Volume 19 Issue 16
Originally issued as C4



Global Journal of Management and Business Research: C Finance
Volume 19 Issue 4 Version 1.0 Year 2019
Type: Double Blind Peer Reviewed International Research Journal
Publisher: Global Journals
Online ISSN: 2249-4588 & Print ISSN: 0975-5853

# Impact of Demonetisation on Green Banking

By Dr. C.K Hebbar & Prasad Mahale
*University College*

*Abstract-* Demonetization is a concept which came into existence to make green banking more successful. This action lead to a powerful reaction on the online banking which gives more preference to green banking. So demonetization is a strategy to create awareness among the rural and urban citizens with regard to the usage of green banking services. Green banking is ethical bank which encourages the online transactions by reducing the carbon footprint from the regular banking activities. Demonetization has spread the wider message to all the people of the country about to increase the cashless transaction, where as green banking is totally about to give more preference to cashless transaction. So there is a great impact of demonetization on green banking services.

*Keywords:* *demonetization, green banking, mobile banking, credit card.*

*GJMBR-C Classification:* *JEL Code: E50*



*Strictly as per the compliance and regulations of:*



© 2019. Dr. C.K Hebbar & Prasad Mahale. This is a research/review paper, distributed under the terms of the Creative Commons Attribution-Noncommercial 3.0 Unported License http://creativecommons.org/licenses/by-nc/3.0/), permitting all non-commercial use, distribution, and reproduction in any medium, provided the original work is properly cited.

# Impact of Demonetisation on Green Banking

Dr. C.K Hebbar [α] & Prasad Mahale [σ]

*Abstract-* Demonetization is a concept which came into existence to make green banking more successful. This action lead to a powerful reaction on the online banking which gives more preference to green banking. So demonetization is a strategy to create awareness among the rural and urban citizens with regard to the usage of green banking services. Green banking is ethical bank which encourages the online transactions by reducing the carbon footprint from the regular banking activities. Demonetization has spread the wider message to all the people of the country about to increase the cashless transaction, where as green banking is totally about to give more preference to cashless transaction. So there is a great impact of demonetization on green banking services.

*Keywords: demonetization, green banking, mobile banking, credit card.*

## I. Introduction

Demonetization is a splendid step that has been taken by our present Prime Minister Mr. Narendra Modi by cancelling the 500 and 1000 rupees notes throughout the India on Nov 8, 2016. It was not the first time when demonetization taken place, this was done in 1946 and 1978, as well. By taking this great step our Prime minister has given more preference to the green banking products. Demonetization is a great concept which comes into existence to make green banking more successful. This action lead to a powerful reaction on the online banking which gives more preference to green banking. So demonetization is beneficial to create awareness among the rural and urban citizens with regard to the usage of green banking services. Thus demonetization provided helping hand to making green banking more popular. Demonetization has taken a place for the purpose of removing black money throughout the India, So demonetization plays a significant role in the implementation of green banking strategy.

## II. Concept of Green Banking

Green banking encourages the online transactions by reducing the carbon footprint from the regular banking activities. It promotes healthy environmental conditions by protecting our natural resources. In other words green banking means promoting environmental friendly practices in a regular banking activities and it's also called as sustainable banking. Its main objective is to safeguard our natural resources by reducing quality of paper work. It involves online banking, ATM, green credit card etc.

## III. Objectives of the Study

- To study how demonetization leads to green banking
- To know the usage of green banking after demonetization in Bhatkal Taluq.
- To suggest measures to increase the coverage of green banking.

## IV. Research Methodology

The required data for the study is collected from primary as well as secondary data. Primary data is collected from using 120 respondents through direct interviews and using questionnaire and the secondary data is collected from journals, articles and websites. For collection of primary data respondents are selected based on the random sampling technique.

## V. Limitations of Green Banking

1. The findings and recommendations of this study collected based on limited coverage only.
2. As demonetization is a recent decision, the reactions on green banking cannot be accurately measured.

## VI. Data Analysis

The current study is related to "Impact of Demonetization on green banking". For this study Primary data is collected through questionnaire and direct interview from 120 respondents. That was analyzed in order to draw certain conclusion in the following manner.

