

## Usage of Electronic Customer Relationship Management in Online Banking in Sri Lanka

Bharatha Padma Sri Vithana Pathirana<sup>1</sup>

Sri Lankan Banks and Finance companies are forced to provide online banking/internet banking their customers due to rapid advancement in the information communication technology and new technological adoptions in the banking and financial sector. Current advancements in the mobile data services and internet based services changed the consumer behavior and current banking and finance customers are more favorable to use remote banking channels and online banking apps. This has completely changed the banker customer relationship and reduced the physical relationship/contact with the customer and the bank. Due to lack of face to face interaction between bank and customer in online banking and remote banking create huge service gap for them how to serve and maintain effective customer relationships in online banking environment. This study investigated how Sri Lankan banks use “Electronic Customer Relationship Management” (E-CRM) tools to maintain profitable customer relations in online / remote banking. A qualitative study was conducted for three Sri Lankan Banks to find their E-CRM practices. Research methodology used is questionnaire and focus group interviews. The findings revealed that banks use E-CRM tools to profiling and assessing their customers, customer retention, cross selling, recognise the customer need for the trade-off between extracting and delivering customer value, and increase the profitability (for customer and bank) of transactions by reducing transaction cost. It was identified continuous staff training and customer feedback is critical for the successful implementation of E-CRM strategy in banks.

**Keywords:** *Online/Remote Banking, E- CRM, Information Communication Technology, Strategy*

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<sup>1</sup> srivithanapathirana@gmail.com