

# **CROSS-SELLING PRACTICES OF PUBLIC AND PRIVATE SECTOR BANKS IN KERALA**

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*for the award of degree of*  
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## **DECLARATION**

I hereby declare that this thesis entitled “**CROSS-SELLING PRACTICES OF PUBLIC AND PRIVATE SECTOR BANKS IN KERALA**” is a bonafide record of research work done by me under the guidance of **Dr. P. M. Habeeburahiman**, Associate Professor (Retd.), Department of Commerce and Management Studies, PSMO College, Tirurangadi (Affiliated to the University of Calicut). I also declare that this thesis has not previously formed the basis for the award of any degree, diploma, fellowship or other similar title of this or recognition of any other university or institution.

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## **CERTIFICATE**

This is to certify that the thesis entitled “**CROSS-SELLING PRACTICES OF PUBLIC AND PRIVATE SECTOR BANKS IN KERALA**” is a bonafide record of research work carried out by **SHANA SHIMIN P.** under my supervision and guidance for the award of Ph.D. Degree of the University of Calicut. No part of the thesis has been presented for the award of any degree, diploma, or other similar title or recognition of any other university or institution before.

The examiners have not recommended any modifications or suggestions and therefore the original thesis is resubmitted as such. Soft copy attached is the same as that of the resubmitted copy.

Tirurangadi

**Dr. P. M. Habeeburahiman**  
Doctoral Guide

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## **LIST OF ABBREVIATIONS**

AMA	: American Marketing Association
AMC	: Asset Management Company
ANOVA	: Analysis of Variance
APY	: Atal Pension Yojana
AUM	: Asset Under Management
BCG	: Boston Consulting Group
CAAR	: Capital Adequacy Ratio
CAGR	: Compounded Annual Growth Rate
CDL	: Central Depository Limited
CRAR	: Capital-to-Risk Weighted Assets Ratio
CRM	: Customer Relationship Management
CRR	: Cash Reserve Ratio
CSR	: Corporate Social Responsibility
DEA	: Data Envelopment Analysis
EFA	: Exploratory Factor Analysis
EPS	: Earnings Per Share
FY	: Financial Year/Fiscal Year
HDFC	: The Housing Development Finance Corporation Limited
HNI	: High-Net-worth Individual
IBEF	: India Brand Equity Foundation
ICICI	: Industrial Credit and Investment Corporation of India
IDBI	: Industrial Development Bank of India
IFSI	: Islamic Financial Services Industry
IRDA	: Insurance Regulatory and Development Authority of India
KMO	: Kaiser-Meyer-Olkin
LIC	: Life Insurance Corporation of India
MF	: Mutual Fund
NAV	: Net Asset Value



NII	:	Non-Interest Income
NIM	:	Net Interest Margin
NPA	:	Non Performing Asset
NPBs	:	New Private Sector Banks
NRI	:	Non Resident Indian
NSDL	:	National Securities Depository Limited
PFRDA	:	Pension Fund Regulatory and Development Authority
PNB	:	Punjab National Bank
POP	:	Point of Presence
RBI	:	Reserve Bank of India
ROA	:	Return on Asset
ROE	:	Return on Equity
RRBs	:	Regional Rural Banks
SBI	:	State Bank of India
SBIGLF	:	SBI Global Factors Ltd
SD	:	Standard Deviation
SEBI	:	Securities and Exchange Board of India
SIP	:	Systematic Investment Plan
SLR	:	Statutory Liquidity Ratio
SME	:	Small and Medium Enterprises
SPSS	:	Statistical Package for the Social Sciences
SWO	:	Single Window Operator
SWOT Analysis	:	Strengths, Weaknesses, Opportunities, and Threats analysis
TPP	:	Third Party Products
UAE	:	United Arab Emirates
UCO Bank	:	United Commercial Bank
UK	:	United Kingdom
ULIP	:	Unit linked Insurance Plan
VC	:	Venture Capital
WAS	:	Weighted Average Score

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Chapter I

**INTRODUCTION**

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## **1.1. Introduction**

The banking sector acts as the backbone of any economy. The success of an economy strongly depends upon a sound, efficient, effective and vibrant banking system and similarly banks are more successful when the economy performs well. In India, banking sector plays a vital role in the economic development of the nation by serving the financial needs of various sectors of the economy. Prior to nationalization, the Indian banking sector was dominated by the public sector banks. The Government of India nationalized major commercial banks on 19<sup>th</sup> July 1969 and six more in April 1980 to achieve the objectives of economic development. The Reserve Bank of India (RBI) implemented various measures on banks after nationalization and since then it has seen tremendous progress in the banking sector.

Indian banking has experienced a radical change over the last few decades due to economic policy changes and the implementation of financial sector reforms in the 1990s. Factors like deregulation of interest rate, dilution of government stake in public sector banks, opening up of the doors to private sector and foreign banks (Shimin & Habeeburahiman, 2021) and technological advancement pushed the banking sector into the choppy waters of intense competition which in turn had a strong bearing on the profit margin of the banks. As a result, banks lost substantial portion of their market share.

Changes in customer expectations, demographics, preferences, increasing customer awareness and more demanding customers are the other major challenges faced by the banks in this competitive environment. Prior to this development, customers had few options when it came to availing services and were satisfied with whatever services the banks offered. Cut-throat competition and technological

advancements have changed this scenario. Today, customers have various choices for availing services and they compare and select only those banks that offer them high quality services, innovative and customized products at a competitive rate. If the banks fail to meet the customers' expectations, they shift their loyalty to their competitors. Hence, banks have realized that retaining existing customers is crucial to their success because the cost involved in acquiring new customers is higher than the cost involved for retaining the existing customers (Kumar, 2012), (Walia & Gulati, 2014), (Bansal & Bhatia, 2014), (Gupta, 2018). Consequently, banks are paying more attention to providing innovative and customized value-added services beyond just accepting deposits and lending to their customers. Until recently, banks' focus was on acquiring new customers and selling one or more products to their customers. Now it is more important for them to retain their existing customers and enrich their relationship by selling additional products and services. The objective behind this action is to capture maximum market share by maximizing profit and customer base.

Hence, in this era of intense competition, banks are under pressure to find alternative ways not only to generate more income but also to retain their existing customers to attain a competitive edge in the market. Therefore, banks have come up with various strategies to improve their profit margin and to retain their existing customers. Cross-selling is one such strategy followed by the banks in this direction.

### **1.1.1. Concept of Cross-selling**

Cross-selling simply refers to the sale of additional products and services to the existing customers. In other words, cross-selling is a sales strategy used by the service provider to increase income by encouraging the customers to buy related or complimentary products. American Marketing Association (AMA) defines "cross-selling as the process of selling between and among departments to facilitate larger transactions and to make it more convenient for the customer to shop for related items". The purpose of cross-selling practices is twofold. On one side, cross-selling allows the service provider to increase the revenue derived from the customers and to protect the relationship with the customers. On the other side, it creates value for

their customers by offering multiple services under one roof. The cross-selling strategy is one of the easiest and most effective ways to increase revenue.

### **1.1.2. Cross-selling in Banking Sector**

Cross-selling has become a popular sales and marketing practices in the financial service industry in particular, in the banking industry since it became one of the important sources of revenue stream. Cross-selling with reference to bank stands for the sale of additional products and services by a bank to its existing customers. Diversification of banking business through the sale of third party products is also known as cross-selling. For example, sale of insurance or credit card to a savings account holder. Banks have relied on cross-selling practices with a view to increase revenue and to strengthen customer relationship. These are the rationale behind the use of cross-selling strategies in the banking sector. Cross-selling is beneficial to both bank and customers. From the banks' perspectives, cross-selling helps them to increase their sales and profit with only limited cost in marketing and distribution. Put simply, selling additional products and services to existing customers is cheaper than attracting new customers. It also helps them to increase customers' reliance on the bank and reduces the chance of switching to another provider. Moreover it helps to reduce cost of operations per customer, build customer loyalty, provide more satisfaction and value to the customers. From the customers' perspective, cross-selling helps them to buy myriad of products and services under one roof. It provides greater convenience to the customers. It also helps them to get customized products and services at reduced price. Also they get additional benefits such as preferential pricing, special discounts etc. Services of skilled and trained employees, professional and advisory services, reduction in formalities and paper works are the other benefits provided by the banks to their customers.

The concept of cross-selling is very popular and successful in most of the developed countries. But the concept is relatively new to Indian banking sector which gained popularity from the year 2000 onwards. Even though the Indian banks are in nascent stage of cross-selling (Shimin & Habeeburahiman, 2021), very

recently many public sector as well as private sector banks have been taking substantial initiatives to implement cross-selling strategies to combat with cut throat competition prevailing in Indian banking sector.

## **1.2. Significance of the Study**

The financial service industry, particularly banking industry in India has undergone significant transformation over the past decades under the impact of liberalisation, globalization, deregulation, advances in information technology, and various reforms in the banking sector. Due to these movements, the banking sector has become more competitive. Consequently, profit margin of banks started declining, thus it become imperative for the banks to find out new sources of revenue beyond traditional banking products. Hence, they formulated different strategies to earn as much as profit. In this context, cross-selling is emerged as an effective strategy and most of the banks adopted it to increase profitability and to retain their customers as well as to attract new ones. Hence, in the present day banks have metamorphosed into financial superstore by cross-selling diversified products and services to their customers. Therefore, there is always need to assess cross-selling practices from the perspective of customers. Knowledge in this connection can help the bank management to design products as per the needs and requirements of their customers and also helps them to redesign their existing strategies and formulate new strategies accordingly. This study also helps the policy makers to frame their policies related to cross-selling practices. This study is very helpful to the academic community, as it enriches the knowledge of cross-selling practices among the banks. Moreover, the public and bank customers can learn more about cross-selling practices.

The success of cross-selling depends not only on the banks' strategies but also on the attitude and commitment of the bank employees as they are the implementers of cross-selling strategies. Hence, it is also necessary to assess cross-selling practices from the perspective of bank employees.

## **1.3. Scope of the Study**

The present study is limited to the cross-selling practices of selected public sector and private sector banks, i.e., two banks each from public sector and private sector. SBI and PNB are the banks selected from public sector and the ICICI Bank and HDFC Bank are the private sector banks selected for the study. It aims to a comparative study among the public sector and private sector banks. Even though a variety of cross-selling products and services are offered by the banks, the scope of the study is confined to four cross-selling products namely life insurance, general insurance, mutual funds, and credit cards. These products are selected as they are the most commonly sold products by the banks. Only individual customers who availed at least one of the four selected products were considered under this study. The present study limits its scope to find out the awareness level of customers about cross-selling products and services, factors motivated the customers to buy cross-selling products and services from their existing bank, their perception about cross-selling practices and cross-selling benefits, their satisfaction about cross-selling practices and problems faced by them while or after buying cross-selling products and services.

Only the bank employees who are engaged in cross-selling practices were considered in this study. The perception of employees about cross-selling practices and problems faced by them related to cross-selling practices were also covered in this study. Geographically, the study is confined to the state of Kerala, and all the sample respondents are from Kerala.

#### **1.4. Statement of the Problem**

The banking sector in India has undergone profound changes over the past few decades since liberalisation, economic reforms in 1991, extensive deregulation, increasing number of private sector and foreign banks has brought keen competition, which has further resulted in reduction in the profit margin of the banks. Moreover, intense competition and explosive growth in information technology has enlarged the expectation of customers higher than ever before and they are becoming more dynamic and less loyal in their behavior as they are in a position to switch easily from one bank to another. All these have formed grave threat to the basic banking

activities. Hence in such a situation, retaining existing customers and finding new ways to generate more profit has become paramount for the banks. Hence, banks are constantly looking for alternative ways to retain existing customers as well as to enhance their profit margin. One of the most commonly used strategies for achieving this is the practice of cross-selling. Recently, most of the Indian banks are engaged in cross-selling practices as their main plank of marketing strategy. Both public and private sector banks diversified their business into new areas by cross-selling various products such as life insurance, general insurance, wealth management etc. along with conventional banking services under one roof. According to the report issued by IBEF in 2013, the other income of the Indian banking sector during the FY 2009-12 is 4.5% CAGR (IBEF, 2013). The same was increased to 6.71% CAGR during the FY 2009-18 as per the report issued by IBEF in 2018 (IBEF, 2018). This evidently clear that the banking sector diversified their core banking business into fee-based services. As a part of diversification, existing customers of the bank may be induced or pressurized to buy additional products like insurance, mutual funds, credit cards, etc. which may lead extra costs to customers by extending undesirable buying behavior. Also, the aggressive cross-selling effort from the bank may often end up in annoying the customers which may adversely affect their satisfaction or may lead to customer attrition.

In order to increase sales and profit, banks exerted undue pressure on their employees by giving them higher cross-selling target on each product. Hence, employees are working hard and putting a lot of effort to attain these targets. Sometimes they are engaged in aggressive cross-selling practices as a means for generating higher profit. Moreover, they require expertise in different areas of financial services.

Hence in this context, conducting a study on the awareness level of customers about various cross-selling products and services, their perception and satisfaction about cross-selling practices and the problems faced by them is relevant. Also, it is relevant to study the factors that motivated the customers to buy cross-selling products and services from their existing bank, even though these products



are offered by other financial institutions. Further, the study aims to review the perception of bank employees and problems faced by them related to cross-selling practices.

In this context, a number of research questions have been raised from customers' perspective and employees' perspective. Some of the pertinent research questions are given below.

- To what extent customers are aware about various cross-selling products and services offered by the bank?
- What are the factors that motivated the customers to buy cross-selling products and services from their existing bank?
- What is the perception of customers about cross-selling practices?
- What is the extent of variations in the perception of customers of public and private sector banks about cross-selling practices?
- To what extent the customers are satisfied with the cross-selling practices?
- What are the problems faced by the customers while or after buying cross-selling products and services?
- What is the perception of employees about cross-selling practices?
- What is the extent of variations in the perception of employees of public and private sector banks about cross-selling practices?
- What are the problems faced by the employees while dealing in cross-selling practices?

### **1.5. Objectives of the Study**

1. To examine the extent of awareness level of customers about various cross-selling products and services.

2. To find out the factors that motivated the customers to buy cross-selling products and services from their existing bank.
3. To assess the perception of customers about cross-selling practices.
4. To measure the satisfaction of customers about cross-selling practices.
5. To analyse the perception of employees about cross-selling practices and to review the problems faced by the employees related to cross-selling practices.

### **1.6. Hypotheses**

Based on the objectives set, the following hypotheses are formulated.

- H0: There is no significant difference between public and private sector bank customers regarding their awareness about cross-selling products and services.
- H0: There is no significant difference in the awareness level of customers about cross-selling products and services with regard to their demographic profile.
- H0: There is no significant difference in the awareness level of customers about cross-selling products and services with regard to the number of cross-selling products availed by them.
- H0: There is no significant difference between public and private sector bank customers regarding their perception about cross-selling practices.
- H0: There is no significant difference in the perception of customers about cross-selling practices with regard to their demographic profile.
- H0: There is no significant difference in the perception of customers about cross-selling practices with regard to the number of cross-selling products availed by them.

- H0: There is no relationship between the awareness level of customers about cross-selling products and services and their perception about cross-selling practices.
- H0: There is no significant difference between public and private sector bank customers regarding their perception about cross-selling benefits.
- H0: There is no significant difference in the perception of customers about cross-selling benefits with regard to their demographic profile.
- H0: There is no significant difference in the perception of customers about cross-selling benefits with regard to the number of cross-selling products availed by them.
- H0: There is no significant difference between public and private sector bank customers regarding their satisfaction about cross-selling practices.
- H0: There is no significant difference in the satisfaction of customers about cross-selling practices with regard to their demographic profile.
- H0: There is no significant difference in the satisfaction of customers about cross-selling practices with regard to the number of cross-selling products availed by them.
- H0: There is no relationship between the perception of customers about cross-selling practices and their satisfaction about cross-selling practices.
- H0: There is no significant difference in the perception of employees regarding initiatives taken for cross-selling by public sector and private sector banks.
- H0: There is no significant difference in the perception of employees of public sector and private sector banks regarding the benefits of cross-selling practices to the banks.

- H0: There is no significant difference in the opinion of employees of public sector and private sector banks on problems related to cross-selling practices.
- H0: There is no significant difference in the opinion of employees on problems related to cross-selling practices with regard to their length of experience.

## **1.7. Operational Definitions**

### **Cross-selling**

Cross-selling refers to the sale of additional products or services by a bank to its existing customers.

### **Customers**

In this study, customers are referred as the persons who have availed at least one cross-selling product or services of banks.

### **Customer Perception**

Customer perception is the process of collecting and interpreting sensory information about the bank's cross-selling practices and its cross-selling products and services. It describes the overall picture of bank's cross-selling practices.

### **Customer Satisfaction**

Customer satisfaction is a measure of how well the cross-selling products and services supplied by a bank meet or surpass customer expectations. It is the extent to which a customer is pleased or contented with the cross-selling products and services and cross-selling practices after having direct experience with it.

### **Employees**

The employees who are engaged in cross-selling practices are referred as employees in this study.

### **Employee Perception**

In this study, employee perception refers to the employee's opinion about the cross-selling practices of their banks.

## **1.8. Research Methodology**

The research methodology followed in the present study is briefly explained below.

### **1.8.1. Research Design**

The present study is descriptive in nature that makes use of both primary and secondary data.

### **1.8.2. Sources of Data**

Both primary and secondary data were used for the study.

#### a) Primary Data

Primary data were collected from the customers and employees of selected public sector and private sector banks in Kerala. The sample respondents comprise of customers who have availed at least any one of the selected cross-selling products and the bank employees who are engaged in cross-selling practices. Two sets of structured questionnaires were prepared and used for collecting primary data, one is for customers and another one for bank employees.

#### b) Secondary Data

Secondary data for the study were collected from the following sources:-

- Website of RBI
- Website of selected banks
- Annual report of RBI
- Annual report of selected banks
- Research journals and articles
- Research dissertation and theses
- Reports on trends and progress of banks in India
- RBI bulletins
- Books related to the study area
- Newspaper reports
- Other websites and blogs

### **1.8.3. Sampling Design**

The present study assesses cross-selling practices of banks from the perspective of customers and employees. Hence, two sets of samples are required.

- Sample customers
- Sample employees

➤ **Selection of Sample Customers**

The population of the study consists of customers of cross-selling products and services of public and private sector banks in Kerala. As this population is quite large and spread throughout the state of Kerala, a population survey is not possible. Hence, a sample survey was conducted. Multi stage sampling technique was used for the selection of customers.

In the first stage of sampling, the entire state was divided into three geographical regions such as northern, central and southern region. Northern region consists of six districts namely Kasaragod, Kannur, Wayanad, Kozhikode, Malappuram and Palakkad. Central region covers four districts namely, Thrissur, Ernakulam, Alappuzha and Kottayam and Southern region covers four districts namely, Idukki, Pathanamthitta, Kollam and Thiruvananthapuram districts. The districts come under the each region are ranked separately according to the bank branch population in each districts and selected one district having highest rank from each region. Accordingly, Kozhikode from northern, Ernakulam from central and Thiruvananthapuram from southern region were selected.

