



Customers' Attitude Towards Paperless and Eco-Friendly Banking Transactions

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Abstract – Paperless and eco-friendly banking transactions have emerged as essential components of modern sustainable banking practices. With the rapid advancement of digital technology and increasing environmental concerns, banks are shifting towards paperless operations to reduce ecological impact and enhance operational efficiency. This study analyses customers' attitudes towards such services, focusing on their willingness to adopt, perceived convenience, and behavioural responses. The research is based on primary data collected from 150 respondents through a structured questionnaire using the snowball sampling technique. Percentage analysis has been employed to interpret the data. The findings reveal that customers exhibit a highly positive attitude towards paperless banking, with a majority expressing enthusiasm and willingness to adopt eco-friendly services due to their convenience, time-saving nature, and environmental benefits. However, a small proportion of customers remain cautious due to security concerns, lack of digital literacy, and habitual dependence on traditional banking methods. The study concludes that strengthening awareness, trust, and technological accessibility can significantly enhance the adoption of paperless banking.

Keywords – Paperless Banking, Eco-friendly Banking, Sustainable Banking Practices, Digital Banking Adoption, Customer Attitude, Green Finance.

I. INTRODUCTION

The banking sector has undergone a significant transformation with the integration of digital technologies, leading to the emergence of paperless and eco-friendly banking systems. Traditional banking methods, which heavily relied on paper-based transactions, not only increased operational costs but also contributed to environmental degradation through excessive use of natural resources. In contrast, paperless banking promotes sustainability by reducing paper consumption, minimizing carbon footprint, and enhancing efficiency in financial operations.

Eco-friendly banking transactions include services such as online fund transfers, e-statements, mobile banking, digital account opening, and electronic documentation. These services not only support environmental conservation but also provide greater convenience and accessibility to customers.

Customer attitude plays a crucial role in the success of such sustainable banking initiatives. A positive attitude towards paperless banking leads to increased adoption and continued usage, whereas negative perceptions or resistance can slow down the transition from traditional to digital systems. Understanding customer attitude is therefore essential for banks to design effective strategies that promote sustainable banking practices.

Objectives of the Study

- To analyse customers' attitude towards paperless and eco-friendly banking transactions.

II. RESEARCH METHODOLOGY

The present study adopts a descriptive research design to examine customers' attitudes towards paperless and eco-friendly banking transactions. Primary data was collected from 150 respondents in Coimbatore city using a structured questionnaire designed to capture various aspects such as willingness, perception, convenience, and behavioural responses.

The study employed the snowball sampling technique, where existing respondents referred other participants, enabling the researcher to reach individuals who are familiar with digital and sustainable banking practices. The collected data was analysed using percentage analysis, which helps in understanding the distribution and relative importance of responses across different categories.

III. ANALYSIS AND INTERPRETATION

Attitude Towards Paperless Transactions

The analysis reveals that customers generally exhibit a positive attitude towards paperless banking transactions. Among the respondents, 38% expressed enthusiasm in adopting paperless transactions, indicating strong acceptance and readiness to embrace digital banking. Additionally, 33.33% of respondents were willing to adopt such services but remained cautious, reflecting a moderate level of acceptance combined with certain concerns. A notable 24% of respondents maintained a neutral stance, suggesting that while they are aware of paperless banking, they may require further motivation or assurance to actively adopt these services. Only a very small percentage of respondents showed reluctance or disinterest, indicating minimal resistance overall.



SHOWING FACTORS RELATED TO PAPERLESS BANKING PRACTICES FACTORS RELATED TO PAPERLESS BANKING PRACTICES

| | | | | | | | |
|--|-------|-----|-----|----|----|---|----|
| influences sustainable banking adoption. | | | | | | 0 | 83 |
| | Score | 235 | 208 | 99 | 30 | 3 | 57 |
| | | | | | | | 5 |