*Author α: Research Guide, Dept. of Commerce, University College, Hampankatta, Mangalore, Karnataka, India.*
*e-mail: hebbarkc@yahoo.com*
*Author σ: Research Scholar, Dept. of Commerce, University College, Hampankatta, Mangalore, Karnataka, India.*
*e-mail: PrasadMahale.PM@gmail.com*



© 2019 Global Journals

*Table 1:* Demographic profiles of the respondents.

| Demographic Factor | Particulars | Respondents | Percentage |
|---|---|---|---|
| Gender | Male | 65 | 54.16 |
| | Female | 55 | 45.84 |
| | Total | 120 | 100 |
| Age | 21-31 Years | 30 | 25 |
| | 31-41 Years | 48 | 40 |
| | 41-61 years | 28 | 23.33 |
| | Above 61 years | 14 | 11.67 |
| | Total | 120 | 100 |
| Education | Primary | 20 | 16.67 |
| | High school | 27 | 22.5 |
| | PUC | 30 | 25 |
| | Graduation | 25 | 20.83 |
| | Post-graduation | 10 | 8.33 |
| | Illiterates | 08 | 6.67 |
| | Total | 120 | 100 |
| Monthly Income | 0-2000 | 15 | 12.5 |
| | 2000-3500 | 28 | 23.33 |
| | 3500-5000 | 06 | 05 |
| | 5000-6500 | 35 | 29.17 |
| | Above 6500 | 36 | 30 |
| | Total | 120 | 100 |

*N=120 Source: Survey*

*Interpretation:*

The above table defines the demographic profile of the respondents who are co-operated for this study. On the basis of above information is made analysis.

*Table 2:* Kinds of accounts

| Particulars | Respondents | Percentage |
|---|---|---|
| Saving Account | 88 | 73.34 |
| Fixed deposit | 12 | 10 |
| Current Account | 13 | 10.83 |
| Recurring deposit | 07 | 5.83 |
| Total | 120 | 100 |

*N=120 Source: Survey*

*Interpretation:*

As per as above table is concerned it is cleared that out of 120 respondents 88 are preferred saving bank account, 12 respondents have fixed deposits, 13 are have current account and 07 respondents have recurring deposit. According to this table most of the respondents preferred saving account.

*Table 3:* Awareness of green banking before demonetization

| Particular | Respondents | Percentage |
|---|---|---|
| Yes | 55 | 45.83 |
| No | 65 | 54.17 |
| Total | 120 | 100 |

*N=120 Source: Survey*

*Interpretation:*

From the above table it is cleared that majority of the respondents that is 55 respondents are aware of the green banking services before demonetization and 65 respondents do not have any particular information regarding green banking services.



© 2019 Global Journals

*Table 4:* Usage of green banking services before Demonetization

| Particulars | Respondents |
|---|---|
| Debit card | 70 |
| Credit card | 22 |
| Mobile Banking | 48 |
| Net Banking | 42 |
| Electronic Fund Transfer | 56 |
| None of these | 11 |

*N=120 Source: Survey*

*Interpretation:*

From the above table we can see that majority of the respondents that is 70 respondents are using Debit card, 22 are using Credit card, 48 respondents are using Mobile banking, 42 are using Net banking, 56 are using EFT services, and unexpectedly 11 respondents are not using any of the above services of green banking. It says that before demonetization the percentage of using services are very low.

*Table 5:* Usage of green banking services after Demonetization

| Particular | Respondents |
|---|---|
| Debit card | 108 |
| Credit card | 25 |
| Mobile Banking | 96 |
| Net Banking | 59 |
| Electronic Fund Transfer | 63 |

*N=120 Source: Survey*

*Interpretation:*

From the above analysis we can see that there is a rise in using Debit card from 70 to 108, Credit card from 22 to25, Mobile banking 48 to 96, Net banking from 42 to 59, EFT from 56 to 63 respondents. So we say that there is a good effect of demonetization on green banking services. The number of respondents can be increased by spreading awareness of green banking and user friendly technology.

*Table 6:* Banks initiatives towards awareness of green banking are sufficient

| Particulars | Respondents | Percentage |
|---|---|---|
| Yes | 65 | 62.5 |
| No | 55 | 37.5 |
| Total | 120 | 100 |

*N=120 Source: Survey*

*Interpretation:*

Above table is defines that 62.5% of the respondents says that the banks are taking sufficient initiatives towards the awareness of the green banking services and 37.5% of the respondents feel that the banks are not taking sufficient initiatives towards the services of green banking.

*Table 7:* Green banking make banking more convenient

| Particulars | Respondents | Percentage |
|---|---|---|
| Yes | 98 | 81.66 |
| No | 22 | 18.34 |
| Total | 120 | 100 |

*N=120 Source: Survey*

*Interpretation:*

From the above table it is clear that 81.66% of respondents says that green banking would make banking more successful and 18.34% of the respondents opinion that green banking is not convenient for them.