In the second stage, banks in the public and private sector are grouped separately and ranked them according to the volume of ‘other income’. Two banks each from both sectors were selected on the basis of their rank position (banks having highest rank are selected) i.e., SBI and PNB from public sector and ICICI bank and HDFC bank from private sector.

In the last stage, 120 customers (40 customers from each bank in each district) are selected from each bank using purposive sampling method, totaling to 480 customers.

➤ **Selection of Sample Employees**

In the case of employees, the population of the study consists of employees of public and private sector banks in Kerala who are engaged in cross-selling practices. Multi stage sampling technique was also used for selection of bank employees. In the first stage of sampling, the entire state was divided into three

geographical regions such as northern, central and southern region. Northern region consists of six districts namely Kasaragod, Kannur, Wayanad, Kozhikode, Malappuram and Palakkad. Central region covers four districts namely, Thrissur, Ernakulam, Alappuzha and Kottayam and Southern region covers four districts namely, Idukki, Pathanamthitta, Kollam and Thiruvananthapuram districts. The districts come under the each region are ranked separately according to the bank branch population in each districts and selected one district having highest rank from each region. Accordingly, Kozhikode from northern, Ernakulam from central and Thiruvananthapuram from southern region were selected.

In the second stage, banks in the public and private sector are grouped separately and ranked them according to the volume of 'other income'. Two banks each from both sectors were selected on the basis of their rank position (banks having highest rank are selected) i.e., SBI and PNB from public sector and ICICI bank and HDFC bank from private sector.

In the last stage, 30 employees (10 employees from each bank in each district) who are engaged in cross-selling practices were selected from each bank by using purposive sampling method, totaling to 120 employees.

#### 1.8.4. Sample Size

The following statistical equation was used to determine the sample size of both the customers and employees. The highest standard deviation (SD) of the items under relevant variables estimated from trial sample was considered for calculating the sample size. The sample size was determined on the basis of following equation.

$$n = \frac{Z^2 \times \sigma^2}{e^2}$$

Where,

n = Size of the sample

$\sigma$  = Standard Deviation of the population -Estimated from the trial sample



$z =$  Standard Variate at a given confidence level (1.96 for 95% confidence level)

$e =$  Acceptable Error

The sample size was determined for both the questionnaires. The result is shown in the table 1.1

**Table 1.1**

*Determination of Sample Size*

	<b>Sample Size of Customers</b>	<b>Sample Size of Employees</b>
Z @95%	1.96	1.96
$\Sigma$	1.453	1.32
E	0.13	0.236
Sample size	479.9=480	120.1=120

For equal representation in each bank, the sample size of customers has been rounded to 480. 120 customers each from the four banks were selected to study their perception about cross-selling practices. In the case of employees, the sample size has been rounded to 120. 30 employees from each bank were also selected for studying their perception about cross-selling practices.

### **1.8.5. Instrument for Data Collection**

In this study, two sets of structured questionnaires were designed for collecting primary data from the respondents; one for customers and another one for bank employees. The data were collected through direct delivery and post. Google forms are also used for collecting information from the respondents. Some of the questionnaires were rejected due to missing values and incompleteness of data. Open ended questions, multiple choice questions, rank questions and scale questions are included in the study. Bank officials, academicians, experts in the field of banking are consulted before finalizing the questionnaires in order to filter the variables according to research objectives and their suggestions were incorporated to ensure the validity of the instruments. The questionnaire for customers contains

questions related to demographic profile, banking information, awareness about cross-selling products and services, factors motivated the customers to buy cross-selling products and services from their existing bank, perception about cross-selling practices and its benefits, satisfaction and problems faced by them while or after buying cross-selling products and services. Product wise questions are also included in the questionnaire. The questionnaire for employees includes questions related to demographic profile, perception about cross-selling practices and problems faced by them related to cross-selling practices.

### **1.8.6. The Method of Analysis and the Variables Used**

The purpose of the study is to assess cross-selling practices of public and private sector banks in Kerala from the perspective of customers and employees. Therefore, different variables are used in this study for assessing cross-selling practices from these different perspectives. They are briefly discussed in the following sections.

#### **1.8.6.1. The Method of Analysis and the Variables Used – Customers' Perspective**

This section explains the method of analysis and the variables used for assessing cross-selling practices from customers' perspective. The important variables used in the study relates with demographic profile of customers, awareness level of customers about cross-selling products and services, factors motivated the customers to buy cross-selling products and services from their existing bank, perception of customers about cross-selling practices and its benefits, satisfaction of customers about cross-selling practices and problems faced by them while or after buying cross-selling products and services from the banks.

##### **A. Demographic Profile of the Customers**

The demographic profile of the customers plays a key role in evaluating the perception of customers about cross-selling practices. The demographic variables used in the study are listed below.

- Gender
- Age

- Educational Qualification
- Occupation
- Marital Status
- Monthly Income
- Region

### **B. Banking Information of the Customers**

The variables relating to the banking information of customers are given below.

- Type of bank
- Association with the bank
- Type of account
- Number of cross-selling products availed

### **C. Awareness about Cross-selling Products and Services**

Awareness of customers about cross-selling products and services were analysed using variables such as life insurance, general insurance, mutual funds, credit cards, demat account and pension schemes. Respondents were asked to mark their extent of awareness level on a five-point Likert's scale ranging from extremely aware to not at all aware (5 = Extremely Aware, 4 = Very Aware, 3 = Moderately Aware, 2 = Slightly Aware, 1 = Not at all Aware). The below table exhibits the variables used for measuring the awareness level of customers.

**Table 1.2**

*Variables for Measuring the Awareness Level of Customers about Cross-selling Products and Services*

<b>Variables</b>	<b>Indicators</b>
Awareness	Life insurance General insurance Mutual funds Credit cards Demat account

### D. Factors Motivated the Customers to Buy Cross-selling Products and Services from their Existing Bank

The customers were asked to rate their opinion on the factors motivated them to buy cross-selling products and services from their existing bank. For this purpose, 14 variables are listed to the respondents and their responses were collected by using five point scale ranging from strongly agree to strongly disagree (5=Strongly Agree, 4=Agree, 3=Neither agree nor Disagree, 2=Disagree, and 1=Strongly Disagree). Following table explains the variables used for measuring the factors motivated the customers to buy cross-selling products and services from their existing bank.

**Table 1.3**

*Variables for Measuring the Factors Motivated the Customers to Buy Cross-selling Products and Services from their Existing Bank*

	<b>Statements</b>
Factors	I prefer nearby banks to my home or office for cross buy financial products
	Paper formalities are less while buying additional products as the bank maintains record file regarding each customer
	The bank is highly reputed bank in the banking industry
	I am already satisfied with the bank services
	Bank employees suggested me to buy additional products
	The bank can satisfy majority of my needs by offering various financial services under one roof
	It makes me convenient in availing various services from a single service provider
	Expertise services are rendered by the bank
	I have trust and confidence in the bank and bank employees
	I bought additional products as per my friends and relatives suggestion
	The bank offers the cross-selling products of various companies that I trust
	The bank meet the expected level of each customer
	High standard and customized products at reduced price is available in the bank

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Quality of service rendered by the bank is satisfactory

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**E. Perception of Customers about Cross-selling Practices**

Perception of customers about cross-selling practices were analysed by using different variables such as ‘Cross buying from existing bank helps to maintain better relation with bank’, ‘Cross buying from existing bank helps to reduce transaction cost’, ‘Cross buying from existing bank helps to reduce price of the product’, ‘Cross buying from existing bank helps to reduce paper formalities’, ‘Bank employees are highly interested to cross-sell various products’, ‘Bank sell customized products as per the financial requirements of customers’ and ‘Bank act as a financial service super market’. Their perception is measured on a five point scale whose values ranges from strongly agree to strongly disagree (5=Strongly Agree, 4=Agree, 3=Neither agree nor Disagree, 2=Disagree, and 1= Strongly Disagree).

**Table 1.4**

*Variables for Measuring the Perception of Customers about Cross-selling Practices*

Variables	Statements
Perception about cross-selling practices	Cross buying from existing bank helps to maintain better relation with bank
	Cross buying from existing bank helps to reduce transaction cost
	Cross buying from existing bank helps to reduce price of the product
	Cross buying from existing bank helps to reduce paper formalities
	Bank employees are highly interested to cross- sell various products
	Bank sell customized products as per the financial requirements of customers
	Bank act as a financial service super market

**F. Perception of Customers about Cross-selling Benefits**

The statements used for measuring the perception of customers about benefits of buying cross-selling products and services from the banks are

convenience, tailor made products to meet varied customer needs, individual attention to each customer etc. The respondents were directed to mark their level of agreement with the statements on a five point Likert scale ranges from strongly agree to strongly disagree (5=Strongly Agree, 4=Agree, 3= Neither agree nor Disagree, 2=Disagree, and 1= Strongly Disagree).

**Table 1.5**

*Variables for Measuring the Perception of Customers about Cross-selling Benefits*

Variables	Statements
Perception about cross-selling benefits	Convenience
	Tailor made products to meet varied customer needs
	Individual attention to each customer
	Reduction in transaction cost
	Product at reduced price
	Reduction in formalities and paperwork as customer already familiar with the bank and need not to prove credential for every new purchase
	Additional benefits (e.g. special discounts, offers, preferential pricing etc.)
	Services of skilled and trained employees
	Expert advice of the bank employee in taking financial decision
	Innovative and wide product ranges to meet customers' needs

### **G. Satisfaction about Cross-selling Practices**

Level of satisfaction of customers about cross-selling practices were analysed from the responses of customers on 12 statements. Their responses were collected on a five point scale ranging from highly satisfied to highly dissatisfied (5=Highly Satisfied, 4=Satisfied, 3=Neither Satisfied nor Dissatisfied, 2=Dissatisfied, 1= Highly Dissatisfied).

**Table 1.6**

*Variables for Measuring the Satisfaction of Customers about Cross-selling Practices*

<b>Variables</b>	<b>Statements</b>
Satisfaction about cross-selling practices	Knowledge of the employees regarding various cross-selling products and services
	Availability of the concerned staff at the right time
	Sales culture of the bank employees
	Services of trained staff
	Professional and advisory services provided by the bank employees
	After sale service provided by the bank
	Speedy and prompt customer service
	Information provided by the employees regarding cross-selling products and services
	Attitude of the staff in resolving customer problem
	Advertisement and awareness campaign on various cross-selling products
	Banks innovativeness in introducing new products
	Amount charged by the bank on various cross-selling products and services

#### **H. Problems Faced by the Customers While or After Buying Cross-selling Products and Services**

The problems that may be faced by the customers while or after buying cross-selling products and services are listed to the respondents and their responses were collected with the help of five point scale ranging from strongly agree to strongly disagree.

**Table 1.7**

*Variables for Measuring the Problems Faced by the Customers While or After Buying Cross-selling Products and Services*

Variables	Statements
Problems faced by the customers	Lack of knowledge of the employee regarding various cross-selling products and services
	Lack of trained staff to clear various doubts and clarification regarding the products
	More formalities for getting an additional product
	High amounts are charged on cross-selling products and services
	Existence of hidden charges
	Unattractive product
	Lack of guidance about product features
	Limited time for individual interaction
	Poor advisory assistance
	Negative attitude of the bank employees towards cross-selling
	Aggressive cross-selling makes customers frustrated and irritated
	Frequent transfer of the bank employees
	Lack of promotional effort from bank employees
	Bank employees resistance to change and adapt new culture

### **I. Product Wise Variables**

Even though banks offer various cross-selling products and services to their customers, here only four products are studied in detail. The product wise variables used in the study are exhibited in the table 1.8. Here, the awareness level about the attributes of life insurance, general insurance, mutual funds and credit cards were analysed by employing a five point scale ranges from extremely aware to not at all aware (5=Extremely Aware, 4=Aware, 3=Moderately Aware, 2= Slightly Aware,



1= Not at all Aware) and the reason for buying these products were analysed by using a five point scale ranging from very important to not at all important (5=Very Important, 4=Moderately Important, 3= Neutral, 2=Slightly Important, 1=Not at all Important).

**Table 1.8**

*Variables for Measuring the Product Wise Information*

<b>Products</b>	<b>Variables</b>
Life Insurance	Awareness level about the attributes of life insurance
	Reasons for buying life insurance
	Type of policy
	Association with the bank as a cross-selling customer
General Insurance	Awareness level about the attributes of general insurance
	Reasons for buying general insurance
	Type of policy
	Association with the bank as a cross-selling customer
Mutual funds	Awareness level about the attributes of mutual funds
	Reasons for making investment in mutual funds
	Preferred mode
	Scheme
	Amount invested
Credit cards	Association with the bank as a cross-selling customer
	Awareness level about the attributes of credit cards
	Reasons for availing credit cards
	Type of card
	Credit limit
	Percentage of credit limit used
Association with the bank as a cross-selling customer	

### **1.8.6.2. The Method of Analysis and the Variables Used – Employees' Perspective**

The method of analysis and variables used for measuring the cross-selling practices from the perspective of bank employees are discussed in this section. The important variables used in the study relates with demographic profile of employees, reason for entering into cross-selling practices, perception of employees regarding cross-selling initiatives taken by the bank and the benefits of cross-selling practices to the banks, problems faced by the employees related to cross-selling practices and their opinion about measures taken for improving cross-selling practices.

#### **A. Demographic Profile of the Employees**

It includes the variables such as:-

- Gender
- Age
- Educational Qualification
- Designation
- Experience

#### **B. Perception of Employees Regarding Initiatives Taken for Cross-selling**

The variables used for measuring the perception of employees regarding initiatives taken for cross-selling by the banks are special training provided to employees before they are entrusted with the responsibility of cross-selling, bank gives importance to cross-selling together with other traditional banking practices, customers are assisted with professional and expert advisory services etc. Further the respondents were asked to mark their level of agreement with the statements on a five point Likert scale ranging from strongly agree to strongly disagree.

**Table 1.9**

*Variables for Measuring the Perception of Employees Regarding Initiatives Taken for Cross-selling*

Variables	Statements
Initiatives taken for cross-selling	Special training provided to employees before they are entrusted with the responsibility of cross-selling
	Bank gives importance to cross-selling together with other traditional banking practices
	Customers are assisted with professional and expert advisory services
	Integrated CRM packages and database are used to identify cross-selling opportunities and potential customers to reap out the market revenue
	Regular advertisement on various products and services to make customers aware about the products
	Suggested only relevant product to the customers based on their needs
	Product bundling

### **C. Perception of Employees on Benefit of Cross-selling Practices to the Banks**

For measuring the perception of employees on benefit of cross-selling practices to the banks, 18 statements are used and the respondents were asked to mark their levels of agreement with the statements on a five point Likert scale ranging from strongly agree to strongly disagree. (5=Strongly Agree, 4=Agree, 3=Neither agree nor Disagree, 2=Disagree, and 1= Strongly Disagree).

**Table 1.10**

*Variables for Measuring the Perception of Employees on Benefit of Cross-selling Practices to the Banks*

<b>Variables</b>	<b>Statements</b>
Benefit of cross-selling practices	Cross-selling increase profitability of the bank
	Cross-selling helps to increase return on asset
	Cross-selling increase business per employee
	Cross-selling increase profit per employee
	Cross-selling helps to sell products at reduced price
	Cross-selling reduce communication and distribution cost
	Cross-selling reduce cost of customer acquisition
	Cross-selling helps to reduce the risk of non-performing asset
	Cross-selling increase customer base of the bank
	Cross-selling improve customer satisfaction
	Cross-selling improve customer loyalty
	Cross-selling helps to strengthen customer relation
	Cross-selling helps in customer retention
	Cross-selling helps in utilizing potentials and skills of existing man powers
	Cross-selling helps in optimum utilization of existing infrastructure
	Cross-selling helps to motivate employees as they are rewarded with monetary and non-monetary incentives
	Cross-selling helps to strengthen bank reputation
Cross-selling helps in protecting market share	

#### **D. Problems Faced by the Employees Related with Cross-selling Practices**

Various problems that may be faced by the employees related with cross-selling practices are listed to the respondents and their responses are collected by using five point scale (5=Strongly Agree, 4=Agree, 3=Neither agree nor Disagree, 2=Disagree, and 1=Strongly Disagree).

**Table1.11**

*Variables for Measuring the Problems Faced by the Employees Related with Cross-selling Practices*

<b>Variables</b>	<b>Statements</b>
Problems faced	Lack of incentives to employees
	Inadequacy of proper training for selling cross-selling products
	Increased workload makes cross-selling a burden
	Inadequacy of favorable response from customers
	Increase in customer complaints due to aggressive cross-selling effort
	Effort in cross-selling is not considered for performance appraisal
	Lack of motivation
	Insufficient knowledge among employees about the cross-selling products
	Unwanted pressure from top management
	Difficult to achieve high cross-selling target

### **E. Measures Taken for Improving Performance of Banks in Cross-selling Business**

The opinion of employees about measures taken for improving performance of banks in cross-selling practices are measured on a five point Likert scale ranging from strongly agree to strongly disagree (5=Strongly Agree, 4=Agree, 3= Neither agree nor Disagree, 2=Disagree, and 1= Strongly Disagree).

**Table 1.12**

*Variables for Measuring the Measures Taken for Improving the Performance of Banks in Cross-selling Business*

<b>Variables</b>	<b>Statements</b>
	A robust customer database should be maintained for successful cross-selling
	Ensure that employees are properly trained and well occupied with the knowledge in diversified products
	Offer right product at the right time to the right customer
Measures taken	Selection of target customer is inevitable practice for successful cross-selling
	Ensure that employee performances are monitored on a regular basis and they are rewarded accordingly
	Don't overburden the customers with the product they don't prefer
	Products and services should be customized based on their needs and requirements

### **1.8.7. Pilot Study and Pre-Test**

Both the questionnaires prepared for the study have been pre-tested by the researcher. After pre-testing, comprehensive questionnaires have been prepared for conducting the pilot study. A pilot study was conducted in order to ensure the reliability and validity of the questionnaire developed by the researcher. The objective of the study was to obtain additional information so that researcher can further improve the questionnaire before final data collection. It was conducted among 120 customers who have availed any of the four cross-selling products i.e. life insurance, general insurance, mutual funds and credit cards (30 customers from each product) and 60 bank employees. Based on the pilot study, necessary modifications were incorporated in both questionnaires.

### **1.8.8. Reliability Test**

Reliability test is very essential to check the internal consistency of the statements. In this study, the reliability of the measurement scales was verified by using Cronbach's Alpha Reliability coefficient. Here, Cronbach's Alpha values of

all the measured variables in both questionnaires are higher than the standard Cronbach's Alpha of 0.70. Hence, it is proved that internal consistency of the scales is high in both the questionnaires and can be considered as highly reliable. The measured variables and their respective alpha values are presented in the following tables (Table 1.7 and Table 1.8).