Source: Primary data

| Particulars | | Strongly Agree | Agree | Neutral | Disagree | Strongly Disagree | Total | Score |
|---|-------|----------------|-------|---------|----------|-------------------|-------|-------|
| | | 5 | 4 | 3 | 2 | 1 | | |
| Paperless banking transactions are convenient to use. | No | 69 | 61 | 17 | 3 | 0 | 150 | 4.30 |
| | Score | 345 | 244 | 51 | 6 | 0 | 646 | 3.84 |
| Eco-friendly banking helps in reducing paper waste. | No | 41 | 71 | 28 | 10 | 0 | 150 | 3.95 |
| | Score | 205 | 284 | 84 | 20 | 0 | 593 | 3.84 |
| Digital banking is preferable to paper-based banking. | No | 44 | 58 | 35 | 13 | 0 | 150 | 3.80 |
| | Score | 220 | 232 | 105 | 26 | 0 | 683 | 3.80 |
| Paperless transactions save time and effort. | No | 54 | 58 | 26 | 9 | 3 | 150 | 4.00 |
| | Score | 270 | 232 | 78 | 18 | 3 | 601 | 3.67 |

Source: Primary data

Interpretation: From the above table it is inferred that the maximum number of respondents strongly agree that easy availability of digital facilities encourages sustainable banking (Average score 4.30). It is also observed that respondents agree that paperless transactions save time and effort (4.00) and eco-friendly banking helps reduce paper waste (3.95) compared to other factors.

H₀ (Null Hypothesis): There is no significant relationship between personal factors (gender, age group, educational qualification, occupational status, marital status, place of residence, number of family members, and monthly income) and factors encouraging sustainable banking practices.

H₁ (Alternative Hypothesis): There is a significant relationship between personal factors and factors encouraging sustainable banking practices.

Interpretation

From the above table it is inferred that the maximum number of respondents strongly agree that paperless banking transactions are convenient to use (Average score 4.30). It is also observed that respondents agree that paperless transactions save time and effort (4.00) and eco-friendly banking helps reduce paper waste (3.95) compared to other factors.

SHOWING FACTORS INFLUENCING ADOPTION OF SUSTAINABLE BANKING

| Particulars | | Strongly Agree | Agree | Neutral | Disagree | Strongly Disagree | Total | Score |
|---|-------|----------------|-------|---------|----------|-------------------|-------|-------|
| | | 5 | 4 | 3 | 2 | 1 | | |
| Easy availability of digital facilities encourages sustainable banking. | No | 59 | 63 | 20 | 8 | 0 | 150 | 4.15 |
| | Score | 295 | 252 | 60 | 16 | 0 | 623 | 3.84 |
| Awareness of environmental benefits influences adoption. | No | 33 | 75 | 29 | 12 | 1 | 150 | 3.84 |
| | Score | 165 | 300 | 87 | 24 | 1 | 577 | 3.84 |
| Bank initiatives motivate sustainable banking usage. | No | 45 | 55 | 41 | 7 | 2 | 150 | 3.89 |
| | Score | 225 | 220 | 123 | 14 | 2 | 616 | 3.89 |
| Trust in banks | No | 47 | 52 | 33 | 15 | 3 | 150 | 3.89 |

TABLE: 34 Personal Factors And Factors Encouraging Sustainable Banking Practices

| S No | Personal Factors | Chi-Square Value | df | P-Value | S/NS |
|------|---------------------------|------------------|----|---------|------|
| 1 | Gender | 2.264 | 4 | 0.687 | NS |
| 2 | Age Group | 17.072 | 12 | 0.147 | NS |
| 3 | Educational Qualification | 12.354 | 12 | 0.418 | NS |
| 4 | Occupational status | 6.493 | 12 | 0.889 | NS |
| 5 | Marital Status | 2.253 | 4 | 0.689 | NS |
| 6 | Place of Residence | 11.098 | 8 | 0.196 | NS |
| 7 | No of family members | 5.17 | 8 | 0.739 | NS |
| 8 | Monthly Income | 13.591 | 12 | 0.328 | NS |

Interpretation:

With regard to the demographic variables such as gender, age group, educational qualification, occupational status, marital status, place of residence, number of family members, and monthly income, the significant values of the Chi-square are 0.687, 0.147, 0.418, 0.889, 0.689, 0.196, 0.739, and 0.328 respectively. Since these are greater than the 5% level of significance, the null hypothesis is accepted. The result shows that there is no significant relationship between the demographic variables such as gender, age group, educational qualification, occupational status, marital status, place of residence, number of family members, and monthly income of the respondents and the factors encouraging sustainable banking practices.

