Adoption of Green Banking from Customer's Perspective: With Special Reference to Trincomalee District

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INTRODUCTION

Green environment is one of the most important issues in today's world where people from all over the world are raising their voice against environment .Financial sectors of many countries are adopting environmental-friendly policies to address the issue of environmental sustainability.

In Sri Lanka, banking sector is moving to practice green banking concept recently. In the future, this concept may also decide the market power and competitive position. Banking Adoption in Customer's Perspective; since banks have considerable faith in Green Banking Concept as a means of fascinating new customers and a variety of customer choice of bank highlight the importance of personal recommendation, thus need to explore the level of Green Banking Adoption in the context of Sri Lanka.

PROBLEM STATEMENT

In Sri Lanka, only few domestic banks such as Commercial Bank, HNB, Seylan Bank and Sampth Bank are formally initiated green banking concept. The Concept recently started to spread other Banks (including state sector banks Bank of Ceylon, People's Bank). But most of banks are not given enough appropriate priority to green banking in customer perspective. Therefore the gap between customer and bank should be fulfilled.

OBJECTIVES OF THE STUDY

The primary objective of this study is to identify the level of Green Banking Adoption in Commercial Banks.

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LITERATURE REVIEW

"Green banking defined as promoting environmentally friendly practices and reducing carbon footprint from banking activities" (Schultz 2010). Around the world, Bankers are more mindful of green banking and worried for ecological safety. The important level of awareness of green banking among the male and female customers is ATMs and green channel (Easwari12019). In Sri Lanka there are 25 licensed commercial banks and 7 licensed specialization banks in Sri Lanka only few domestic commercial banks are formally initiated green banking concept including private sector banks such as Commercial Bank, HNB, Sampath Bank, and Seylan Bank (Shantha 2019).

METHOD

Primary data are collected through structured questionnaires with closed statements measured with Five Point Likert's scale and 23 dimensions, based on popular banks (Bank of Ceylon,Peoples Bank,Hatton National Bank, Commercial Bank,Seylan Bank and Sampth Bank)in Sri Lanka.

Sampling Framework

Study Setting	Banking Customers in Trincomalee District
Sample Size	Fifty Banking Customers
Sample Method	Convenient Sampling Technique

RELIABILITY

According to the standard value alpha of 0.6 as recommended by Bagozzi & Yi's,the scales used by researchers are relevant for data analysis.

Cronbach's Alpha	variables
.895	23

RESULTS AND DISCUSSION

Range for Decision Criteria	Decision Criteria	Decision Attribute
$X_i < -Z\sigma_x$	$X_i < 3$	Low Level
$-Z\sigma_x \leq X_i \leq Z\sigma_x$	$X_i = 3$	Moderate Level
$X_i > Z\sigma_x$	$X_i > 3$	High Level

Where Xi=mean value of a dimension/variable,σ=standard deviation,

Z=value of the 95% confidence limit and σx= standard error of the mean

1. INFORMATION AVAILABILITY AND CUSTOMER NEEDS(IA)

Bank	N	Minimum	Maximum	Mean	Std.Deviation
BOC	20	2.83	4.33	3.4667	0.39589
People's Bank	21	3.17	4.33	3.8333	0.34561
Commercial Bank	3	3	3.83	3.3889	0.41944
HNB	1	4	4	4.0000	
Sampath Bank	3	4	4.33	4.1111	0.19245
Seylan Bank	1	3.33	3.33	3.3333	

IA is evaluated with six dimensions: Product Information, Complementary to Life Style, Interest and Personal Goals, Available Information in Web Sites, Convenience of Flexibility, Usage of Recycled Water & Paper and Contribution of Environmental Activities. Comparatively, IA has high level attribution in Sampath Bank (Mean=4.1111). Additionally, most of the customers expressed general opinion (Std.=0.19245). It is noted that about all customers in this study have high level attribution for the IA.

Specifically all banks have high level attribution in relation to their mean values (BOC = 3.4667,People's Bank=3.8333,Commercial Bank=3.3889,HNB=4.0000,Sampath Bank= 4.1111,Seylan bank 3.3333.

2. SPIRIT OF ETHICS AND HIGH YIELD SAVING(EY)

Bank	N	Minimum	Maximum	Mean	Std.Deviation
BOC	20	2.50	4.00	3.2333	0.40609
People's Bank	21	1.67	4.17	3.6270	0.53982
Commercial Bank	3	2.83	3.33	3.1111	0.25459
HNB	1	4.00	4.00	4.0000	
Sampath Bank	3	3.50	4.00	3.7222	0.25459
Seylan Bank	1	3.50	3.50	3.5000	

EY is evaluated with six dimensions: carbon Emission, Power efficient sever, deposit rate, maintenance fees, transaction costs, ethical Standards. EY as an independent variable has high level attribution in HNB (Mean=4.0000). Additionally, most customers express same opinion (Std=0).