**Table 1.13**

*Reliability Statistics-Questionnaire for Customers*

<b>Variables</b>	<b>Cronbach's alpha</b>
Awareness about cross-selling products and services	.755
Factors motivated the customers to buy cross-selling products and services from the existing bank	.820
Perception about cross-selling practices	.823
Perception about cross-selling benefits	.849
Satisfaction about cross-selling practices	.898
Problems faced	.805
Awareness about the attributes of life insurance policy	.902
Reasons for availing life insurance policy	.705
Awareness level about the attributes of general insurance policy	.897
Reasons for availing general insurance policy	.729
Awareness level about the attributes of mutual funds	.895
Reasons for investing in mutual funds	.782
Awareness level about the attributes of credit cards	.885
Reasons for availing credit cards	.792

**Table 1.14**

*Reliability Statistics-Questionnaire for Employees*

<b>Variables</b>	<b>Cronbach's alpha</b>
Cross-selling initiatives taken by the banks	.736
Benefits of cross-selling practices to the banks	.901
Problems faced	.897
Measures taken for improving cross-selling practices	.714

### **1.8.9. Content Validity**

The researcher ensured the content validity of the survey instrument by consulting bank managers, experts in the field of research, academicians, statisticians and colleagues in the field of research and ensured that all the questions are relevant and suitable for fulfilling research objectives. Both the questionnaires have been reviewed by these experts to verify whether the instruments appear to measure what it is supposed to measure and also make necessary modifications. Here, the researcher incorporated suggestions of these experts and made necessary modifications and ensured that all the questions are relevant and suitable for fulfilling research objectives.

### **1.8.10. Normality Test**

The researcher assessed the normality of the data numerically and graphically. Kolmogorov-Smirnov test, Shapiro-Wilk test (Shapiro & Wilk, 1965; Razali & Wah, 2011), Skewness and Kurtosis and a visual inspection of their histogram and normal Q-Q plot was used to check the normality of the data. The result of Kolmogorov-Smirnov test and Shapiro-Wilk test shows that data is non-normal as the p-values are less than 0.05. So it is very important to test the Skewness and Kurtosis to see whether the deviation is problematic. Skewness and Kurtosis values should be in the range of  $\pm 2.58$  and  $\pm 1.96$  (Cramer, 1997; Cramer & Howitt, 2004; (Doane & Seward, 2011)). Here, none of the values are above this limit. Hence, the researcher can proceed the analysis with parametric test assuming it is a normal distribution.

### **1.8.11. Tools Employed for Data Analysis**

The data collected from the respondents were analysed by using various mathematical and statistical tools like frequencies, percentages, averages and standard deviation. Statistical tests such as Independent sample t-test, Test of homogeneity of variance (Levene statistics), One way ANOVA, Tukey HSD Post Hoc Test for Multiple Comparisons, Weighted Average Score, Correlation and Exploratory Factor Analysis (EFA) were used for arriving at inferences from the



data. The software package, Statistical Package for Social Science (SPSS version 21) was used to conduct all these tests.

### **1.9. Period of the Study**

The primary data required for the study were collected during the period November 2018 to December 2019.

### **1.10. Limitations of the Study**

The present study suffers from the following limitations.

- Most of the respondents refused to participate in the survey and disclose their personal details.
- Some of the employees were reluctant to take part in the survey due to the lack of permission from their regional/head office.
- Most of the employees refused to disclose their true opinion about cross-selling practices due to fear of higher officials.

### **1.11. Chapter Scheme**

The entire research report of the study is organized into seven chapters.

#### Chapter I: Introduction

The first chapter deals with introduction, significance of the study, scope of the study, statement of the problem, objectives, hypotheses, research methodology, operational definitions, variables used, tools for data analysis, limitations of the study and chapter scheme of the study.

#### Chapter II: Review of Literature

The second chapter includes the review of literature related to the study area and which is organized into five sections namely studies related to the concept of cross-selling, studies related to cross-selling from customers' perspective, studies related to cross-selling from bankers' perspective, studies related to cross-selling

products and services, and studies related to income diversification in banks. The research gap identified is also given in this chapter.

### Chapter III: Theoretical Framework of cross-selling Practices in Indian Banking Sector

This chapter gives a brief account of theoretical framework about cross-selling practices in Indian banking sector which covers history of Indian banking sector, structure of Indian banking sector, shift in the direction of customer focus of banks, concept of cross-selling, meaning and definition of cross-selling, global perspective of cross-selling practices, cross-selling practices in Indian banking sector, scope of cross-selling in Indian banking sector, reason for banks entering into cross-selling practices, benefits of cross-selling to various parties, cross-selling products and services offered by the banks. The chapter also presents a detailed explanation of the cross-selling practices of selected public and private sector banks and the cross-selling products and services of these banks.

### Chapter IV: Assessment of Cross-selling Practices from Customers' Perspective

The fourth chapter deals with the assessment of cross-selling practices from customers' perspective. It contains detailed analysis of awareness level of customers about cross-selling products and services, factors motivated the customers to buy cross-selling products and services from their existing bank, their perception about cross-selling practices and cross-selling benefits, their satisfaction about cross-selling practices and problems faced by them while or after buying cross-selling products and services. Moreover, product wise analysis is also included in this chapter.

### Chapter V: Assessment of Cross-selling Practices from Employees' Perspective

This chapter discusses cross-selling practices from the perspective of employees by covering various aspects such as perception of employees regarding initiatives taken by the bank for cross-selling and benefits of cross-selling to the banks, problems faced by them related to cross-selling practices and opinion of

employees regarding measures taken for improving the performance of banks in cross-selling business.

#### Chapter VI: Summary, Findings, and Conclusion

The sixth chapter contains the summary of the study, findings of the study, and conclusions.

#### Chapter VII: Recommendations and Scope for Further Research

The last chapter presents the important recommendations and the scope for further research in the area.

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Chapter II

**REVIEW OF LITERATURE**

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## **2.1. Introduction**

Review of literature is an integral part of any research project as it provides an overview of the existing literature related to a specific topic, identifies the gap in the literature and provides direction for future research. So, the researcher has made an extensive review of the relevant studies related to the area of present research work with a view to identify the research gap. Even if the present research work covers Kerala state, studies conducted at the national and international level are also considered. Research theses, journal articles, working papers, conferences proceedings and documents from different websites are reviewed and critically studied for this purpose, here the studies are categorized into five heads. They are:-

- Studies related to the concept of cross-selling
- Studies related to cross-selling from customers' perspective
- Studies related to cross-selling from bankers' perspective
- Studies related to cross-selling products and services.
- Studies related to income diversification in banks

## **2.2. Studies Related to the Concept of Cross-selling**

**Miner & Zamke (1989)** in this article, they explain the procedures that should be followed by an organization while setting up a product planning workshop to improve the relationship between product specialists and relationship managers which will boost the sales for bottom line results. After identifying the product areas that should be included in the workshop, the relation managers with the assistance of product specialists make the questionnaire to identify the qualified clients. After considering the recommendations made by product specialists, the relationship

managers have to hold a meeting to discuss their clients with the product specialists and finally an action plan is formed.

**Stevens (1989)** the cross-selling products should be supplied to the right group of customers. To identify the right customer group, maintaining Marketing Customer Information file will be helpful. All the organizations should ensure that there is a proper system to reward the employees for their effort to maximize the profit.

**Radigan (1993)** for implementing cross-selling in a successful manner, he explains ten guidelines that should be followed by every organization. According to him, technology should be developed with the involvement of all the officers and customers in cross-selling and such officers should clearly understand the product they are dealing with and the products should be supplied only to the right customers. He further explains that computer should be used at the expense of customers and customer files should be free from errors.

**Akcura & Srinivasan (2005)** research paper aims to find out how a commitment strategy can be beneficial, and how businesses can build customer intimacy with their customers while engaging in cross-selling. The study also tries to find out how does information exchange affect pricing strategy. The study found that a firm can obtain a high level of customer information and attain customer intimacy when committing against a certain level of cross-selling activity. The study also found that a high level of customer information that comes as a result of commitment improves cross-selling revenue which increases profit and decreases price as committed firms get more information.

**Shah & Kumar (2012)** as it is said that a coin has both sides, even though cross-selling strategy helps an organization to maximize their profit and helps in business growth, there are some customer groups that outweigh the profit so earned by the huge cost incurred to maintain them. Knowing the fact that one in five cross-selling customers is unprofitable, they discussed about identifying such problem customers. So that organizations dealing in cross-selling can try to reduce the problem customers in number and thus can reap the full reward of profit.



**Kumar (2012)** studied about cross-selling practices of State Bank of India. The study discussed the concept of cross-selling, scope of cross-selling, benefits of cross-selling and strategies for cross-selling. Cross-selling of related items, training to employees, recommendation of product at the right time, product bundling etc. are some of the ways to improve cross-selling. The study concluded that cross-selling increases the profit margin and reduces the cost of operation per customer and increases the satisfaction level of bank customers.

**Kona & Sruti (2013)** pointed out that analytics plays an important role in helping the bank to increase their revenue by meeting the customer needs. Cross-selling helps the banks to increase their revenue and also helps in gaining customer loyalty. Predictive analytics provide a database support that helps the business more by meeting the needs of customers.

**Walia & Gulati (2014)** made a detailed discussion on the concept of cross-selling. The bank that sells multiple products under one roof has competitive advantage over others. Selling products to the existing customer is less expensive than selling products to the new customer. Reduced costs of customer acquisition, increased profit per customer, foster brand loyalty are some of the benefits enjoyed by the bank through cross-selling. The loyalty of the customer increases with the number of products he bought from the service provider. Selling right product to right customer is the main challenge faced by the bank while cross-selling.

**Maldenova (2015)** discussed about cross-selling in retail bank. The study discussed about four segments of customers they are grouped on the basis of number of products owned by the customers with their primary bank. They are value shoppers, diversifiers, basic users and consolidators. Out of the four segments consolidators are the most loyal customers and they have strong relation with the bank. So the bank should concentrate on these segments and convert them to advocates. Successful cross-selling helps to improve profit margin, relationship, loyalty, satisfaction and helps to reduce the switching cost and cost of customer acquisition. Understanding customer needs and application of proper CRM strategies are essential for the successful cross-selling.

**Shah et.al (2016)** conducted a literature study on the impact of cross-selling on customer satisfaction. The study found that if the cross-selling is strategically implemented in the banks, it will help them to identify loyal customers and help to design products and services to meet their requirements and which leads to customer satisfaction.

**Shah et.al (2017)** discussed about cross-selling as a tool for customer satisfaction in the banking sector. Cross-selling is a substantial avenue to improve customer satisfaction. The success of cross-selling strategy mainly depends on customer interest, maintaining customer relationships, complete analysis of customer, serving the product and incorporating feedback to evaluate customer satisfaction. The banks have to combine cross-selling initiatives with the normal banking practices and revise the policies along with the central policies and the requirements of its customers.

### **2.3. Studies Related to Cross-selling from Customers' Perspective**

**Lymberopoulos et.al (2004)** in their article 'Opportunities for banks to cross-sell insurance products in Greece' tried to analyse the awareness of customers and their willingness to purchase insurance from their banks, reason for buying insurance from the bank, factors that express customers' attitude towards banks and insurance companies relation to the provision of insurance products and to identify specific customer segments which are more likely to buy insurance products from banks. The analysis revealed that 99.7% of the respondents use at least one insurance product. The highest usage rates are for vehicle insurance followed by health and life insurance products. Trust in the bank, good financial terms, service quality and better communication are the main reasons for buying insurance from the banks. 85% of the customers expressed their willingness to buy insurance from the banks. They are more willing to buy vehicle insurance, health insurance and life insurance from their banks. Age, gender, education and income affect customers' attitude and thus it can be used as a basis for the formulation of specific customer segment. The study concluded that opportunities do exist for banks in Greece to cross-sell insurance programs.

**Salazar et.al (2004)** carried out a study aimed at understanding, evaluating and predicting the opportunities for cross-selling in the financial industry. The study analysed customer behaviour information recorded on the database of a large insurance company in the UK, whose main business is pension plans and investment policies. The study revealed that longer the customers remain with the company; the heavier is the consumption pattern and the higher the value they generate for the company. It also revealed that longer the customer remains with the company and the more mature they are, the higher is the probability of repurchasing.

**Ansell et.al (2007)** in his paper talks about survival analysis and its application in customer data to predict which customers are more likely to buy additional products from the company. The study was conducted among the customers of large international insurance companies. The study found that customers under mature segments have greater opportunities for retention and cross-selling than the younger segments.

**Sourelis et.al (2008)** studied cross buying intention in financial service industry by developing a research model. Trust, image of the bank, perceived value and satisfaction are the important factors that affect cross buying intention of the customers. The study revealed that trust and favorable image of the banks directly influence cross buying intention and perceived value and satisfaction indirectly influence cross buying intention of the customers. The study concluded that cross-buying intention of customers is not driven by one single factor, but is formed by a combination of interrelationships between several variables, which should all act simultaneously to be effective.

**Vyas (2008)** made an attempt to study the perception of customers towards cross-selling. Snowball sampling method was adopted for the study. Channel used for cross-selling, timing of offer, attractiveness of offers, prior experience with the marketer and shared brand image of cross sellers, and personal attention are the variables used for studying the perception of customers. The study concluded that if cross-selling strategies are executed with an understanding of customers' perceptions, they may result in higher conversion rates. Hard selling and use of

inappropriate channels may undermine the existing firm customer relationship rather than strengthening it. Marketers need to deploy a more sensitive and focused approach to cross-selling, in terms of suitability of an offer, timing and channel employed for different segments.

**Liu & Wu (2008)** examined the effects of product category similarity and complexity on the relationship between satisfaction, trust and cross buying and the joint moderating effects of category similarity and category complexity on the relationship. The study found that the relative effects of satisfaction and trust on cross-buying vary depending on different category similarity and complexity. The study also revealed that the number of products purchased from another service provider has adverse effects on cross buying as clients' demands are already satisfied. In addition study found that long-term relationship will increase the number of simple and complex products within high similarity categories and older clients are less likely to cross buy dissimilar products categories than younger clients.

**Jie (2010)** conducted a study on application of CRM in cross-selling of financial products. The study was conducted among 325 customers in Shanghai. The study revealed that preference of customers to make investment in securities is higher among male customers. The willingness of the customer to buy securities products varies according to their age. The educated customers are more willing to buy securities products. Customers' willingness to buy insurance products increased with an increase in their income.

**Meera & Eswari (2011)** analysed the satisfaction of customers towards cross-selling of insurance products. The study was conducted among 488 customers of private sector banks in Coimbatore district. They found that there is no significant difference in the opinion of customers on cross-selling of insurance products in terms of their age, number of years of banking and frequency of visit to the bank. Customers with professional degree, customers with family income between three lakh to four lakh and customers with business have a strong opinion on cross-selling of insurance products by the bank. Hidden cost, restrictions on number of

withdrawals and unsuitable location of ATM are the main problems faced by the customers while using supplementary services.

**Maenppaa (2011)** studied the drivers of one stop shopping behavior among the business customers in Finland. He pointed out that switching of customer to another service provider is more in insurance companies when compared to banks. Personal relationships with account managers, service orientation of bank personal are the main factors considered while selecting banks. Whereas competitive price, overall content of the insurance coverage are the main factors considered while selecting insurance company. Most of the business customers prefer separate provider for banking and insurance. Time and effort savings, joint account manager for all financial service are the major benefits perceived while using single service provider. Image conflict, non-existent customer loyalty programs and unfavorable pricing of total offering are the main factors limiting the drivers of one stop shopping among business customers.

**Fan et.al (2011)** studied the factors affecting cross buying intention of bank customers and the degree of satisfaction on these factors. ‘Importance performance analysis’ was used to find out the gap between factors affecting cross buying intention and resulting degree of satisfaction. Image, service convenience, interpersonal relationship and trust are perceived as the important factors with high level of importance. So the management should maintain the performance with respect to these factors. Payment equity and experience are rated as important factors with low performance. So the management should give greater effort in this respect.

**Singh (2012)** in his PhD thesis titled ‘A critical evaluation of problems and prospects of cross-selling in banking industry of India’ analysed cross-selling practices of selected public sector banks in India (SBI and PNB). The study was based on primary and secondary data. Primary data were collected from both the customers and bank employees. The study found that the majority of the customers (84.67%) are aware about cross-selling products. Among them, 68.50% are aware about life insurance, followed by mutual funds (44.09%) and general insurance

(36.22%). Out of 84.67%, 43.3% customers are using life insurance products. Most of the customers like to continue cross-selling products in future. The majority of the customers (74.67%) opined that lack of complete information is the main problem faced by the customers with cross-selling products followed by delay in daily transactions (58%), unnecessary force for investment (52%). The analysis of cross-selling from employees' perspective reveals that the majority of the employees opined that cross-selling is more profitable in Indian banks and it has a bright future in India. Extra accountability, extra burden of work, extra time devoting and no reasonable benefits are the problems faced by the employees in cross-selling. Besides that, the study reveals that after introducing cross-selling, the net profit, other income, deposits, advances of both the banks shows an increasing trend. Maintaining good customer relations, improving customer relations, changing need of customer, maintaining high quality of products etc. are some of the challenges involved in cross-selling for Indian banks.

**Saraswathi et.al (2014)** examined the influence of debtors' satisfaction towards cross-selling and their willingness to recommend companies' products to others. The study classified the debtors into three segments namely, low- interest loan, medium-interest loans and high interest loan. Majority of the debtors under medium interest and high interest is in the trade business field. The percentage of satisfaction towards various dimensions of service quality is higher among all the segments. However, the percentage of satisfied debtors towards empathy is low among high interest loan segment. So the bank should give proper consideration and personal attention to these segments. The study also pointed out that all the segments shows a higher percentage for cross-selling but the high interest loan segment is more willing to cross-buy. The debtors under low interest loan and medium interest loan segments are more willing to recommend their companies' products to others. Whereas the willingness to recommend the companies' product is low among high interest loan segment. The customer satisfaction positively and significantly influences customers' willingness towards cross-selling and their willingness to recommend the products to others.

**Rekha (2015)** conducted a study among the customers of private sector insurance companies in Kerala. The study aims to find out whether the trust towards an agent or intermediary increases the risk taking capacity of the customers and whether it is possible to cross-sell the financial products with different risk level. The study was limited to two financial products i.e., insurance and mutual funds. The analysis reveals that most of the customers got information about financial products through insurance agent. Friends and families and advertisement are the other sources of information. Expertise service, popularity, goodwill of the firm and financial strength are the important factors considered by the customers while selecting an investment agency. The majority of the investors are not ready to make investments in mutual funds due to the fluctuating nature of the capital market.

**Vyas & Raitani (2015)** made an attempt to study the impact of CSR activities on cross buying intentions. The study was conducted among 347 customers in Rajasthan. Non probability sampling method was used for selecting the desired number of customers. The study revealed that reputation and relationship quality are the main drivers through which CSR affects the cross buying intention of customers. They suggest that integrating CSR strategy along with marketing strategy will help to improve the cross buying intention of customers.

**Joy (2015)** studied the perception of customers on third party products offered by the private sector banks in Chennai region. The study tries to find out the awareness of customers about various third party products and the factors considered by the investors while purchasing third party products. The study considered only two products i.e. insurance and mutual funds. Majority of the respondents within the age group of 20-30 years considered life coverage and health expenses as the main factors while purchasing insurance, whereas the respondents within the age group of 30-40 and 40-50 years considered the factor relaxed retirement life before purchasing insurance. The study also revealed that majority of the respondents within the age group of 30-40 and 40-50 years considered the factor reduced risk while investing in mutual funds.