Personal Factors And How Respondents Learned About Green Loans



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H₀ (Null Hypothesis): There is no significant relationship between personal factors and how respondents learned about green loans.

H₁ (Alternative Hypothesis): There is a significant relationship between personal factors and how respondents learned about green loans.

TABLE: 35 Personal Factors And How Respondents Learned About Green Loans

| S No | Personal Factors | Chi-Square Value | df | P-Value | S/N S |
|------|---------------------------|------------------|----|---------|-------|
| 1 | Gender | 5.571 | 4 | 0.234 | NS |
| 2 | Age Group | 7.978 | 12 | 0.787 | NS |
| 3 | Educational Qualification | 9.567 | 12 | 0.654 | NS |
| 4 | Occupational status | 17.121 | 12 | 0.145 | NS |
| 5 | Marital Status | 2.489 | 4 | 0.647 | NS |
| 6 | Place of Residence | 7.2 | 8 | 0.515 | NS |
| 7 | No of family members | 6.142 | 8 | 0.631 | NS |
| 8 | Monthly Income | 17.546 | 12 | 0.13 | NS |

Note: S - Significant (p value < 0.05); NS - No significant (p value > 0.05).

Interpretation:

With regard to the demographic variables such as gender, age group, educational qualification, occupational status, marital status, place of residence, number of family members, and monthly income, the significant values of the Chi-square are 0.234, 0.787, 0.654, 0.145, 0.647, 0.515, 0.631, and 0.130 respectively. Since these are greater than the 5% level of significance, the null hypothesis is accepted. The result shows that there is no significant relationship between the demographic variables such as gender, age group, educational qualification, occupational status, marital status, place of residence, number of family members, and monthly income of the respondents and how they learned about green loans.

Personal Factors And Challenges Faced In Adopting Sustainable Banking Service

H₀: There is no significant relationship between personal factors and the challenges faced in adopting sustainable banking services.

H₁: There is a significant relationship between personal factors and the challenges faced in adopting sustainable banking services.

ANOVA: Benefits of Paperless Transactions

H₀: There is no significant difference in the perceived benefits of paperless transactions among different demographic groups (age, education level, monthly income, and gender).

H₁: There is a significant difference in the perceived benefits of paperless transactions among different demographic groups.

Table: Benefits of Paperless Transactions

| Variables | Source | Sum of Squares | df | Mean Square | F | Sig . |
|-----------------|----------------|----------------|-----|-------------|-------|-------|
| Age Group | Between Groups | 1.812 | 3 | 0.604 | 1.46 | 0.228 |
| | Within Groups | 60.405 | 146 | 0.414 | | |
| | Total | 62.217 | 149 | | | |
| Education Level | Between Groups | 4.305 | 3 | 1.435 | 3.618 | 0.015 |
| | Within Groups | 57.912 | 146 | 0.397 | | |
| | Total | 62.217 | 149 | | | |
| Monthly Income | Between Groups | 1.451 | 3 | 0.484 | 1.162 | 0.326 |
| | Within Groups | 60.766 | 146 | 0.416 | | |
| | Total | 62.217 | 149 | | | |
| Gender | Between Groups | 0.002 | 1 | 0.002 | 0.005 | 0.943 |
| | Within Groups | 62.215 | 148 | 0.42 | | |
| | Total | 62.217 | 149 | | | |

Interpretation: With regard to the demographic variables, the significant values of the ANOVA for Age Group (0.228), Monthly Income (0.326), and Gender (0.943) are all greater than the 5% level of significance, meaning the null hypotheses are accepted and there is no significant difference in the perceived benefits of paperless transactions based on these factors. However, the significant value for Education Level is 0.015. Since this is less than the 5% level of significance, the null hypothesis is rejected. The result shows that there exists a significant difference in the perceived benefits of paperless transactions among respondents with different education levels.

ANOVA: Factors Influencing Adoption of Sustainable Banking

H₀: There is no significant difference in the factors influencing the adoption of sustainable banking across demographic groups (age, education level, monthly income, and gender).