Specifically all banks have high level attribution relation to their mean values in each bank.

3. ENERGY EFFICIENCY(EE)

Bank	N	Minimum	Maximum	Mean	Std.Deviation
BOC	20	2.60	4.00	3.3200	0.53272
People's Bank	21	2.00	4.40	3.6381	0.55360
Commercial Bank	3	3.00	4.60	3.6667	0.83267
HNB	1	4.00	4.00	4.0000	
Sampath Bank	3	3.80	4.00	3.9333	0.11547
Seylan Bank	1	3.40	3.40	3.4000	

EE is evaluated with five dimension: Paper Consumption, Energy usage, Eco friendly Technology with multi functionally, polluting substance emission, Audit team and executive bodies.EE as independent variable has high level attribution in HNB (Mean=4.0000). Additionally, most customers expressed similar opinion (Std.=0).

Specifically all banks have high level attribution relation to their mean values.

4. PRODUCT BENEFITS(PB)

Bank	N	Minimum	Maximum	Mean	Std.Deviation
BOC	20	2.33	4.33	3.6167	0.57507
People's Bank	21	1.67	4.33	3.8254	0.58328
Commercial Bank	3	3.33	4.00	3.6667	0.3333
HNB	1	4.00	4.00	4.0000	
Sampath Bank	3	4.00	4.33	4.1111	0.19245
Seylan Bank	1	3.67	3.67	3.6667	

PB is evaluated with three dimensions: Eco friendly product and services, Bundled Package option and Speed of transaction. PB as independent variable has high level attribution in Sampath bank (Mean=4.1111). In addition, most customers expressed general opinion (Std. = 0.19245).Specifically all banks have high level attribution relation to their mean values.

5. INTEGRATION AND PERSONALIZATION(IP)

Bank	N	Minimum	Maximum	Mean	Std.Deviation
BOC	20	2.67	4.33	3.4500	0.59506
People's Bank	21	2.00	4.33	3.7778	0.51997
Commercial Bank	3	3.00	4.00	3.5556	0.50918
HNB	1	4.00	4.00	4.0000	
Sampath Bank	3	3.67	4.00	3.8889	0.19245
Seylan Bank	1	3.67	3.67	3.6667	

IP is evaluated with three dimensions: Integration between Branches and internet, Personalized Communication and Usage of Energy Savings bulbs. PB as independent variable has high level attribution in HNB (Mean=4.0000).Additionally customers expressed same opinion (Std.=0).Specifically all banks have high level attribution relation to their mean values.

OVERALL MEASURES OF DIMENSION

Bank	N	Minimum	Maximum	Mean	Std.Deviation
BOC	20	2.72	4.10	3.4173	0.43443
People's Bank	21	2.20	4.13	3.7403	0.42685
Commercial Bank	3	3.17	3.71	3.4778	0.28106
HNB	1	4.00	4.00	4.0000	
Sampath Bank	3	3.90	4.00	3.9533	0.05033
Seylan Bank	1	3.51	3.51	3.5133	

Overall measure shows how all the Dimensions meaningfully contributes to Banks. Overall Dimension have high level attribution in relation to their mean values.(Mean values of Bank of Ceylon=3.4173,People's bank=3.7403,Commercial bank=3.4778,HNB = 4.0000, Sampath Bank=3.9553,Seylan bank 3.5133,other = 3.5067)

CONCLUSION, RECOMMENDATION AND IMPLICATION

The results show that variables individually has high level attribute especially in Hatton National Bank and information availability and customer needs, spirit of ethics and high yield saving, product benefits, integration and personalization factors have made considerable effects to the green banking adoption in customer perspective in relation to the overall mean values. Therefore banks should give priority to

these factors when implementing green activities. It is explicit that there may be other variable(s) to be considered to explain the variation of green banking adoption. Future studies can be devised to identify those additional variable(s) for explaining the green banking adoption in customer's perspective. Further, I like to suggest that future research should include some other factors such as customer satisfaction, loyalty, perceived value and relationship marketing. In addition, it is also advisable to extend this study by considering other banks in Sri Lanka and other nations too for further understanding the target customer's decision making behavior.

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