**ChochoPakova et.al (2015)** conducted a study with an objective to find out the relationship between additional purchase of banking products and customer loyalty and the relationship between customer loyalty and customer satisfaction. He found that satisfied customers are more likely to recommend the bank to their friends and relatives and they would like to use the services of existing bank in the near future and resist the offers from other banks. The loyal customers are interested to use the services of existing bank when they consider to invest in financial market with low intensity of interest. Intensity of interest in creating deposit with their existing bank and taking out a mortgage from the bank was relatively high among loyal customers.

**Vyas & Raitani (2016)** analysed the effects of technology adoption by the customers on their cross buying intention from the same service provider. The study was conducted among the 425 bank customers in Rajasthan. Non probability quota sampling method was adopted for the study. The familiarity with technologies, stance to new technologies and innovativeness are the factors used for measuring technology adoption by the customers. The result of the study shows that technology adoption had a positive influence in cross buying intention of bank customers. Encouraging the usage of electronic channels among customers, arrangement of workshop to make customers aware about features and usage of electronic channels, offer right product to customers through most preferred and appropriate channels are some of the suggested measures for improving cross buying intention of bank customers.

**Arora (2017)** his research paper examined cross buying intention of bank customers. The study was conducted among the customers of public and private sector banks in India offering bancassurance products. The study considered eight motivating factors such as locational convenience, trust, time consciousness, product knowledge, bank reputation, product quality and perceived value, overall satisfaction from service and switching cost. The study revealed that product quality and perceived value are the most important factors that motivated the customers to buy bancassurance from the banks.



**Lande & Kasande (2017)** in their paper “ a study of the factors that influence customer receptivity to cross-selling” has reviewed various literatures related to cross-selling. The study pointed out that corporate reputation, competing supplier’s price , relationship between characteristics of first purchase product category and additional product, search cost for the alternative, strength of the personal bonds between customers and service salespersons ,demographic factors of customer and customer satisfaction with existing product/service are the factors that influence customer receptivity to cross-selling.

**Kumari & Shalini (2018)** made an attempt to study the relationship between trust, fulfillment, commitment, image conflict and convenience towards customer retention and cross buying intention. The study was based on previous literatures. The study pointed out that younger clients have more interest towards cross buying as compared to older clients. Factors like trust, fulfillment, commitment and customer retention have a significant relationship between cross buying intention. It was also found that single stop convenience positively influences cross buying whereas image conflict and locational convenience have negative influence towards cross buying. Therefore, the bank should concentrate more on image conflict and locational convenience. Moreover, the study found that reputation is one of the elements of cross buying among the customers of Indian banks.

**Shah et.al (2018)** aimed to study the effectiveness of cross-selling as a tool for customer satisfaction. The study was conducted among public sector and private sector bank customers. SERVQUAL model was used for the study. The result of the study indicates that customers of both public sector and private sector banks are satisfied with the dimensions of service quality and allows banks to sell more products and services to customers, which means that cross-selling can be used as a tool for increasing customer satisfaction. The mean score of the variable such as tangibility, assurance, empathy and overall satisfaction is higher in the case of private sector banks and the mean score of variables such as reliability and responsiveness is higher in the case of public sector banks. The study found that there is a significant association between customer perception and satisfaction.

**Razaque (2019)** in his PhD work entitled ‘Opportunities and challenges in cross-selling by Indian banks: A comparative study between SBI and ICICI bank’ find out that there are differences in the approaches regarding cross-selling between the public sector and private sector banks. This difference was calculated on the basis of seven factors such as service quality, bank’s strategy on promotion and marketing media, orientation of new customers, charges on services, meeting customer trust on products /services, cross-selling of products by the employees and challenges faced by them in marketing of products. Among all these products significant difference is found between the two banks were their approaches towards orientation of new customers, meeting customer trust on products /services and challenges in marketing of cross-selling products.

**Shah (2019)** analysed the impact of cross-selling on customer satisfaction of public and private sector banks in Chattisgarh. A sample of six banks, three banks each from public sector (SBI, UCO bank, IDBI bank) and private sector banks (HDFC, ICICI, Axis bank) were selected for the study. The researcher developed a research model by taking cross-selling variables such as perceived benefits, initiatives, effectiveness and barriers as independent variables and analysed its impact on customer satisfaction which is taken as dependent variable. The study found that there exist significant relationship between customer satisfaction and variables of cross-selling. Moreover, the study found that cross-selling has significant impact on customer satisfaction, perceived benefits, initiatives and barriers except cross-selling effectiveness.

**Rajesh & Vijayakumar (2021)** in their study titled ‘A study on customer’s insight towards cross-selling practices of ICICI bank in Thrissur district, Kerala’ found that the majority of the customers used ICICI card facility. The majority of the customers opined that bank offers adequate cross-selling services to customers and met their expected level of services from their bank.

#### **2.4. Studies Related to Cross-selling from Bankers’ Perspective**

**Nash & Sterna-Karvat (1996)** conducted a case study to measure the bank branches’ cross-selling effectiveness by applying Data Envelopment Analysis

(DEA) methodology. The study aims to develop measures for assessing branch cross-selling efficiency. Cross-selling efficiency mainly depends on knowing customers' requirements, for which it requires a well-designed database. The study considered four products associated with housing loan i.e., three insurance products and a savings account. The study found that out of 20 personal quotations only 7 personal quotations were attempted to cross sell any of their products associated with housing loan.

**Vyas & Math (2006)** conducted a study on cross-selling practices of public and private sector banks in India. The study aims to find out the existing cross-selling practices, problems faced by the banks, initiatives taken by the banks for improving cross-selling and elements of successful cross-selling. The study was conducted among 3 banks each from public and new private sector banks in India. The study concluded by stating that cross-selling practices of both public sector and private sector banks are different. The difference is mainly due to the differences in their philosophy, background and distinct target customer segment. In spite of the differences between the public sector and new private sector banks, both sectors realized the importance of cross-selling on their profitability and incorporating various initiatives for effective cross-selling.

**Zboja (2006)** studied the performance of cross-selling by developing a model considering the factors namely perceived cross-selling support, cross-selling self-efficacy, motivation to cross-selling, cross-selling role clarity, cross-selling performance. The study was conducted among 255 insurance agents. He found that cross-selling training, cross-selling incentives enhance cross-selling self-efficacy and cross-selling role clarity and it motivates the employees and lead to cross-selling performance.

**Singh et.al (2009)** aims to find out the opinion and feedback of financial institutions on cross-selling practices, relevance of cross-selling in the financial market and effectiveness of cross-selling as a tool for income generation. The study limited to banks and non-banking financial institutions. The majority of the people opined that cross-selling plays an important role in the growth of the company. They

also found that cross-selling practices helps the financial institutions to generate additional revenue, reduce cost and avoid the problem of customer attrition.

**Zhao et.al (2011)** studied the competitiveness of British bank in the presence of cross-selling and switching cost. They studied the competition of British banks during the periods 1993-2000 and 2001-2008. The study shows that degree of competition is low in the period 2001-08. In this period, consumer faced higher switching cost from their loan provider and also they faced higher cost of purchasing an off balance sheet services. The study concluded that British banks engage more in cross-selling when the loan market is less competitive.

**Ciarrapico & Cosci (2011)** in his paper talks about cross-selling in European banks. The study revealed that larger the bank's size, their income depends more on commission income. The bank deals with cross-selling give more importance to personalized service for getting higher profit. The study also revealed that cross-selling banks tend to be localized in countries where the banking system is less concentrated but they are not characterized by lower interest margins. The study suggests that cross-selling banks do not reduce their interest margins and hold personal contact with depositors to increase their switching costs.

**Pandey & Mutt (2012)** in their article made a comparative study on cross-selling practices of public and private sector banks in Mysore. The study seeks to find out the existing cross-selling practices followed by the banks, problems faced by the banks towards cross-selling and initiatives taken by the banks for improving the effectiveness of cross-selling. The study was limited to the bank employees who are indulged in cross-selling practices. The result of the study indicates that there is a significant difference regarding the initiatives, effectiveness and hurdles provided by the public sector and private sector banks. The study also found that there is a significant difference between private and public sector bank in terms of training and incentives, technology and HNI, monitoring and aggressive cross-selling. No significant difference is found in terms of CRM and customer needs. Hence, public sector banks should emphasize more on the training programmes and incentive aspects as the private sector bank employees are more satisfied than the public

sector bank employees. Moreover, the study found that public sector banks emphasize more on technological upgradation, while monitoring it performs better so private sector banks have to improvise on this factor. Aggressive cross-selling has been heavily encouraged by public sector banks as a way to enhance sales which may lead to failure in retaining customers and produces larger number of irate customers which has to be reduced. The study concluded that cross-selling practices of public sector and private sector banks in Mysore are different.

**Bansal & Bhatia (2014)** carried out a study with an objective to analyse the adverse effects of cross-selling strategies on the bank employees. The study considered four banks, two each from public and private sector banks. It is evident from the analysis that increased sales pressure and higher sales targets leads to organizational stress and work load on bank employees. In order to meet up the sales pressure personal ethics also comes in the way of implementing cross-selling strategies. Even the performance appraisal depends on meeting up of cross-selling targets, which ultimately lead to performance boundness and failure of implementation of cross-selling strategies. The implementation of cross-selling strategies is also hindered by personal ethics in order to meet the sales pressure. The study concluded that cross-selling strategies should be formulated and executed in such a way as to achieve bank profitability and customer satisfaction with full commitment of bank employees.

**Singh M. (2014)** in her study titled ‘An insight into factors influencing cross-selling activity: a bankers perspective’ explored the factors influenced the employee while cross-selling financial services. Factor analysis has extracted seven factors. Win-win for both employees and customers, well equipped employees, perceived benefits, balanced work, technological access, supervisory actions, avoiding common mistakes are the variables considered for measuring the factors affecting bank employees while cross-selling. The study found that win-win for both employees and customers followed by well equipped employees, perceived benefits and balanced work are the main factors influenced the employee while cross-selling.

**Bansal & Bhatia (2014)** studied and compared cross-selling strategies adopted by the public and private sector banks in India. The study was conducted among two public (State Bank of Patiala and PNB) and two private sector banks (ICICI Bank, AXIS Bank). The study considered insurance, credit products and investment products as cross-selling products. The study reveals that all the selected banks work on the similar lines of cross-selling strategy. Existing databases for data mining, use referral system and have strategic tie up with third party corporate, timely training and reward systems for their employees are the strategies adopted by the banks. Public sector banks give more importance to referral strategy whereas private sector banks give importance to data mining and reward system strategies. There is significant difference in the net profit margin and income from cross-selling products of public sector and private sector banks. Among the cross-selling products life insurance is emerged as the important cross-selling product and the study suggested using life insurance to increase fee income.

**Karadag & Akman (2015)** their paper studied about the role of cross-selling in SME banks in Turkey by evaluating their business models, strategies and practices with a focus on increasing the sales volumes of non-lending products/services to SME customers. The study found that Turkish banks that serve SMEs have high expectations about the rapid growth of the market and have carefully followed best practices for increasing the number of products/services sold to an SME. It includes strengthening customer relationship through non-financial services product, decentralisation of sales activities to branches, evaluating the efficacy of customer and focus on product portfolios and development of products.

**Cosci et.al (2015)** brings out that banks' lending behavior and incentives to invest in gathering information is affected by the market structure. A competitive banking sector reduces the lending rate which helps the banks to provide loans at reduced rates to potential borrowers and also helps to reduce the number of banks and increase the number of borrowers per bank. By dealing with a large number of borrowers banks may be willing to enhance their cross-selling activities and invest

less in screening technology. Increase in loan market encourage the bank to move towards non-traditional activities and reduces the information based credit.

**Spark (2017)** discussed about the importance of customer relationship in cross-selling for the growth of banking business. He pointed out three approaches that a bank should adopt in order to deepen customer relationship namely outreach not boarding, keep tracking of the customer goals and add value without a sales pitch. He concluded that the bank beyond cross-selling should focus on improving the customer relationship by meeting their financial goals.

**Raval (2018)** assessed the perception of public sector and private sector bankers on cross-selling activities. The study was conducted among 450 bankers in Saurashtra Region. The study has explored seven factors such as accomplishment of objectives through cross-selling, work life balance, additional revenue generation for employees and banks, personal ideology, effects on the bank and customer orientation. The study finds out that there is significant difference in the accomplishment of objective through cross-selling between public and private sector banks and no significant difference is found in the other factors.

**Dasari (2019)** investigated Cost Benefit Analysis of third party products of selected Indian banks namely SBI, PNB, Bank of Baroda, Canara bank, Bank of India. The study revealed that commission earned by the bank through cross-selling is less than one percentage of gross income in all the selected banks. Cross-selling income is highest in SBI and lowest in Canara bank. SBI has the highest percentage of cross-selling income in total income and Bank of Baroda has the lowest percentage. Percentage of cross-selling income to total commission is highest in Canara bank and the percentage is lowest in Bank of Baroda. The study concluded that the cost incurred by the bank for selling third party product is more than the revenue generated by the bank from cross-selling business. The study suggests that pure banking is the best strategy to enhance financial strength of the banks.

**Ahmad (2019)** his research work titled ‘An exploratory study on the nature of cross-selling in the Islamic Financial Services Industry (IFSI)’ tries to explore and understand reasons why cross-selling is practiced in the IFSI, how cross-selling is

practiced in IFSI and to evaluate how cross-selling in IFSI compares with conventional bank. The study was conducted among 17 respondents from 9 Islamic banks in UAE. The study reveals that attitude towards cross-selling within IFSI, high cognisance towards cross-selling, geo-economic and other external factors and inherent and intrinsic benefit of cross-selling are the reasons for which IFSI engaged in cross-selling. It is evident from the study that cross-selling in IFSI, in practical term, is not exactly same as conventional bank due to the sharia inherent rules and differences of policies around working mechanism within IFSI.

**Mehra & Das (2019)** analysed the performance of Indian banking sector in cross-selling activities. It is evident from the study that private sector banks contributed a major share to the total cross-selling income as compared to public sector banks. Both public sector and private sector banks earned a major share of income from insurance activities. As compared to public sector banks new generation private sector banks are actively engaged in mutual fund business. The study also revealed that public sector banks and new generation private sector banks with joint venture/ subsidiaries for cross-selling business performed better than others. The study concluded that cross-selling activities are at infancy stage in Indian banking sector especially in the case of public sector banks.

**Shrivastava & Shah (2021)** examined the link between employee's initiative and cross-selling strategy in the public and private sector banks in India through mobile banking. The study was conducted among 614 employees of selected public sector (SBI, UCB bank, IDBI bank) and private sector banks (ICICI, HDFC, Axis bank). The study explored eight factors such as E-commerce practices, training, technology and incentives, obstacles, incentiveness, CRM and customer needs, internet acquaintance and knowledge, data mining tools, position and progress. The study concluded that these eight factors are not merely determinants but prerequisite to perform cross-selling through mobile apps. Hence, banks should include these factors while implementing the cross-selling strategy.

## **2.5. Studies Related to Cross-selling Products and Services**



**Neelamegam & Veni (2008)** their article made a discussion about the concept of bancassurance, its scope, benefits of bancassurance to various parties i.e., banks, insurance and customers and SWOT analysis of bancassurance in India. The study concluded that success of bancassurance depends on maintaining better relation with customers; hence banks should focus on this aspect. Adequate training with proper incentive system will helps to avoid resistance if any from the employees. Bancassurance is a win - win situation for all the parties involved.

**Popil & Rao (2009)** conducted a study on bancassurance in Indian context. The study aims to find out customers' awareness, their willingness to buy insurance products from the bank, factors influencing customers' attitude towards banks and insurance companies while buying insurance and the reason for buying insurance products from the bank. The study found that most of the customers have bought vehicle insurance and life insurance. Trust followed by existing personnel relationship and service quality are the main reason for buying insurance products from the bank. Most of the customers are aware of the fact that the bank sells insurance products and published materials in the branch are the main source of information. Customers have a positive attitude towards banks in comparison to insurance agent.

**Sreesha & Joseph (2011)** evaluated the financial performance of SBI in bancassurance business. The study pointed out that CAAR of SBI is satisfactory to perform bancassurance. Bancassurance helps the bank to increase their return on asset, business per employee and profit per employee for the last years. Also it helps them to increase their profitability and thereby increase the non-interest income. Besides, it helps them to reduce their operating expenses. The bancassurance business of SBI is in the developing stage. The study concluded that the performance of banks in the bancassurance business is satisfactory and helps to contribute to the overall progress of the bank. When compared with other countries, bancassurance business in India is in the infancy stage.

**Saini et.al (2011)** studied the awareness and perception of investors about mutual funds. They found that tax benefit is the main objective behind investing in

mutual funds. Minimum assured returns, followed by transparency and consistency are the main factors that can win back investors' confidence in mutual funds. Past performance of the scheme is the main feature that attracted the investors while choosing mutual fund scheme. Majority of the investors got information about mutual funds from newspapers. Most of the investors opined that the lack of transparency is the major deficiency in the services provided by fund managers and minimum assured return is the main challenge before Indian mutual fund industry. The study concluded that investors have a positive approach towards mutual funds.

**Khare et.al (2012)** made a study on factors affecting credit card use in India. The study revealed that use and convenience are the main determinants of credit card use among Indian customers. Men and youngsters are more likely to use credit cards. Sense of belongingness has a negative impact on the perception towards credit cards and self-fulfilment has a positive impact on credit card use.

**Sudhagar (2012)** conducted a study on perception and awareness of bank customers about credit cards. The study resulted in identifying that majority of the customers are aware of the basic conditions, charges imposed on the services. But most of the respondents are not aware of cash withdrawal facility on credit cards and none of the respondents are aware about the interest free credit period. Major portion of the respondents have credit limit between Rs.15,000 to Rs. 50,000. The study found that significant difference exists between credit card holders' frequency of usage and their level of satisfaction on issue of credit cards. Most of the respondents considered basic benefits, facilitating services and supporting services before purchasing credit cards. The study also revealed that majority of the respondents have positive attitude towards credit cards.

**Grower & Bhalla (2013)** found that the probability of being partially aware is highest followed by significant awareness and the probability of being completely aware about bancassurance is around 16 percent. The study also revealed that duration of customer's relationship with the bank positively and significantly affects the extent of awareness about bancassurance. The frequent dealing of the bank employees with customers about bancassurance significantly improves the level of

awareness about bancassurance. Bank brochures and other publications contribute significantly in spreading information about bancassurance. Moreover, the study found that income of the customer significantly contributes in improving the extent of awareness about bancassurance among the bank customers.

**Grover & Bhalla (2013)** made an attempt to study the profitability gain from bancassurance business of State Bank of India (SBI) and the impact of bancassurance on financial performance of bank. The research has used CAMAL model to study the profitability gain from bancassurance. The study revealed that the bancassurance business of SBI has improved almost all the components of CAMAL model except four indicators such as Capital Adequacy Ratio (CRAR), Non-interest Income (NII), Return on Asset (ROA), and Return on Equity (ROE). The study also revealed that the performance of SBI in bancassurance business is in developing stage. The bank has achieved almost all the advantages of cross-selling through bancassurance business.