H₁: There is a significant difference in the factors influencing the adoption of sustainable banking across demographic groups.

Factors Influencing Adoption of Sustainable Banking

| Variables | Source | Sum of Squares | df | Mean Square | F | Sig. |
|-----------------|----------------|----------------|-----|-------------|-------|-------|
| Age Group | Between Groups | 2.036 | 3 | 0.679 | 1.429 | 0.237 |
| | Within Groups | 69.326 | 146 | 0.475 | | |
| | Total | 71.362 | 149 | | | |
| Education Level | Between Groups | 4.131 | 3 | 1.377 | 2.99 | 0.033 |



| | | | | | | | |
|----------------|----------------|--------|-----|-------|-------|-------|---|
| | Within Groups | 67.231 | 146 | 0.46 | | | • |
| | Total | 71.362 | 149 | | | | • |
| Monthly Income | Between Groups | 5.371 | 3 | 1.79 | 3.961 | 0.009 | • |
| | Within Groups | 65.991 | 146 | 0.452 | | | |
| | Total | 71.362 | 149 | | | | |
| Gender | Between Groups | 0.171 | 1 | 0.171 | 0.355 | 0.552 | |
| | Within Groups | 71.192 | 148 | 0.481 | | | • |
| | Total | 71.363 | 149 | | | | • |

Interpretation: With regard to the demographic variables, the significant values of the ANOVA for Age Group (0.237) and Gender (0.552) are greater than the 5% level of significance, meaning the null hypotheses are accepted and there is no significant difference in the factors influencing the adoption of sustainable banking based on these attributes. However, the significant values for Education Level (0.033) and Monthly Income (0.009) are less than the 5% level of significance, leading to the rejection of their respective null hypotheses. The results show that there exist significant differences in the factors influencing the adoption of sustainable banking among respondents with different education levels and monthly incomes.

IV. DISCUSSION

The findings of the study clearly indicate that customers possess a favourable attitude towards paperless and eco-friendly banking transactions. The primary factors contributing to this positive attitude include convenience, efficiency, and environmental consciousness. Paperless banking offers several advantages such as reduced transaction time, ease of access, and improved service quality, which enhance customer satisfaction. Moreover, the increasing awareness of environmental issues has motivated customers to support sustainable practices, including eco-friendly banking. However, despite the overall positive attitude, certain barriers still exist. Security concerns related to digital transactions remain a significant issue for some customers. Additionally, lack of digital literacy and familiarity with technology can hinder the adoption of paperless banking, particularly among older or less tech-savvy individuals. Habitual reliance on traditional banking methods also contributes to resistance among a small segment of customers. Addressing these challenges is essential for ensuring wider acceptance and successful implementation of paperless banking systems.

V. FINDINGS

- The majority of customers exhibit a positive attitude towards paperless banking transactions.
- A significant proportion of respondents are enthusiastic or willing to adopt eco-friendly banking services.

Convenience is the most influential factor driving positive customer attitude.

There is a high level of willingness among customers to switch to fully paperless banking systems.

A small percentage of customers remain hesitant due to security concerns, lack of digital literacy, and traditional habits.

VI. SUGGESTIONS

- Banks should strengthen digital security measures to enhance customer trust and confidence in paperless transactions.
- Awareness programs and training initiatives should be conducted to improve digital literacy among customers.
- User-friendly interfaces and simplified applications should be developed to make digital banking accessible to all age groups.
- Incentives such as discounts, rewards, or benefits can be offered to encourage customers to adopt paperless banking services.
- Banks should actively communicate the environmental benefits of paperless banking to promote sustainable behaviour among customers.

VII. CONCLUSION

The study concludes that customers have a highly positive attitude towards paperless and eco-friendly banking transactions, driven primarily by convenience, efficiency, and environmental awareness. The increasing adoption of digital banking reflects a significant shift in customer behaviour towards sustainable financial practices.

Although certain challenges such as security concerns and lack of digital literacy persist, they can be effectively addressed through improved technological infrastructure, awareness initiatives, and customer support systems. With continued efforts from banks and policymakers, paperless banking has the potential to become the dominant mode of financial transactions, contributing significantly to environmental sustainability and the overall development of the banking sector.

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