



**THE RELATIONSHIP BETWEEN CORPORATE  
SOCIAL RESPONSIBILITY PRACTICES AND THE  
CUSTOMER BASE  
(WITH SPECIAL REFERENCE TO BANKING FIELD IN  
SRI LANKA)**

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## ABSTRACT

Corporate Social Responsibility (CSR) has become an important concept in business environment due to the idea that the CSR helps an organization to improve their performance in terms of the goodwill, social image and the improved customer base. With the growing popularity of the concept of CSR there is increasing trend that the organizations are spending huge cost on CSR practices nowadays. Hence this paper examines empirically the relationship between cost of CSR practices and the customer base in banking industry in Sri Lanka with the hypothesis that the cost of CSR practices positively influences on customer base in banking industry in Sri Lanka. The primary objective of this study was to explore whether the cost of CSR practices influence on the customer base in banking industry in Sri Lanka. Based on the Fitch rankings the top five banks in Sri Lanka were considered as the sample of this study. The study was conducted based on the secondary data collected from the published annual reports and the official web sites of the banks selected as the sample of the study. The correlation analysis used as the main analysis technique. The results of the study indicated that there is no relationship between cost of CSR practices and the Customer Base in banking industry in Sri Lanka. Hence this study recommends initiating some other strategies for the purpose of improving the customer base while practicing the CSR activities economically as it will generate some indirect benefits to the organization.

**Keywords:** *Banking Industry, Corporate Social Responsibility, Customer Base.*