**Saravanan (2014)** study titled 'Bancassurance channels – A SWOT Analysis' reveals that accurate customer data base, customized policies at lower premium, important source of income to the banks, services under one roof etc. are the strengths of bancassurance and lack of initiatives from bank employees, dependency on insurer employee, customer orientation is less and promote tie-up insurer products are the weaknesses of bancassurance. The study points out that growing channel of marketing, dual support model etc. are the opportunities of bancassurance and insurance becomes additional responsibility, brand equity and poor service, new bancassurance proposals etc. are the threats of bancassurance.

**Sreedevi & Auguskani (2014)** found that most of the respondents are not aware about concept of bancassurance. A major portion of the respondents have taken loan based insurance policy. Trust and loyalty are the benefits of buying insurance from the bank. The study also found that most of the respondents are moderately satisfied with the bank services.

**Sreesha (2014)** measured the efficiency gains of bancassurance from insurance companies' perspective. SBI Life and ICICI Prudential Life insurance

were selected as sample for the study and they were selected on the basis of their market share in the private life insurance industry and also their substantial performance in bancassurance. The researcher analysed the performance of insurance companies by studying the relationship of number of policies sold by the insurance companies through bank branches with rural penetration, net profit, gross written premium growth rate and total number of life covered and the result revealed that all the variables are positively correlated with the average number of policies sold through bank branches except the negative correlation between number of lives covered by the ICICI Prudential life with the average number of policies sold through bank branches. It implies that ICICI Prudential Life Insurance was unable to fully achieve the benefit of cross-selling. The study concluded that bancassurance substantially improved the efficiency of insurance companies.

**Malik (2014)** discussed about the bancassurance, motives for the banks to enter into bancassurance business, gains of bancassurance business to banks and insurance companies. The study concluded that bancassurance is win-win situation for all the parties involved and the study suggested that strength of the brand, sales staff management/training, the branch network/geographical coverage, focus on customer service/satisfaction, use of customer relation management tools and techniques etc. are some of the elements needed for success of bancassurance.

**Jan & baber (2014)** seek to provide information about the concept of bancassurance, its benefits to various parties. The study concluded that bancassurance is a win-win strategy for all parties involved, including the customers, insurance companies and the banks.

**Sreesha (2014)** evaluated the performance of public and private sector banks in bancassurance business. SBI and ICICI bank were selected as sample for the study. The primary data were collected from both customers and employees with the help of structured questionnaires. The study found that most of the policy holders are not aware of the attributes of bancassurance and compulsion from the employee is the main reason for buying bancassurance product. The study also found that employees are not satisfied with the perceived cross-selling benefits and initiatives

taken by the bank for cross-selling of bancassurance. In this study researcher used three research models such as SERVQUAL model, CAMEL model and balanced score card models for analysing the benefits of bancassurance to bank, insurance companies and customers respectively. The study revealed that service quality is reasonable in bancassurance and no difference is found in the service quality of SBI and ICICI bank. Further, the study revealed that insurance companies achieved the cross-selling benefits to a great extent but, the performance of banks in bancassurance is not up to the satisfactory level.

**Grover (2014)** in her PhD work analysed the impact of bancassurance on the performance of bank, extend of customer awareness, drivers of cross buying intention of customers and their satisfaction towards bancassurance. Further, the researcher analysed the problems faced by the employees towards bancassurance. The study revealed that bancassurance offers significant efficiency gain and the private sector banks that follow agency model have efficiency gain. The awareness level of customers about bancassurance is either partial or significant and bank brochure and other publications are the main source of awareness. The product quality and the perceived value and trust are the important drivers of cross buying intention. Human element of service delivery is the important source of customer satisfaction. Financial benefit, brand image and product diversification, enhanced productivity and optimization and cost savings are the important factors motivated the banks to enter into bancassurance. Lack of extra benefits to customer, delay in processing application form for claim settlement, visit by a specific person on alternate days leads to delay in conversation are the main problems observed by the banks.

**Alavudeen & K.D (2015)** in their paper examines the recent trends of bancassurance and its impact on insurers, customers and banking sector, the marketing and distribution channels of insurance products and the issues and problems of bancassurance. The data was collected from 80 customers of the two selected banks (i.e. Canara bank and HDFC bank) by using structured questionnaire. The study finds out that 60% of the respondents were aware of bancassurance and

advertisement is the main source of information. 69% of the respondents taken insurance policy from their banks and trust in the bank is the main reason for buying insurance from the banks. The study also finds out that majority of the customers availed life insurance and vehicle insurance and most of the customers preferred agent for buying insurance. Growth rate of bancassurance income is significant in some of the banks. The study concluded that bancassurance business have a bright future in Indian insurance market.

**Neelaveni (2015)** in his conceptual paper aimed to study the emergence and development of bancassurance in Indian life insurance sector and to monitor the regulatory framework of bancassurance. It is found that the proportion of bancassurance business shows an increasing trend and the proportion of agency business shows a decreasing trend over the years. The study concluded that both customers and insurers always welcome the bancassurance with open arms.

**Sreesha (2015)** analysed the performance of bancassurance by using variables such as CAR, ROA, NPA, staff cost, profit per employee, business per employee, operating expenses and staff cost. The comparison of SBI before and after the commencement of bancassurance business revealed that there is no difference in the mean score of the variables before and after commencement of bancassurance business. The effectiveness of bancassurance business is studied by analyzing the relationship between volume of cross-selling and variables showing cross-selling benefits to bank (CAR, ROI, NPA, staff cost, business per employee, profit per employee, non interest income, operating expense and EPS). The result says that CAR and ROI are negatively correlated with cross-selling rather than positive correlation and NPA and staff cost are positively correlated with cross-selling rather than negative correlation lead to an interpretation that bancassurance is not much effective in attaining its benefits to bank. The study concluded that the performance of SBI in bancassurance business is not up to satisfactory level as it does not help the banks to improve their overall financial performance.

**Hota (2016)** in her conceptual paper ‘Bancassurance: Convergence of banking and Insurance - A Saga’ discussed about the concept of bancassurance, its

developments in India and the benefits of bancassurance. The study concluded that insurance companies reach the untapped rural market only through the bancassurance model which benefits bankers, insurance companies and customers. India has significant potential for bancassurance growth.

**Singh & Singh (2016)** made a study with an objective to find out the perception of investors towards mutual funds and their perception on the risk involved in mutual funds in comparison to other investment avenues. The study revealed that private companies are mostly preferred by the investors for making investment in mutual funds and SIP is the most preferred mode of investment by the investors. The study also found that most of the investors are satisfied with the investment in mutual funds.

**Brar & Singh (2016)** carried out a study to examine the proportion of bancassurance income of private sector banks in relation to the total income and the relationship between branch network and bancassurance income of private sector banks in India. The sample includes 18 private sector banks in India. They found that the proportion of bancassurance income to the total income is very low and Axis bank has the highest proportion as compared to other banks. ICICI banks, HDFC bank, Axis bank have highest branch network, higher total income and bancassurance income in comparison to other banks. They also found that there is a positive relationship between branch networks and bancassurance income. The study concluded that bancassurance business of private sector bank is at a nascent stage as it is not producing much revenue for the banks, and they suggest that private sector banks need to frame such policies and products which could increase their bancassurance income and also provide special training to the staff so they can motivate the customers to buy bancassurance products.

**Goel & Khatik (2017)** assessed the investors' awareness and preference towards mutual funds. The study resulted in identifying that majority of the respondents are somewhat aware about the mutual funds. All the respondents considered return as the main factor to invest in mutual funds. Balanced mutual fund

is the most preferred scheme and SIP is the preferred mode of investment by the respondents.

**Maheswari & Palaneeswari (2017)** analysed the satisfaction of customers towards credit cards among the 150 customers of TBM, Axis bank, ICICI bank, HDFC bank and City Union bank by using convenience sampling method. The study found that benefits of reward points or cash back are the main reason for using credit cards. The study also found that there is a significant difference in the satisfaction of customers in terms of age and income level.

**Naik & Panicker (2018)** studied the satisfaction of customers towards vehicle insurance. The study found that most of the respondents take insurance policy from private insurance companies. Further, it is found that majority of the customers are satisfied with the services of their providers and the satisfaction level of customers varies in terms of insurers.

**Husain & Ahmad (2022)** made an attempt to study the perception of customers on promotional strategies of bancassurance. The study was conducted among 289 customers of SBI, PNB and Canara bank in Aligarh district. The study found that promotional strategies influence the awareness of customers on bancassurance products and services and the demographic variables significantly influence perception of customers regarding promotional strategies adopted by banks.

## **2.6. Studies Related to Income Diversification in Banking Sector**

**Deb (2011)** Studied universal banking from Indian perspective. The study analysed the perception of customers and managers towards universal banking. The study found that majority of the customers are not aware about the different services provided by their bank such as mutual fund, credit card securitisation, online stock trading etc. Both customers and managers have favourable attitude towards universal banking. He put forward some suggestive measures to the bank for conversion into universal bank such as periodical monitoring from the RBI and other concerned authorities, educate customers on availability of products and services.



The study concluded that most of the banks have started their journey towards universal banking.

**Marvania (2011)** conducted study with an objective to find out the non-fund based activities of selected public and private sector banks in India and their future growth. He also tries to find out fee based revenue to the total income of the banks and also compared non-fund based income of selected banks. The study found that non-fund based income of selected public and private banks are significantly different.

**Singh & Kaur (2011)** in their research paper analysed the factors affecting satisfaction of customers of Indian universal banks and the impact of these factors on the satisfaction of customers. HDFC bank, ICICI bank, SBI and PNB were selected as sample for the study. Employees' responsiveness, appearance of tangibles, social responsibility, service innovation and positive word of mouth and reliability are the important determinants of factors influence customer satisfaction. The result of multiple regression revealed that the level of customer satisfaction is influenced by three factors namely social responsibility, positive word-of-mouth, and reliability.

**Singh (2012)** In his Phd work studied the effects of emerging dimensions of consumer behavior in relation to the buying motives and customer satisfaction in the banking services. The study was conducted among 1218 customers in Jammu and Kashmir, Himachal Pradesh and Punjab of north India. SBI, PNB, HDFC bank and ICICI bank were selected as sample for the study. The study selected four services such as insurance, mutual funds, credit cards and dematting services and a structured questionnaire was used for collecting data from the consumers of these services. Stratified random sampling technique was employed for sample selection. The study revealed that there is significant difference in the purchase behavior of the consumers based on demographic characteristics. And also buying motives have a positive impact on purchase decisions of the consumers. The study also revealed that no significant difference exists in the satisfaction of the customers of different banks.

**Singla & Jain (2013)** in their conceptual paper discussed about the concept of universal banking, current scenario and future prospective of Indian universal bank, benefits and weaknesses of universal bank.

**Shukla (2014)** in his PhD thesis studied about universal banking in India. The study was purely based on secondary data. He analysed and compared the relationship between efficiency and profitability of selected banks and the factors influencing universal bank. Diversified products and services, investment banking, portfolio management etc. are some of the factors influencing universal banking. The study also found that net profit margin and long term fund of SBI and ICICI banks are different. The relationship between dividend per share and operating profit, relationship between total asset and total deposit and the relationship between total income and total investment are higher in SBI in comparison to ICICI bank. The study concluded that adoption of universal banking affect the efficiency and profitability of the banks.

**Harshita (2015)** made an attempt to study the metamorphosis of banking products and its effects on customer base and bank profit. The study was conducted among the 60 bank employees of the public and private sector banks in India. The result of the study shows that public sector banks are offering more cross-selling products in comparison to private sector banks. Both public and private sector banks considered mutual fund and insurance as their cross-selling products. Metamorphosis of banking products increases customer base and profit of private sector banks in comparison to public sector banks.

**Ilyas (2015)** analysed the impact of universalization on the financial performance of ICICI bank by comparing the Pre and Post universalization performance. The study found that the values of return on asset, business per employee, profit per employee and ratio of non- income to total asset is statistically significant with respect to pre and post universalization period. But there is no significant difference in the performance with respect to pre and post universalization period in terms of deposit ratio, return on equity, ratio of non-performing asset to net advance, ratio of interest income to total asset, ratio of net

interest income to total asset and ratio of priority sector advances to total advances and capital adequacy ratio.

**Ahamed (2017)** he examined whether a shift towards non-interest income activities increases the profitability of Indian banks and how it varies across ownership groups and banks with different asset qualities. He found that higher share of non-interest income results in higher profits and risk-adjusted profits. Further, he found that foreign banks earn more risk adjusted profits compared to public sector and private banks. Income diversification benefits more to the banks that have lower asset quality as compared to the banks that have higher asset quality.

**Sharma & Sharma (2017)** conducted an exploratory study on income diversification in Indian banking sector. The study was purely based on secondary data. The share of investment related other income is more in non-interest income. The share of interest income in total income is higher among private sector banks. The study concluded that both public and private sector banks have diversified their income but their concentration is more on interest income activities.

**Quyen et.al (2021)** in their paper analysed the relationship between income diversification and the financial performance of commercial banks in Vietnam. The study was based on the financial data of 29 commercial banks in Vietnam during the period 2005 to 2018. The study found that income diversification does not have a direct effect of on financial performance, the indirect effects were clear. The study also found that big banks and state-owned banks could get the benefit of diversification strategies to boost their profitability. Further, the study found that that income diversification generates a significant positive effect on financial performance of banks during the crisis time.

**Das (2021)** conducted a study on the diversification of banking business through the sale of third party products. The study analysed the trend and pattern of cross-selling income bank-group wise as well as activity wise for the period ranging from 2010-11 to 2019-20. The result of the study disclosed that new private sector banks reported the highest cross-selling income followed by public sector banks. Old private sector banks were marginal players in cross-selling business. Income from

the sale of bancassurance constituted a major share of the total income from cross-selling in all the bank groups. Contribution of cross-selling income to fee income was highest in the case of new private sector banks followed by old private sector and public sector banks. While comparing the performance of three bank groups, it is found that new private sector banks can be termed as achievers, public sector bank as aspirers and old private sector bank as laggards in cross-selling. The study concluded that banks cannot make progress in cross-selling without specialized and dedicated staff and appropriate incentive structure and quantum and also needs a supportive policy regime.

### **2.7. Research Gap**

The detailed review of existing literatures revealed that majority of the studies are dealt with cross-buying intention of customers and studied only about bancassurance. Few studies have been conducted on the performance evaluation of cross-selling, satisfaction of customers about cross-selling practices and employees' perception about cross-selling practices. Similarly, the studies which comprehensively examine the awareness, perception, satisfaction and problems related to cross-selling practices from the perspective of customers are very rare. The present study assess cross-selling practices from the perspective of customers by covering important areas such as awareness, factors motivated them to buy cross-selling products and services, perception, satisfaction and problems faced by them related to cross-selling practices. Furthermore, the perception of employees and problems faced by them related to cross-selling practices are also included in this study. In Kerala, a detailed study comparing cross-selling practices from the perspective of customers and employees by covering all these areas has not been initiated. Hence, in this context, researcher has made an endeavor to fill the gap.

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Chapter III

**THEORETICAL FRAMEWORK OF  
CROSS-SELLING PRACTICES IN  
INDIAN BANKING SECTOR**

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### **3.1. Introduction**

The implementation of financial sector reforms, especially in the banking sector has intensified the competition among the public sector, private sector and foreign banks resulting in a substantial decline in their profit. To meet this competition and to regain the shrinking profit margin, they have started to seek new sources of revenue beyond their traditional products. This can be achieved by cross-selling diversified products and services to their existing and new customers along with basic banking products. cross-selling refers to the practice of marketing additional products and services to existing customers. Diversification of banking business through the sale of third party products is also known as cross-selling. Recently, many banks have adopted cross-selling as an integral part of their marketing strategy since it became one of the important sources of revenue stream.

The present chapter gives a brief account of theoretical framework about cross-selling practices in Indian banking sector which covers history of Indian banking sector, structure of Indian banking sector, shift in the direction of customer focus of banks, concept of cross-selling, meaning and definition of cross-selling, global perspective of cross-selling practices, cross-selling practices in Indian banking sector, scope of cross-selling in Indian banking sector, reason for banks entering into cross-selling practices, benefits of cross-selling to various parties, cross-selling products and services offered by the banks. The chapter also gives a detailed explanation of the cross-selling practices of selected public and private sector banks and their cross-selling products and services.



### **3.2. History of Indian Banking Sector**

The journey of Indian banking sector can be segregated into five distinct phases. They are:-

Phase 1: Pre Independence (Before 1947)

Phase 2: Banking in Independent India (1947-1968)

Phase 3: Era of Nationalization (1969-1991)

Phase 4: Era of Economic Reforms (1991-2000)

Phase 5: Era of Innovative Banking (After 2000)

#### **Phase 1: Pre Independence (Before 1947)**

Historically, the Indian banking system has existed in India for more than 2000 years. Manu, the great Hindu Jurist who has devoted a section of his works to deposits and advances prescribed the rules pertaining to rate of interest. The 'Arthashastra' also witnesses the existence and working of the Indian banking system. During the Mughal period, the indigenous bankers played a very vital role in lending money and financing foreign trade and commerce.

Modern banking in India began with the establishment of first joint stock bank, Bank of Hindustan in the year 1770, followed by the establishment of General Bank of India in the year 1786. Both these banks are now defunct. In the half of the nineteenth century, East India Company established three banks namely, the Bank of Bengal, Bank of Bombay and Bank of Madras in the year 1809, 1840 and 1843 respectively. These banks are also known as 'Presidency Bank', which played the role of a quasi-central bank for many years. On 27<sup>th</sup> January 1921, these three banks were merged to form a new bank i.e., Imperial Bank of India. Later it was renamed as State Bank of India (SBI). The Allahabad Bank and Punjab National Bank Ltd were set up in 1865 and 1894 respectively. The Bank of India, Central Bank of India, Bank of Baroda, Canara Bank and Indian Bank were all established between 1901 and 1914 (Jain, 2014). The Reserve Bank of India (RBI), The Central Bank of India was established in 1935, in accordance with the provisions of the Reserve Bank of India Act, 1934. During the period between 1913 and 1948, the growth of banking sector

was very sluggish and banks have also experienced frequent failures. On the eve of Independence in August 1947, there were 648 commercial banks, consisting of 97 scheduled and 551 non-scheduled banks.

### **Phase 2: Banking in Independent India (1947-1968)**

With the dawn of Independence, the Indian Government as well as the State Government have introduced several measures for strengthening the economy and the enactment of the Banking Regulation Act, 1949 was the first step in this direction. This was considered essential as independent India inherited a banking system similar to the British banking system. At this time, many joint stock companies were doing banking business in India and there was no uniform law governing the banking activities. Hence, the implementation of the Banking Regulation Act, 1949 has given a legal framework for the banking sector.

