country has to take a special mandatory to improve the green strategy.
- Bank has to give training facility to its staffs as well as employees.
- Educate the customer to successfully utilize the methods offered by the banks such as ATM, netbanking, paytm, debit card and credit card etc.
- Bank has to use E-statements, solar energy efficiencies, CFL conventional lighting which ensures the work to be performed very fast & reduces carbon footprints.

#### VII. CONCLUSION

Our country has abundant natural resources but nowadays natural resources are polluting and pollution is great barrier .so in order to ignore this banking sector undertaking green activities. Traditional banking system uses high degree of paper. Green banking its main focus is to make pollution free environment. It motivates to the ecofriendly measures. Most of the banks are not yet adopted green practice but it has to adopt for the better & smooth transactions.

A main important thing is to bring the attention of rural people towards green strategy because they have lack of knowledge about the methods or services offered by the banks. Government & banking sector taking special initiatives to use green technology here customer involvement also important that is successful usage of facilities properly enables to moving towards cashless economy and helps to earn big success.

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