

Outline of Green Marketing Practices in Indian Banking Sector

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Abstract:

The term "green marketing" has gained a lot of traction in recent years. Though the word was once mostly associated with the manufacturing industry, it is now gaining traction in the service industry. Consequently Green clients' needs are being recognized and addressed by organisations all over the world. Climate assurance is becoming increasingly important, as evidenced by its presence in every corner of the globe and in every facet of business. It can also be seen in the financial sector, where various financial institutions, such as insurance, banking, stock brokerage, and consumer finance, have adopted a green approach.

Keywords: Green Marketing, Sustainable Development, Banking Sector

Introduction:

Global warming, carbon credits, ozone depletion, natural disasters, and climate change evaluation have all been normal in the last two decades, meaning that society has become more environmentally aware. The public's increasing concern for the environment has been highlighted in the media. One cause of this degradation is the problems that have arisen as a result of high-volume, low-quality production, increased consumption, and mass extraction of earth resources. These new concerns drew the attention of the business world and ordinary ads, which aimed at selling products and services that satisfied consumer desires at a fair price. However, Green marketing must pass a more difficult test, which includes explaining "what is green" and crafting and selling products that the customer would perceive to be environment friendly.

Green Marketing but also known as ecological marketing, includes advertising that is a combination of everything from promotion to leveraging different types of communication. As characterized by Tapan K. Panda "Green or Environmental Marketing comprises of all exercises intended to create and encourage any trade planned to fulfill human necessities or needs to such an extent that the fulfillment of these requirements and needs happens with negligible hampering effect on surroundings".

There's a clear connection between how we go about our daily business and how we interact with the environment. Businesses began to change practices to satisfy the public's growing fear of environmental concerns as the public's fear increased.

Ecological administration and waste minimization have arisen as campaign issues for a few groups, and they have now become the norm, known as Eco-commodifying concepts. Green marketing is a genius strategy that began in the developed world and has now made its way to India.

While environmental issues are a global problem, they vary from place to place, as do the solutions used in different regions, however green marketing is a common strategy adopted across businesses. The papers takes a look at the various initiatives taken by the financial conglomerates of India

Literature Review:

According to the American Marketing Association, "Green marketing refers to the promotion of goods that are meant to be environmentally friendly. It is the course of events and the marketing of goods aimed at limiting the negative impact on the current environment and enhancing its consistency. It is the effort made by businesses to deliver, advance, package, and recover goods in a way that is responsive to or receptive to low-cost concern."

As per polonsky "Advertising very much like other business useful territory has a task to carry out towards giving answers for ecological issues confronting the present reality and to achieve feasible".

According to Polonsky, "green marketing" applies to "all practises aimed at developing and facilitating any trades intended to meet human necessities or needs in such a way that these requirements and needs are met with minimal impact on the native habitat."

Mr. Nigamananda Biswas (2011): The financial zone has an influence on economic growth and currency advancement. Banking is important for growing and managing a company because it is a significant source of capital. Banks will assist in the switch to green marketing and bring it to the forefront of the schedule by assisting environmental protection and socially responsible investing.

Balderjahn (1988): He led an investigation in Germany and discovered that consumers have a favourable attitude toward green goods, which aids them in living a more environmentally friendly lifestyle. It also encouraged consumers to express their natural concern by signing a petition opposing anti-pollution organizations and supporting and joining these organizations.

Kim and Choi (2005): The author discovered that environmental concern has a direct effect on green buying behaviour. People were more open to products that were less dangerous or did not damage the environment in any way.

Objectives:

This research paper aims to address various green marketing initiatives taken by the Indian banking sector to support and encourage sustainable growth.

Methodology:

Investigation was carried out in order to get an insight into the various initiatives related to green marketing that are being carried out by Indian financial institutions. The study's purpose is illustrative, so auxiliary data sources are used.

Scope

Present study is restricted to green marketing in Indian banking sector

Discussion:

i) Policies and approaches for Green Banking :

The society and environment are integrated into the processes and functions of the banks in a proactive manner to provide them with the ability to produce viable methods for long-term ecological objectives. Appropriately Ginovsky (2009) had underlined that to carry out biologically cordial activities, banks should dispatch new financial items which advances the ecological activities and furthermore requires rebuilding their administrative center tasks. The creator recommended a few techniques which bank ought to follow to go for green banking:

- Usage of least paper working practices that brings about decreasing the carbon impression from inward financial tasks and thereby reduction in the cost to bank;

Implementation of Green Street financing, which allows buyers and organisations to move at a faster pace in order to introduce cosmological energy frameworks and energy-saving equipment;

As per Dharwal& Agarwal (2013) preventing the appearance of favoritism in banking is crucial. Eliminating favoritism in banking is imperative. And eliminating green money abuse is critical to maintaining the reputation of banking. Some creative green financial ideas had included the introduction of carbon credits, an individual carbon fee, social obligation green initiatives like lowering perceptions of environmental impact, and downplaying the effect of his initiatives, and "carbonification" for homes, and building assurance.