In the post-independence period, the Indian economy faced many issues including the virtual absence of institutional credit facilities in the rural areas of the country. In addition, the non-availability of adequate assets has made it tricky for the people to approach banks. In 1951, India launched its first five-year plan (1951-1956) which has given great importance to the development of rural India, especially agriculture. The All India Rural Credit Survey Committee recommended the formation of a State-partnered / State-sponsored bank (Jain, 2014) entrusted with the task of opening branches in the rural areas. Accordingly, on May 1955, the State Bank of India Act was passed and the State Bank of India (SBI) was established on 1<sup>st</sup> July, 1955 by taking over the Imperial Bank of India. Later in the year 1959, the State Bank of India (Subsidiary Bank) Act was passed and which enabled the State Bank of India (SBI) to takeover eight former associate banks as its subsidiaries.

### **Phase 3: Era of Nationalization (1969-1991)**

The nationalization of the commercial banks in the country took place in two different phases. In 1969, the Government of India nationalized fourteen major commercial banks in the country and further six banks were nationalized in the year 1980. Through this, the Government owned a major segment of the banking sector.

During this period, there was a massive growth in branch expansion even in rural areas of the country while there is an increase in the lending to the priority sector. Nevertheless, the expansion of bank branches and lending took place without considering the bank profitability or asset quality. By the end of this phase, the non performing assets increased and the profitability, efficiency and productivity were poor. All these adversely affected the banking sector which necessitated the consolidation of weaker banks. Hence, the branch licensing policy for the period from 1985 to 1990 focused on consolidation. The establishment of Regional Rural Banks (RRBs) under Regional Rural Bank Act, 1975 was another important structural development took place in the year 1975 (Agarwal, 2013).

#### **Phase 4: Era of Economic Reforms (1991-2000)**

The banking sector reforms initiated in the year 1991 was a landmark in the history of Indian banking sector. The Government of India set up Narasimham Committee under the chairmanship of Mr. M. Narasimham to examine the problems relating to the banking sector and to suggest various measures to improve the productivity and efficiency of the banking system. Introduction of prudential and capital adequacy norms, deregulation of interest rate, reduction in SLR and CRR requirements, opening of banking sector to private and foreign banks are some of the major recommendations of the committee. The first phase of reforms aimed at bringing in transparency in the banking system. The committee observed that more changes would need to be made to improve these reforms because banks are under pressure from low profit margin, customer dissatisfaction, lack of updated technology etc. Later, the committee was constituted under the chairmanship of Mr. M. Narasimham in 1998 and they submitted the report with some new recommendations which have improved the performance of banking sector.

#### **Phase 5: Era of Innovative Banking (After 2000)**

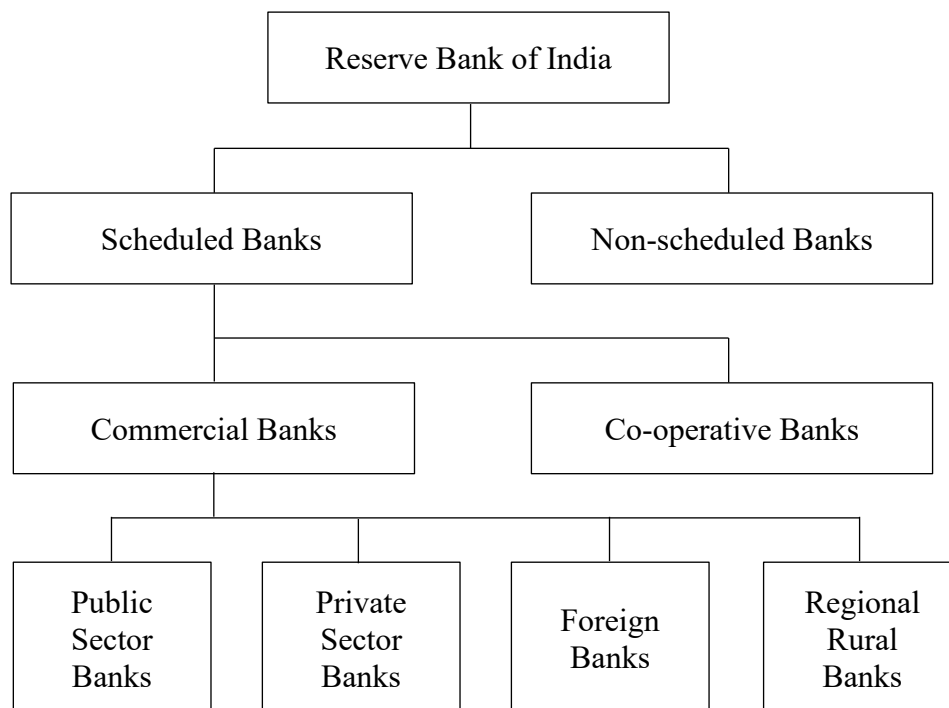
Implementation of economic reforms, extensive deregulation, removal of restrictions on the entry of private and foreign banks and technological advancement etc. changed the basic paradigms of banks. These changes and developments made the banking sector highly competitive in the domestic as well as global market and

which in turn had a strong bearing on the profit margin of the banks. As a result, the focus of the banks during this phase was to capture maximum profit and maximum market share. Consequently, in the last decade of 20<sup>th</sup> century banks have diversified their area of operations and begun to offer diversified financial products and services to their customers, helping them to increase their profit margins by generating fee income. During this phase, banks have also realized the importance of customer satisfaction and retention. All the players in the banking sector has formulated various strategies for satisfying and retaining their existing customer base as the cost of retaining the existing customers is less than the cost of acquiring new one. Banks can retain their existing customers by offering various innovative and diversified products and services. Cross-selling is a common practice used by the banks for this. Recently, almost all Indian banks have engaged in cross-selling practices.

### **3.3. Structure of Indian Banking Sector**

**Figure 3.1**

*Structure of Indian Banking Sector*



## **Reserve Bank of India (RBI)**

RBI, the central bank of India and the apex institution was established on 1<sup>st</sup> April, 1935 in accordance with the provision of RBI Act, 1934. It is entrusted with the responsibility of managing and supervising the monetary and financial system of the economy and the regulator of Indian banking sector. RBI was nationalized in 1949. At the beginning, the entire share capital of RBI was in the private hands but after nationalization it was completely owned by the Government of India.

Having RBI at its apex, the banks in Indian banking system are classified into two categories as illustrated in figure 3.1.

### **Scheduled Banks**

Scheduled banks are those banks which are included in the second schedule of the Reserve Bank of India Act, 1934 (RBI Act 1934) according to which the bank must fulfill the following conditions before a bank is included in the second schedule.

- 1) The bank must have paid up capital and reserve of not less than Rs. five lakh.
- 2) The bank must also satisfy the RBI that its affairs are not conducted in a manner detrimental to the interest of its depositors.

Scheduled banks are further classified into:-

- a. Commercial banks
- b. Co-operative banks

#### **a. Commercial Banks**

Commercial bank is a type of financial institution which mainly deals with accepting deposits, granting loans and offering basic investment products to the general public and to companies. These banks are profit-seeking institutions and run business only to make profit. Commercial banks are further classified into:-

- Public sector banks
- Private sector banks-old private sector banks and new private sector banks

- Foreign banks
- Regional Rural Banks (RRBs)
- **Public sector banks**

Public sector banks are those banks in which majority of the share capital (i.e., more than 50% of the share capital) is held by the Government of India. After the mega merger, the number of public sector banks came down to 12. Before 2017, the total number of public sector banks in India was 27.

**List of public sector banks in India as on April 1<sup>st</sup> 2020**

- 1) State Bank of India
- 2) Punjab National Bank
- 3) Bank of Baroda
- 4) Canara Bank
- 5) Union Bank of India
- 6) Punjab and Sind Bank
- 7) Indian Bank
- 8) Bank of Maharashtra
- 9) Bank of India
- 10) Central Bank of India
- 11) Indian Overseas Bank
- 12) UCO Bank

**Private Sector Banks**

These are the banks in which majority of the stake is held by the private individuals and corporates. It includes:-

1. Old private sector banks
2. New private sector banks

Presently, there are 21 private sector banks in India (twelve old private sector banks and nine new private sector banks).

### **1. Old Private Sector Banks**

These are the banks which existed prior to the nationalization and were not nationalized in 1969 and 1980. Currently, there are twelve old private sector banks in India.

### **2. New Private Sector Banks**

The banks that are incorporated after the liberalization of the 1990's are known as new private sector banks. At present, there are nine new private sector banks operating in India.

### **Foreign Banks**

Foreign banks are those banks which are registered in a foreign country and have their head office outside India, but run their branches in India. At present, there are 46 foreign banks operating in India.

### **Regional Rural Banks (RRBs)**

Regional Rural Banks were established on 2<sup>nd</sup> October, 1975 with an objective of providing credit and other facilities to the weaker section of the rural areas particularly to the small and marginal farmers, agriculture labours, artisans and small entrepreneurs. Presently, there are 43 Regional Rural Banks in India.

### **Co-operative Banks**

Co-operative bank is a small sized financial institution that is owned and run by its members. Co-operative banks are regulated by RBI and are registered under State Co-operative Societies Act, 1912. Presently, there are 98042 co-operative banks in India.

### **Non-Scheduled Banks**

Non scheduled banks are those banks which are not included in the second schedule of RBI Act, 1934. In other words, non-scheduled bank is a banking company

as defined in clause (c) of sec 5 of the Banking Regulation Act 1949 (10 of 1949), which is not a scheduled bank.

### **3.4. Shift in the Direction of Customer Focus of Banks Over the Decades**

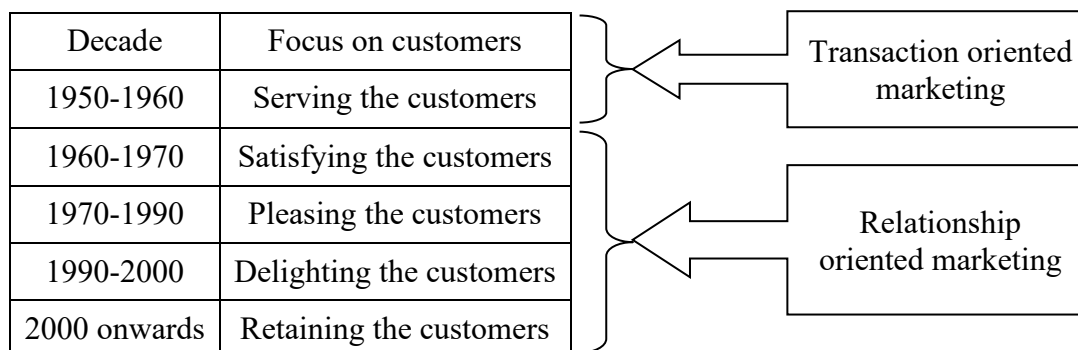
The banking sector in India has witnessed significant changes since the implementation of economic reforms in 1990s. Prior to this movement, the sector was dominated by the public sector banks and there was no threat of competition in the banking sector. Hence, customer engagements in banks have been too transactional with little focus on providing value to the customers and rendering quality services to their customers. As a result, customers have to bear with the poor services rendered by the banks. During this period, banks focused on the strategy of one cap for all. This scenario has changed with the initiation of financial sector reforms. The proliferation of private sector and foreign players along with technological advancement intensified the competition in the banking sector, which resulted in reduction in profit margin of the banks. Hence, the survival becomes challenging and daunting for the banks and they realized that to succeed in the competitive world, they need to reframe the way of operation and strategies and put customers at the center of everything, ultimately, customers become the king of the market. Today, customers are well informed about various products and services offered to them and they compare several and similar products and services that are being offered to them and prefer only those banks that are best suit to their needs. So retaining existing customers has become a fear factor for the banks. Hence, in order to attain the heart and wallet of customers, banks need to segment their customers and develop value added products and services that are suitable to various needs of customers. Thus, banks have shifted their focus from transaction oriented marketing to customer relationship oriented marketing in the ever changing market, the focus of every bank was on how to sell customized and more value added products and services to their customers to stick with the bank and thereby making their relationship profitable.

The figure 3.2 shows the drastic changes and paradigm shift in customer service over the past few decades.



**Figure 3.2**

*Drastic Changes and Paradigm Shift in Customer Service Over the Past Few Decades*



During the period 1950-1960's, the focus of the bank was on serving the customers rather than satisfying the customers. With the nationalization, banks have given more importance to customer satisfaction than profit maximization. Hence, during the period 1960-1970's, the main focus of the bank was on satisfying the customers. After this period, banking sector has witnessed drastic changes with the implementation of financial sector reforms. Hence, in the ever changing competitive market, banks have shifted their focus into relationship oriented marketing rather than transactional oriented marketing. Therefore, during the period 1990-2000, the focus of the bank was on delighting the customers. With the passage of time, banks realized the importance of retaining existing customers as it is more profitable than acquiring new one and also realized that satisfied customers acquire more customers and they are the best advertisement for the banks. Hence, from the year 2000 onwards, the concern of the bank was on retaining their existing customers.

The table given below exhibits the pattern of changes in customer service before 2000 and after 2000.

**Table 3.1**

*Pattern of Changes in Customer Service Before 2000 and After 2000*

<b>Before 2000</b>	<b>After 2000</b>
Sellers market	Buyers market
Protected financial market	Open market of financial products
Not many competitive brands	Increase in number of brands
Friendly competition	Cut-throat competition
Patient customers	Demanding customers
Less awareness in customers	More aware customers
Limited choice for customers	Multiple choice for customers
Limited media promotion	Extensive media promotion
Cost plus pricing	Competitive price cutting
Limited customer services	Increase customer services
IT- competitive advantage	IT- enabler
Focus on new customers	New and retaining existing customers
Monologue with stakeholders	Dialogue is prevalent
Transactional banking	Relationship banking
Product orientation	Orientation to product innovation
Short time scale	Long time scale
Little customer commitment	High customer contact
Quality is primary concern of few	Quality is concern of all

Source: (Gangopadhyay, 2018)

### **3.5. Cross-selling and Up-selling**

Growing competition in the banking industry as well as the desire to achieve higher profit means that banks are seeking for solution that will help them to achieve their intended result and gain a competitive edge in the market. One of the best ways to achieve this is by relying on the existing customers for additional business. Cross-selling and up-selling are the strategies which undoubtedly help the banks to increase their profit margin.

### **3.5.1. Up-selling**

Up-selling simply means selling a superior or expensive version of the product to the potential customers. In other words, up-selling is a sales strategy which aims at encouraging the customers to buy more expensive, upgraded or premium version of the product or other add on to the product they already bought. For example, offering a credit card with higher credit limit. Up-selling helps the banks to gain additional revenue from their potential and profitable customers. It also known as additional sales, increases value of the product or service being sold. It consists of offering a product or service of the same nature, but with higher quality or greater functionality. The result is that the price of this product or service is much higher and allows companies to earn more per each transaction. It should be emphasized that products and services sold as a part of up-selling are substitute goods, which means that they substitute each other and meet the same needs (Kwiatkowska, 2018).

### **3.5.2. Cross-selling**

Cross-selling simply means the practice of selling additional products and services to existing customers. It is a sales strategy used to increase income by encouraging the customers to buy related or complimentary products or services. Cross-selling is not just a transaction based exercise, but also a relationship building exercise. Cross-selling contributes to building larger product portfolio of their clients which strengthen the bond with the service provider and reduce the risk related to the loss of customers in favour of the competitive entity. Unlike the acquiring of new business, cross-selling often involve an element of risk that existing relationship with the customers may be disrupted. Hence, it is very important to make sure that additional products or services being sold enhances value to the customers they receive from the business. Cross-selling with reference to bank stands for selling additional products or services by a bank to its existing customers. For example, sale of bancassurance products or credit cards to a savings account or current account holder. Banks have relied on cross-selling practices with a view to increase revenue, reduce cost of operations per customer, build customer loyalty and provide more satisfaction and value to the customers. These are the rationale behind the use of cross-

selling strategies in the banking sector. Recently it has become a popular strategy in the banking scenario and it appeared in the banking scene from 2000 onwards. Almost all the Indian banks have adopted cross-selling as an important marketing strategy in recent years.

Both cross-selling and up-selling strategies reduce the chance of risk of taking over the customers by the competitors. Financial institutions are less likely to use up-selling strategies because it is more risky than cross-selling. If the banks persuade the customers to buy expensive version of the product, sometimes it discourage the customers and may leads to the chance of leaving the organization. Hence, banks should observe the reaction of customers before the sales is carried out.

### **3.6. Cross-selling- Meaning and Definition**

American Marketing Associations (AMA) defines cross-selling as the process of selling between and among department to facilitate larger transactions and to make it more convenient for the customer to shop for related item (Vyas, 2008)

Tajinder Singh Walia & Gagandeep Kaur Gulati defines cross-selling as “the action or practice of selling among or between established clients, markets, traders, etc. or that of selling an additional product or service to an existing customer”.

Manas R Das (2021) defines cross-selling as “the sale of additional products and services by a bank to its existing customers (e.g. sale of insurance products or MFs by a bank)”.

According to M.R. Anurag Kumar (2012) cross-selling with reference to banks stands for being able to offer to the existing bank customers, some additional banking products or services. Ashwini Mehra & M.S. Das (2019) states that in the world of banking, cross-selling refers to bank selling or rendering non bank products or services which may not be the same as banking products or services, but at the same time not entirely unrelated. In the opinion of N.S.Toor & Arundeeep Toor (2012) “cross-selling stands for offering to the existing customers and new customers, some additional banking products with a view to expand banking business, reduce the per customer cost of operation and provide more satisfaction and value to the customer”.

According to Harshita B (2015) cross-selling is a sales promotion technique in which the manufactures attempt to sell a related product to the prime product that the customer already uses. This would make it more convenient for the customer to do related item shopping.

Minal Shah et al. (2017) opined that cross-selling are the undisclosed plans formulated and designed by the bank to facilitate customers by increasing added product line. The customers have the option to choose the products best suit as per the customers' requisites. The cross-selling being the undisclosed plan is presented to customers in the form of various financial services of banks.

To sum up, cross-selling is a sales promotion strategy in which the bank offers additional products and services to existing customers. The objective is to enhance profit, reduce per customer cost of operation, increase customer satisfaction and loyalty.

### **3.7. Cross-selling Practices- Global perspective**

Cross-selling is the popular strategy in the financial service industry particularly in the banking industry. At present, banks have relied on cross-selling practices as a means to enhance revenue and to retain their existing customers. The use of cross-selling practices in the banking sector is primarily motivated by these reasons.

Cross-selling practices are very popular and successful in the developed countries. In the western world, the origin of cross-selling in financial services is a post-80's phenomenon that began with the Prudential Insurance Company, then insurance major, acquiring Bache Group Inc., a mid-sized stock broking firm with the objective of providing cross-selling opportunities for its life insurance agents and Bache's stockbrokers. Some of the subsequent big mergers such as Sears Roebuck (credit cards) with Dean Witter (stocks, bonds and money market funds), and American Express Company (credit cards) with Shearson Loeb Rhoades (stocks and bonds) also aimed at capitalizing on cross-selling (Mehra & Das, 2019).