© 2019 Global Journals

## VII. Findings

- This study examines that majority of the respondents having their bank account and they prefer saving bank account to save their money and for the better convenience.
- From this study we can analyze that majority of the respondents are created their account before 2014 and they are making regular transactions in the bank.
- From this study we can find that most of the respondents are aware of green banking services but some of them feel that this system is difficult to operate and insecure and uncommon due to lack of information about the usage of technology related to green banking.
- After the demonetization of the 500 and 1000 rupee notes there are great increases in the usage of green banking services. We can also find that some of the banks are not taking initiatives to implement the green banking services among their prospective customers.
- By studying this concept we can find most of the respondents think that green banking would make banking activity more convenient for them.
- Here we can analyze that in Bhatkal Taluq majority of the respondents are not getting accurate information about the adoption of green banking practices because the banks are not taking initiatives in these area to create awareness among this people.
- Finally we found that there is a small impact of demonetization on green banking services in Bhatkal Taluq.

## VIII. Suggestions

- Bank should take up a strong step to create awareness about the availability of green banking services especially in rural areas.
- The bank should arrange seminar, work shop in the rural areas that should be in respondent's understandable language. so that customer can get information and it may create interest among those who did not using green banking services.
- The government should implement new plans and policy for popularizing concept of green banking services and practices.
- The bank must install biometric ATMs in the rural areas to meet the requirements of illiterate customers
- The bank should erase or remove tax of fee on the usage of other banks ATMs.

## IX. Conclusion

Finally I can conclude that as Bhatkal Taluq takes a serious step towards the green banking, coincidently the demonetization made by the government of India also providing remarkable support to the green banking as a lesser availability of new notes to the common people of Bhatkal Taluq green banking products are becoming more successful. Demonetization has spread the wider message to all the people of the country about to increase the cashless transaction, where as green banking is totally about to giving more preference to cashless transaction. So there is a great impact of demonetization on green banking services. So Bhatkal Taluq banks should adopt green banking technology to create eco-friendly environment. Finally the bank should undertake innovative campaign to create awareness about the benefits available under green banking services.

## References Références Referencias


1. Ahuja Neyati. (2015), "Green Banking in India: A Review Of Literature", International Journal for research in management and pharmacy, Vol.4, January, pp.11-16.
2. Amin Ashitha (2016), "Green Banking In India And Global Perspective – A Review", International Journal of Management and Social Science Research Review, Vol.1,
3. Bahl Sarita. (2012), "Green Banking- The New Strategic Imperative", Journal Of Asian Research Consortium, Vol.2, Issue 2, February, pp.176-185.
4. Bhardwaj B. R and Malhotra A(2013), "Green Banking Strategies: Sustainability through Corporate Entrepreneurship", "Greener Journal of Business and Management Studies", Vol.4, pp. 180-193.
5. Chaurasia Kumar Ashis(2014) "Green Banking Practices In Indian Banks", Blue Square Publishing House, Vol.1, February, pp.41-54.
6. http://businessworld.in/article/As-Demonetization-Boosts-Digital-Making-Raises-New-Challenges-For-IT-Security-Networkng/23-12-2016-110224/
7. http://m.firstpost.com/politics/narendra-modi-mann-ki-baat-focus-on-digital-payment-e-banking-scheme-3172834.html
8. http://postcard.news/will-demonetization-lead-digitalization-indian-economy/
9. http://process.com/blog/2016/11/09/demonetization-high-value-currency-notes-india-big-boost-digital-india/
10. http://wap.business-standard.com/article/opinin/aditya-puri-digital-banking-in-a-digtal-india-116032700601_1.html
11. http://www.brinknews.com/asia/demonetization-in-india-driving-a-digital-treasure-hunt/
12. http://www.credit-suisse.com/us/en/articles/atricles/news-and-expertise/2015/02/en/digitalisation-banks-are-at-a-crossroads.html
13. http://www.technavio.com/blog/how-demonetization-indian-currency-has-led-incresed-use-mobile-wallets




© 2019 Global Journals

14. Mahesh. A. C, Nirosha. M and Pavithra .V (2016) "Reacent Trends In Indain Banking-Green Banking Intiative In India", International Journal Of Science Technology And Management, Vol.5, February, pp. 369-374.
15. www.indianjournals.com
16. www.rbi.org.in
17. www.sbi.com



© 2019 Global Journals

This page is intentionally left blank

© 2019 Global Journals