In any case, financing institutions were doing "Single Bottom Analysis" for example organizations just thinking about monetary execution of borrowers, yet rather they ought to do "Triple Bottom Analysis" for example is investigating the natural and social exhibitions too. From the experimental investigation, it is discovered that banking institutions can embrace following systems for practicing environmental awareness in banking.

- Contribute with fundamental partners and make attention to ecological matters and their effect on the economy, the climate and the general public.
- Conduct energy reviews and survey supplies buys and removal strategies.
- Monitor the advancement consistently; watch industry patterns and new turns of events. Modify the green approach as prerequisite.

Banks can provide some discounting or special benefits for eco-friendly projects Steps taken by Indian Banking Sector for Green Marketing:

Public and Private Sector Banks

State Bank of India (SBI)

The SBI had launched 'Green Channel Counter' (GCC) facility on 1st July 2010 more than 55 branches all over India and the same was expanded. This is a spearheading idea that is eco-accommodating and helpful.

The banks that wanted to use windmills as hostages began to grow on their own in 2010, SBI is merely a pioneer. Ten to fifteen MegaWatts worth of wind turbines were erected in the districts of Tamil Nadu, Maharashtra, and Gujarat as part of its green initiative.

SBI offers an interest markdown of 10 premise focuses on all climate amicable tasks. In addition SBI is the biggest deployer of sun powered Automated Teller Machines in India.

SBI started the carbon divulgence anticipated in the fiscal area in India, for natural concern and security by turning into a cosigner to the Carbon Disclosure Project of World Wide Fund (WWF).

Bank of Baroda (BoB)

- BOB prioritizes and emphasizes monetary support for business initiatives that are environmentally friendly, such as windmills and solar-powered energy schemes that aid in the acquisition of carbon credits.
- The bank demanded to execute water treatment plant and get No objection Certificate from focal/state government contamination regulator board while advancing the loan to assembling divisions.
- BOB is in receipt of climate amicable frameworks and innovations in the plan of the new Data Center.

Punjab National Bank (PNB)

- The bank introduced Green Banking by completing the transition to Core Banking Solutions (CBS) Banking.
- PNB has conjointly mentioned rule for sourcing of Cash Credits to specialty components and business schemes that are creating sustainable power.
- The bank presented electronic-arrangements by without or less paper dealings in grievance and vigilance methods by a faster correspondence framework with the help of internet which definitely reduces down expense and period.
- PNB has initiated for establishment of Solar UPS at chosen Automated Teller Machines destinations in U.P and Bihar.

Bank of India

- Internet banking, mobile banking, and electronic cards were added as substitute conveyance stations to reduce paper use in the financial system.
- Reduction in paper use by giving e-transaction advices and encouraging them to use by reducing charges or discounting charges to corporate clients and empowering electronic proclamations among retail clients.

HDFC Bank Ltd

- The bank has recognized different facilitating centers to easily make available various transactions in a paperless atmosphere.
- Social and Environmental Risk Management System (SEMS) is used by bank to that is helpful in knowing ventures before approval about its undesirable social and/or environmental impacts.

Axis Bank Ltd

- The bank has introduced a "Environmental and Social Safeguard Policy" (ESSP) to ensure that funds are allocated in an environmentally and socially responsible manner.
- Financing clean technology, renewable energy, and other energy efficiency projects in which the bank is actively involved. The bank was instrumental in obtaining a US\$70 million line of credit from the International Finance Corporation (IFC) to expedite the funding of environmentally friendly projects.

ICICI Bank Ltd

- ICICI bank started providing offers on nature friendly lifestyle products. As a foremost scheme, it offered 50 % discount on processing fees of ecofriendly car models -Eco-Friendly Vehicle Finance.
- Customers who purchase homes in Leadership in Energy and Environmental Design (LEED) certified buildings receive lower processing fees from ICICI Home Finance.

Conclusion:

The Indian banking sector has taken a number of initiatives in the area of green marketing. They've implemented a variety of green practices for branch openings and stressed the value of green working practices for long-term growth. Banks, both private and public, are rethinking their strategies to encourage green technology initiatives. Steps like preference in approval process and reduced rate of interest are common among the banks. The green initiatives are not only limited to corporate sector retail consumer too benefit in the form of discounts or additional benefits to the vehicle or other loans. These efforts are highly appreciated, as they are urgently needed during this time of global warming. These campaigns reflect a thorough understanding of green marketing, thus encouraging ordinary people to adopt environmentally sustainable behaviors through Green Marketing strategies.

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