As for banks, the mergers of Wells Fargo & Co., with Wachovia Securities, and Bank of America with Merrill Lynch Wealth Management strived for boosting their declining profits by strategizing cross-selling (Mehra & Das, 2019). Today, Wells Fargo is the world's leading bank in cross-selling with cross-sell ratio consistently near to six.

Today, several MNC banks are financial superstores that rely on cross-selling not only to increase their customer base and revenues, but also to diversify their risks (Mehra & Das, 2019). Some Asian countries such as Taiwan (1998), Korea (2002) and China (2003) also started to sell their insurance products along with their bank products (Kumari & Shalini, 2018). As compared to other nations, the cross-selling practices are at nascent stage in India.

### **3.8. Cross-selling in Indian Banking Sector**

The contemporary financial landscape of Indian banking sector has been changed with the implementation of financial sector reforms based on the recommendation of the first Narasimham Committee. Banks in particular are entered into new areas of financial services and began to cross-sell innovative products such as life insurance, general insurance, mutual funds, credit cards, demat services etc. to their customers through the network of bank branches. Until a few years ago, many traditional banks in India did not practice cross-selling strategies or were not actively engaged in cross-selling business (Shimin & Habeeburahiman, 2021). Cross-selling or selling of non bank or third party products or services appeared in the Indian banking scene in the 2000s. The objective was to supplement the then dealing interest income or net interest margin (NIM) by increasing the non interest or fee income without invoking any charge on the capital (Das, 2020). Cross-selling of financial services are guided by Reserve Bank of India (RBI) and Insurance Regulatory Development Authority of India (IRDA) for marketing insurance products, Security Exchange Board of India (SEBI) and RBI for marketing mutual fund and capital market related services (Mehra & Das, 2019). The concept of cross-selling is relatively new to Indian banks when compared to other nations. Hence, cross-selling practices are still in its infancy stage in India.

The performance of public sector banks in cross-selling remains lackluster as compared to private sector banks. During 2019-2020, 12 public sector banks earned on an average Rs. 2.5 billion per bank from cross-selling to which the State Bank of India contributed 68% excluding SBI, the average drastically reduced to Rs. 0.9 billion. By contrast, 10 new private sector banks (NPBs) earned on an average Rs.6 billion per bank, out of which 85% sourced from three banks namely Axis bank, HDFC bank and ICICI bank, excluding these three, the average turned out to be Rs. 1.3 billion (Das, 2020).

In the case of PSBs (including SBI), cross-selling income contributed 8.4% to fee income (i.e., commission, exchange, brokerage income) which dipped to 8.1% without SBI. Contrastingly, the NPBs earned 11.7% of their fee income from cross-selling (including the aforesaid three dominant banks) and 6.6% without them (Das, 2020).

The growth of cross-selling business of Indian banks is sluggish at present, but this will surely improve in the coming years and they have a bright future in cross-selling business.

### **3.9. Scope of Cross-selling in Indian Banking Sector**

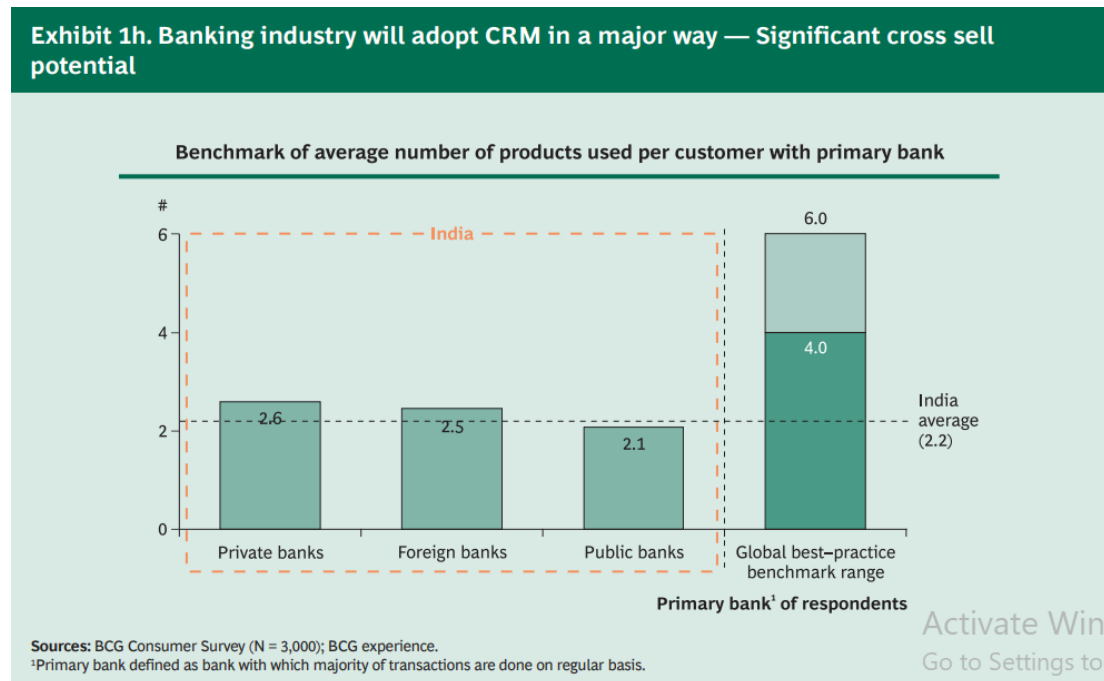
In today's ever changing competitive world, the race for expanding business has become increasingly intense especially among the banks. As a result, banks have moved away from the classical model of accepting deposits and lending money and began to cross-sell innovative and customized value added products and services like insurance, wealth management services, credit cards etc. to its customers. Recently, almost all Indian banks have adopted cross-selling practices as a strategic response to combat with fierce competition existed in the market because cross-selling strategies are considered as highly cost effective as compared to all other means of customer acquisition.

As per the report issued by Boston Consulting Group (BCG) consumer survey 2020 carried out in India shows that the average number of banking products per customer in India is 2.2 which is less than the global benchmark of 4. Hence, there is

a significant potential for cross-selling in Indian banking sector. The figure given below shows benchmark of average number of products used per customer with primary bank.

**Figure 3.3**

*Benchmark of Average Number of Products Used per Customer with Primary Bank*



Source: BCG Consumer Survey, 2020

The figure 3.3 makes it clear that the average number of banking product per customer in private sector banks is 2.6, whereas in the case of public sector banks and foreign banks, the average number of banking products per customer is 2.1 and 2.5 respectively. The average number of products per customer in India is 2.2 which is less than the global benchmark of 4.0. Hence, there is a significant potential for cross-selling among all the categories of banks in India. Also the bank can be used as the best channel for cross-selling products due to its geographical reach and accessibility to largest customer base.



### **3.10. Cross-selling Products and Services Offered by the Banks**

- **Insurance**

Insurance is a legal contract between two parties; insurer and insured under which insurer undertakes to indemnify the insured for the loss arising from the happening of certain event in return for the premiums paid by the insured. The person whose risks are insured is called insured and insurer is the insurance company to whom risk is transferred by the insured. Insurance can be classified into two categories:

- a) **Life Insurance**

Life Insurance is a contract between an insured and an insurer, where the insurer promises to pay a fixed sum of money to the beneficiary at the time of death or at the expiry of certain period in exchange for the premiums paid by policy holder. Here, the subject matter of insurance is life of human being. Life insurance policies come in many variants such as whole life insurance policy, term plans, endowment policy, money back policy, unit-linked insurance plans, credit protection plans etc.

- b) **General Insurance or Non-life Insurance**

General insurance or non life insurance is an insurance that is not covered under Life insurance. It covers financial losses caused by various risks other than death. General insurance products come in various types covering a wide range of risks such as health insurance, vehicle insurance, property insurance, marine insurance, liability insurance etc.

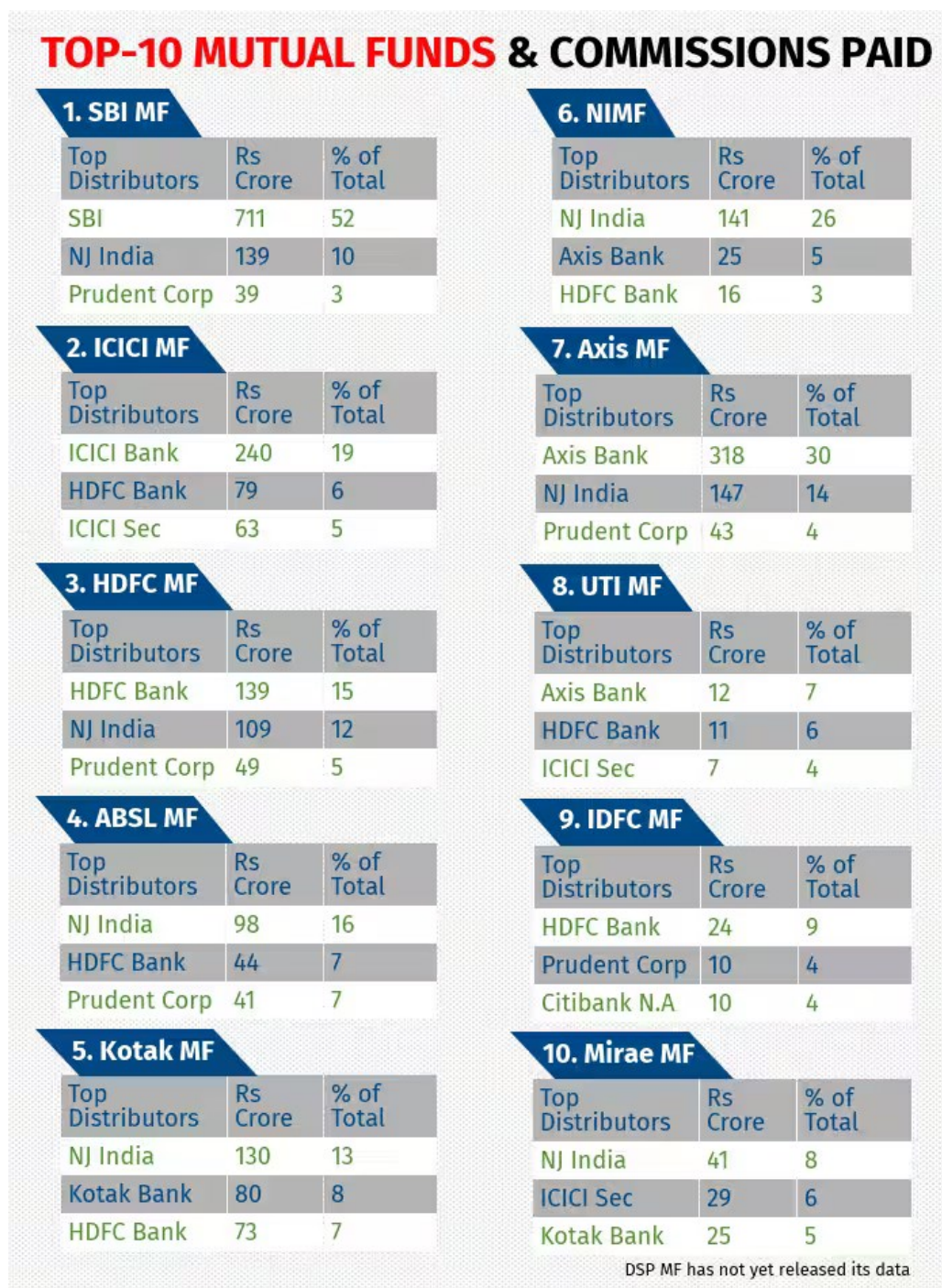
Recently, banks have started selling both life and non life insurance policies through the network of bank branches, this is called as bancassurance. In other words, selling insurance products under the same roof of bank is known as bancassurance. The term bancassurance is coined by combining two words - bank and insurance. It is also known as "Allfinanz", which means a package of financial services that can fulfill both insurance and banking needs at the same time. According to IRDA, 'bancassurance' refers to banks acting as corporate agents for insurers to distribute

insurance products. Banks are used as an effective alternate channel for distributing insurance products either as ‘stand-alone insurance products’ or ‘add-ons to the bank products’ by combining the insurance with common banking products/services. Bancassurance have been making use of various distribution channels such as career agents, special advisors, salaried agents, bank employees, corporate agency and brokerage firms, direct response, Internet, E- brokerage, seminars, direct mail etc for marketing insurance products. The concept of bancassurance was originated in France in the 1980’s, and later it was introduced in India in the year 2000, hence it is a new concept in India but it is extremely familiar among the European countries. In India, almost all the banks i.e., both private and public sectors are distributing bancassurance products.

- **Mutual Funds**

Mutual fund is a type of professionally managed collective investment scheme that pools money from many investors and invest that money in a large and well diversified portfolio of securities such as shares, bonds, money market instruments and other financial securities. The income generated through these investments and the capital appreciations realized are shared by its unit holders in proportion to their investments in the scheme. Mutual funds offer various benefits to the investors such as diversification, safety, liquidity, convenience, professional management, investor protection, tax benefit etc. It has become one of the most popular investment options over the last decade, as they offer wide array of products aimed at investors with different risk appetites and investment objectives. So, investors have equity funds, debt funds and many other that cater to the varied needs of the investors. Equity funds are risky funds, debt fund offers security and money market funds offer liquidity. The only relevant factor here is that the fund has to be selected based on the risk profile of the investors as the products have different risks associated with them.

Banks are one of the largest distributors of mutual funds (MF) in the nation due to their extensive branch network. Recently, a number of banks such as State Bank of India, Canara Bank, Punjab National Bank, Bank of Baroda, ICICI bank, HDFC bank, etc. have set up their own mutual funds as their subsidiaries.

**Figure 3.4***Top-10 Mutual funds and commission paid*

Source: (Kriplani, 2022)

An analysis of the disclosures by mutual funds shows that bank-sponsored fund houses relied heavily on their parent bank's branch network to sell their mutual

fund schemes. About 8-50 percent of commissions paid by the bank-sponsored mutual funds went to their parent banks. This was the highest in the case of SBI Mutual Fund, where 52 percent of the commission payout went to the State Bank of India. The fund house paid a total of Rs.1,371 crores as commission payouts in the financial year 2021-2022, according to the fund house's disclosures. In the case of Axis Mutual Fund, this proportion was as much as 30 percent with Axis Bank getting a lion's share of the commissions paid by the fund house. ICICI Mutual Fund and HDFC Mutual Fund paid 19 percent and 15 percent of distribution commissions to ICICI Bank and HDFC Bank respectively. ICICI Securities was third-largest distributor for ICICI MF, receiving 5 percent of the commission payouts. Compared to other banks with Mutual Fund subsidiaries, Kotak Mahindra Bank received the lowest share of commissions from its subsidiary mutual fund. It accounted for 8 percent of distribution commissions paid by Kotak MF (Kriplani, 2022)

- **Credit Cards**

Credit card is a small plastic card by which a card holder can buy goods and services without making immediate payment. The credit card will have a pre set credit limit. Credit limit is the maximum amount that a card holder can spend on his or her credit card and it is fixed by the card issuer based on the card holder's credit history, credit score and income. There are various types of credit cards based on the purpose for which they are used. For example, business credit cards, travel credit cards, fuel credit cards etc.

There has been a tremendous increase in the number of credit cards issued by banks in India after liberalization. Central Bank of India was the first Indian bank that introduced credit card known as 'central card' in august 1980. The concept of credit cards was popularized in India by foreign banks such as HSBC, Citibank, Standard Chartered Banks and others. Despite this, the public sector banks like SBI are now taking the lead position in this industry. Among the private sector banks, HDFC bank is the largest card issuer in the country and has the major market share in terms of credit cards offerings. As of September, 2022, HDFC bank has approximately more than 1.70 crore active credit cards and it holds 28.4% market share in credit card spends as of July 2022

(Maheshwari, 2023). ICICI bank, Axis bank, Bank of Baroda, etc. are some of the other leading players in credit cards industry. Today, credit card business is considered to be the most lucrative banking business in India.

- **Demat Account**

Initially, shares are held in physical form through share certificates. This made the entire process time consuming and tedious. To overcome these problems, National Securities Depository Limited (NSDL) was established in 1996. They brought the concept of demat account. A demat account or dematerialized account is an account where shares and other securities are held in electronic format. There are three types of demat accounts, they are regular account (used by investors residing in India), Repatriable Account (used by NRIs under which funds can be transferred abroad) and Non-Repatriable Account (used by NRIs under which funds cannot be transferred abroad). This account needs a NRO account associated with it (5paisa, 2023). All largest banks in India such as SBI, PNB, ICICI bank, HDFC bank, Yes bank, Axis bank, etc. offer demat account. The data released by the two depository firms i.e., The National Security Depository Limited (NSDL) and the Central Depository Limited (CDL) has shown that the total number of demat accounts crossed 100 million for the first time in August 2022. This is the first time in India's history that such a milestone has been achieved (ICICI Direct, 2022).

- **Pension Schemes**

- **National Pension System (NPS)**

The National Pension System (NPS) is a voluntary pension plan introduced by the Government of India to facilitate a regular income post retirement to all the subscribers. It is regulated by the Pension Fund Regulatory & Development Authority of India (PFRDA). National Pension System (NPS) is distributed through authorized entities called Points of Presence (POP's). Almost all the banks i.e., both private and public sectors are enrolled to act as Point of Presence (POP) under NPS (Pension).

○ **Atal Pension Yojana (APY)**

Atal Pension Yojana (APY), a pension scheme launched by the government of India for citizens of India mainly focusing on the unorganized sector workers. Under this scheme, the subscribers get a minimum guaranteed pension of Rs.1000/- to Rs.5000/- per month on attaining the age of 60 years. It is administered by the Pension Fund Regulatory & Development Authority of India (PFRDA). Most of the banks registered with PFRDA to provide APY related services.

• **Leasing**

Leasing is a contract between the owner of an asset (lessor) and its user (lessee) where the lessor grants a right to use the asset to the lessee in return for consideration and for a specific period of time. Apart from the private leasing companies, the banks and other financial institutions also entered into the leasing business with a view to promote healthy growth of lease financing in India. In this regard, RBI has issued policy guidelines in respect of the role of commercial banks. In February 1994, RBI allowed banks to directly enter leasing. Till then, only the bank subsidiaries were allowed to engage in leasing activities. SBI Capital Markets, Canbank Financial Services, the wholly owned subsidiaries of State Bank of India and Canara bank both are actively engaged in leasing.

• **Factoring**

Factoring is a type of finance where the factor (bank) purchase the receivables of the client (seller of goods) and reimbursement is obtained later on from the buyer of goods. It is used by small and medium-sized businesses to help them maintain a steady cash flow. Following the changes in the Banking Regulation Act in July 1990, the RBI permitted the banks to undertake factoring business through separate subsidiaries. SBI Factors and Commercial Service Ltd. was the first factoring company in India established on 31<sup>st</sup> July 1991.

- **Venture Capital**

Venture capital (VC) is a form of private equity funding that is generally provided to start-ups companies and small businesses that are believed to have a significant growth potential and revenue creation, thus generating potential high returns. In short, venture capital means capital investment in a new and risky business enterprise. Various commercial banks such as SBI, Canara bank, ICICI bank, HDFC bank have introduced different programmes for providing venture capital. Among them, State Bank and Canara bank are the prominent. State Bank of India has a venture capital scheme operated through its subsidiary called SBI Capital Market Ltd. (Bhelley, 2013). Canara Bank has set up Can Bank Financial Service Ltd (Canfina) to undertake venture capital financing. ICICI flagged off a new venture capital company called Technology Development and Information Company of India with the objective of promoting new technocrats in the private sector in high-risk areas (Bhelley, 2013).

### **3.11. Reason for Banks Entering into Cross-selling Practices**

Recently, cross-selling has become a valuable strategy among financial institutions especially among the banks for several reasons. They are as follows.

#### **1. To Enhance Profitability**

In the present competitive scenario, banks consider cross-selling as a new way for generating additional revenue by diversifying its area of operation into non-traditional fee generating activities. It helps them to increase their profit in the form of commission from the sale of cross-selling products. Moreover, income earned from the sale of cross-selling business is purely risk free since the banks simply act as an intermediary for the sale of these products.

#### **2. To Improve Customer Satisfaction**

Nowadays, banks have realized that business always came from satisfied customers. As a result, in order to win the heart and wallet of customers, banks modified their service offering and provided wide range of diversified products and

services based on the needs and requirements of their customers. Satisfied customers will continue their relationship with the banks for a longer period of time and will prefer other products since they are becoming more loyal to the bank by availing most of the products offered by the same bank.

### **3. To Improve Customer Loyalty**

The banks have transferred into a kind of supermarket or one stop-shop for financial services where all customers needs, whether banking or financial needs can be fulfilled. The broadening of its product portfolio makes the bank more appealing and can reinforce customer loyalty.

### **4. To Retain Existing Customers**

One of the major issues that a larger number of banks are facing today is increased mobility of existing customers. Today, banks have realized the importance of retaining their existing customers because customer retention is cost effective than acquiring new customers. One of the prominent methods for retaining existing customers is cross-selling. If the customer hold more products from a single financial provider, more balance he/she maintain and lesser will be the chance to switch or leave because it is difficult for the customers to leave the bank due to increased switching cost. Cross-selling helps the banks to tie their customers with more thread of additional products and services.

### **5. To Enhance Reputation of the Bank**

The banks tie up with well known financial institutions in the field of insurance, mutual funds, credit cards etc. will help them to improve their reputation in the industry.

### **6. To Acquire the Benefit of Diversification**

The benefit of diversification can be obtained by using bank's existing human resources and common infrastructure to sell cross-selling products and thus distributes the cost among a large number of customers.



## **7. Optimum Utilization of Existing Manpower, Skill and Capabilities**

Banks can increase the efficiency and productivity of their employees by effectively utilizing their existing man power's skills and capabilities for the sale of cross-selling products.

### **3.12. Benefits of Cross-selling**

Cross-selling provides numerous benefits to various parties. They are as follows:-

#### **3.12.1. Benefits to the Banks**

##### **1) Strengthening Relationship with the Customers**

The customers who have purchased more than one product from their bank are more close to the bank than the customers who have purchased a single product. Cross-selling helps the banks in creating and maintaining deeper relationship with their customers.

##### **2) Reduce Cost of Customer Acquisition**

Cost involved in selling a product to a new customer is two times higher than the cost of selling a product to the existing customers. Hence, cross-selling helps to reduce cost of customer acquisition.

##### **3) Helps in Better Utilization of Existing Manpower**

Through diversification, banks can use their existing employees for the sale of other financial products which improve the productivity of the employees. Cross-selling helps the banks to improve their profit per employee and business per employee.

##### **4) Lower Communication and Distribution Cost**

Banks utilize their already established communication and distribution channels for the sale of cross-selling products which helps them to reduce their communication and distribution cost.

**5) Helps to Enhance Profit Margin**

Banks diversification towards new areas like insurance, mutual funds, credit cards, leasing, venture capital etc. promises a great scope for enhancing their fee income. Cross-selling of these products helps the banks to enhance their profit margin.

**6) Helps in Customer Retention**

If the customers buy more products and services from the banks, they are likely to remain longer with the banks. In other words, buying more products from the bank increases the number of contact points between the banks and its customers and strengthen their relationship with the bank which increases the switching cost for the customers and reduces their chance of leaving it. Here, switching cost is the cost incurred by the customer when he/she changes the bank.

**7) Help to Increase Customer Base**

Sale of diversified products and services under one roof not only helps the banks to retain their customers, but also attract new customers which help them to increase their customer base.

**8) Economies of Scale**

Cross-selling helps the bank to obtain economies of scale by way of offering better products and services, higher output and lower operating cost.

**9) Improve Customer Satisfaction**

Cross-selling helps the banks to increase satisfaction of their customers by offering comprehensive products under one roof, customizing products at a lower price, offering greater convenience, etc. to their customers.

**10) Foster Customer Loyalty**

Cross-selling offers various benefits to their customers such as convenience, availability of multiple products and services under one roof, customized products at reduced prices, additional benefits offered, etc. enhance satisfaction of customers

which ultimately increases loyalty of their customers. Studies show that satisfied customers are more loyal to the bank.

**11) Improve Return on Asset (ROA)**

Fee income earned from the sale of cross-selling products improves the return on asset of banks.

**12) Ease of Marketing of Cross-selling Products and Services**

The complete information about the customers' transactions and their demographic information are stored in the banks' database. They can use this information to know the taste and preference of their customers and they can design products and services as per the needs and requirements of their customers. Banks can also utilize their wide network of bank branches for the sale of these products.

**3.12.2. Benefits to the Customers**

**1) One-stop Shop Solution**

Cross-selling allows the customers to buy various products and services from a single provider to cover their varied financial requirements.

**2) Convenience**

Customers prefer one-stop shop as it relieves them from the pain staking effort of searching for separate dealers for each product. Hence, customers can save their time and effort because all financial services are available in the bank.

**3) Customized Products**

Banks' knowledge about the taste and preference of their customers helps them to design products and services as per the needs and requirements of their customers. So that customers will get customized products suitable to their requirement which is otherwise not possible if they purchase the products separately.

**4) Reduction in Price and Transaction Cost**

Additional cost involved by the banks for selling an extra product can be eliminated as it is common for both the products. For example, elimination of brokerage fee, cost incurred for verifying the credentials etc. So, the customers will be benefited from this. i.e., they will get products at reduced price and cost.

**5) Less Paper Formalities**

Cross-selling helps to reduce paper formalities as customers are already known to the bank and they have proven their financial credibility. Hence, they need not prove their credibility for buying an additional product.

**6) Additional Benefits**

Banks provide additional benefits such as special offers, discounts, preferential pricing etc. to their customers while availing additional products and services.

**7) Services of Skilled and Trained Employees**

Employees engaged in cross-selling practices received special training from their banks. This will allow the customers to clarify their doubts on various products and assist them in choosing the right products.

**8) Expert Advice of the Bank Employees**

Customers are not well aware of various cross-selling products and services hence, they are not in a position to understand the requirements and need of such products. Thus, the expert advice provided by the employees helps them to understand the requirements of each product and also help them to take a better financial decision.

**9) Financial Security**

Banks ensure financial security to their customers as the personal and financial information of customers are kept in one hand.

### **3.12.3. Benefits of Cross-selling to the Tie up Companies**

Cross-selling provides various benefits to the tie up companies such as insurance companies, mutual fund companies etc. They are:-

#### **1) Increase Market Penetration**

The tie up company can easily reach to a large number of customers by utilizing the existing network of bank branches for selling their products without having to build their own branch network.

#### **2) Reduce Reliance on Traditional Agent**

Tie up with banks helps the tie up companies to reduce their excessive dependence on traditional agents by making use of various channels owned by the bank for selling their products.

#### **3) Helps in Profit Maximization**

Collaboration with banks helps the tie-up companies to increase their volume of sales and profit.

#### **4) Helps to Reduce Distribution Cost**

The tie up company can reduce distribution cost since they are using same sales network for selling banking and financial products.

#### **5) Helps in Developing Customized and Innovative Financial Products**

Companies can make use of information in the customer database of banks like demographic, financial standing, spending habit, transaction information and so on for developing their products based on the customers' needs and requirements.

#### **6) Helps to Increase Customers' Trust**

The likelihood of buying financial products by the customers from the bank is higher because of the trust placed by the customers on their bank. So, the tie up

companies can use this trust for marketing their products and also helps them to increase trust of customers.

Even though cross-selling offers numerous benefits to various parties, there are some risks related to cross-selling practices. It strengthens the relationship between banks and the markets whose products are being cross-sold. For example, with insurance markets for insurance products or mutual funds market for mutual funds sold. Additionally, in the case of failure of an insurance plan or mutual fund scheme, the bank becomes the target of attack from the customers who availed the products, resulting in disrupting the existing relationships with the customers.

### **3.13. Profile of the Selected Banks and Their Cross-selling Practices**

#### **3.13.1. State Bank of India (SBI)**

State Bank of India (SBI) is the oldest commercial bank in India. It is the largest commercial bank in India in terms of deposit, advances, customers and banking outlets. It is headquartered in Mumbai. The evolution of State Bank of India traced back to the first decade of the 19<sup>th</sup> century, The East India Company established three banks- The Bank of Bengal (1809), The Bank of Bombay (1840) and The Bank of Madras (1843), these three banks also known as Presidency Banks, were amalgamated to form a new bank, The Imperial Bank of India which was established on 27<sup>th</sup> January, 1921.

The undertaking of Imperial Bank of India was taken over by the newly constituted SBI with the passing of State Bank of India (SBI) Act in 1955. Later in 1959, the SBI (subsidiary bank) Act was passed enabling the SBI to take over eight former state associated banks as its subsidiaries, later named as associates of SBI. SBI merged State Bank of Jaipur and State Bank of Bikaner in 1963, after this SBI merged State Bank of Saurashtra and State Bank of Indore with itself in 2008 and 2010 respectively, which reduced the number of associates from six to five. In 2016, Bharathiya Mahila Bank Ltd merged with SBI. Later in the year 2017, State Bank of India merged its five associates (State Bank of Travancore, State Bank of Patiala, State Bank of Hyderabad, State Bank of Mysore, State Bank of Bikaner and Jaipur) with

itself and which is the largest merger in the history of Indian banking sector. With this merger, SBI ranked among the top 50 banks in the world.

### **Vision**

Be the bank of choice for a transforming India

### **Mission**

Committed to providing simple, responsive and innovative financial solutions.

#### **3.13.1.1 Cross-selling Practices of State Bank of India**

SBI, the giant public sector bank and leading player in cross-selling business have gained a larger wallet-share of their existing customer base through cross-selling business. It provides wide range of products and services to individual, commercial enterprises, large corporates, public bodies and individual customers through its various branches and outlets, joint ventures, subsidiaries and associate companies. Hence, the customers of SBI are benefited by having great access to myriad of final solutions under one roof through their vast branch network spread across the length and breadth of the country, they can access multiple financial solutions such as mutual funds, life insurance, general insurance, credit cards, national pension system and demat accounts.

SBI acts as a corporate agent of SBI Life Insurance Company Ltd and SBI General Insurance Company Ltd and has distribution agreement with SBI mutual fund, SBI Cards and Payment Services Private Ltd and SBI Cap Securities Ltd for distributing their products. The bank also distributes mutual fund products of UTI mutual fund, Tata mutual fund, Franklin Templeton mutual fund, L&T mutual fund, ICICI mutual fund and HDFC mutual fund. In addition, all branches are authorized for opening pension accounts under National Pension Scheme.

SBI has embarked on a path of digital journey for the sale of third party products which strengthened the need based selling and improved the stickiness of customers with the bank. SBI Cards & Payment Services Limited is the second largest credit card issuer in India with deep industry expertise and a demonstrated track record

of growth and profitability. Around 13.77 million SBI Cards were active in India in financial year 2022. This was a significant increase over the previous year.

In response to changes in investment preferences of its customers, SBI has offered need based financial products of SBI mutual funds such as SIP, SWP, debts, equity and liquid funds, savings to its customers. SBI continues to be number one mutual fund distributor having crossed a milestone of 1.10 lakh crore in Asset Under Management (AUM) as on 31st March 2021. Moreover, SBIMF leads the ranks amongst AMCs and has crossed a milestone of 5.04 lakh crore in AUM.

SBI has upgraded its systems to provide an end-to-end digitization for instant NPS account opening. Additionally, SBI mobilized over 1.75 lakh NPS accounts during the financial year 2022 and it continues to enjoy its dominance with market share of 22%.

### **3.13.1.2 Cross-selling Products and Services of SBI**

Below listed are the cross- selling products and services offered by SBI.

#### **SBI Life Insurance**

- A. Individual life insurance plans
  - ✓ Online Plans
  - ✓ Protection Plans
  - ✓ Wealth Creation with Insurance
  - ✓ Child Plans
  - ✓ Money Back/Income Plans
  
- B. Group insurance plans
  - ✓ Corporate solutions plans
  - ✓ Group Loan Protection Plan
  - ✓ Group Micro Insurance plans



### **SBI General Insurance**

#### **A. Retail**

- ✓ COVID-19 Insurance
- ✓ Health Insurance
- ✓ Home Insurance
- ✓ Travel Insurance
- ✓ Motor Insurance
- ✓ Personal Accident Insurance
- ✓ Combi Product

#### **B. Corporate**

- ✓ Motor Insurance
- ✓ Health Insurance
- ✓ Fire Insurance
- ✓ Marine Insurance
- ✓ Package Insurance
- ✓ Construction/Engineering
- ✓ Others

#### **C. Rural insurance**

- ✓ Cattle Insurance
- ✓ Micro Insurance Policy
- ✓ Sheep and Goat Insurance
- ✓ Pradhan Mantri Fasal Bima Yojana (PMFBY)

#### **D. Liability products**

- ✓ Directors & Officers Liability Insurance
- ✓ Errors and Omission Liability Insurance
- ✓ Event Cancellation Insurance Policy
- ✓ Broad Form Liability
- ✓ Product Liability Insurance Policy

- ✓ Public Liability Insurance Act Policy
- ✓ Clinical Trial (No Fault) Insurance
- ✓ Employees Compensation Policy
- ✓ Public Liability Insurance Policy
- ✓ Commercial General Liability Insurance Policy
- ✓ Cyber Defense Insurance
- ✓ Clinical Trial (Professional Liability) Insurance

### **SBI Mutual Funds**

- A. Equity Funds
- B. Debt Funds
- C. Hybrid Funds
- D. Solution Oriented Schemes
- E. Other Schemes

### **SBI Credit Cards**

- A. Lifestyle Cards
- B. Reward Cards
- C. Shopping Cards
- D. Travel & Fuel Cards
- E. Banking Partnership Cards
- F. Business Cards

### **National Pension Scheme (NPS) and Atal Pension Yojana (APY)**

All branches of SBI are authorized for opening NPS account under national pension scheme.

State Bank of India (SBI) allows one to register for the Atal Pension Yojana scheme that provides the subscriber to earn a pension every month after reaching the age of 60 years. Under SBI Atal Pension Yojana scheme, the subscriber is free to select a pension amount of his choice on the basis of which the monthly contribution is determined.

## Demat Account

The bank convert the physical holding of securities (backed by physical share certificates) of their customers to electronic balances held in a demat account. The customer can have securities balances either by converting their existing physical certificates, or by buying them in dematerialized form. NRIs who wish to invest in shares, bonds, debentures of Indian companies can opt for the demat facility with SBI. The ability to reach rural areas, strong research and advisory, online trading platform, a wide range of investment options, and local customer service are the benefits of SBI demat accounts.

In addition to the above cross-selling products and services, SBI also provided factoring, venture capital and leasing services through its various subsidiaries. SBI has deployed a dedicated Strategic Business Unit for lease financing that is richly experienced in arranging lease contracts for procuring expensive equipment for customers' project or plant. SBI arrange lease agreements as standalone contracts or as part of a structured package. SBI Global Factors Ltd (SBIGFL) provides domestic and export factoring services under one roof.

### 3.13.1.3 Income Earned by SBI from Cross-selling Business

**Table 3.2**

*Commission Earned by SBI from Cross-selling Business*

Year	Amount (Rs.in crore)
2012-13	274.00
2013-14	282.00
2014-15	388.28
2015-16	489.04
2016-17	914.74
2017-18	1631.24
2018-19	1927.26
2019-20	2030.35
2020-21	2175.00
2021-22	2807.95

*Source: Annual reports of SBI, various issues*

The table 3.2 exhibits the commission earned by SBI from cross-selling business for the period from 2012-13 to 2021-22. It is clear from the table that there is a tremendous growth in the commission earned by SBI from cross-selling business for the last 10 years, the commission from cross-selling business increased from Rs.274.00 crores in 2012-13 to Rs.2807.95 crores in 2021-22.

**Table 3.3**

*Commission Earned by SBI from SBI Life Insurance*

<b>Year</b>	<b>Amount (Rs.in crore)</b>
2015-16	337.18
2016-17	575.97
2017-18	714.75
2018-19	951.90
2019-20	1117.65
2020-21	1240.00
2021-22	1567.50

*Source: Annual reports of SBI, various issues*

The above table displays the commission earned by SBI from SBI life insurance for the period of seven years from 2015-16 to 2021-22. It is observed from the table that commission from SBI life insurance has grown from Rs.337.81 crores in 2015-16 to Rs.1567.50 crores in 2021-22.

**Table 3.4**

*Commission Earned by SBI from SBI Mutual Fund*

<b>Year</b>	<b>Amount (Rs.in crore)</b>
2015-16	61.91
2016-17	185.24
2017-18	560.51
2018-19	503.00
2019-20	376.45
2020-21	464.00
2021-22	741.84

*Source: Annual reports of SBI, various issues*

Table 3.4 shows the commission received by SBI from SBI Mutual Fund for the period of seven years from 2015-16 to 2021-22. It is clear from the table that commission earned from SBI mutual fund increased from Rs.61.91 crores in 2015-16 to Rs.560.51crores in 2017-18. The following two years i.e. 2018-19 and 2019-20 shows a decreasing trend in the commission earned. Thereafter, in the year 2020-21 and 2021-22 the amount shows an increasing trend.

**Table 3.5**

*Commission Earned by SBI from SBI General Insurance*

<b>Year</b>	<b>Amount (Rs.in crore)</b>
2015-16	73.09
2016-17	125.97
2017-18	212.57
2018-19	270.86
2019-20	314.53
2020-21	327.00
2021-22	319.00

*Source: Annual reports of SBI, various issues*

The above table demonstrates the commission earned by SBI from SBI general insurance for the period of seven years from 2015-16 to 2021-2022. Commission earned by SBI from SBI general insurance has increased for the last six years, the amount increased from Rs.73.09 crores in 2015-16 to Rs.327.00 crores in 2020-21. But in the year 2021-22, the amount decreased to Rs. 319.00 crores.

**Table 3.6**

*Commission Earned by SBI from SBI Cards*

<b>Year</b>	<b>Amount (Rs.in crore)</b>
2015-16	16.25
2016-17	25.13
2017-18	135.83
2018-19	190.69
2019-20	211.95
2020-21	135.00
2021-22	199.61

*Source: Annual reports of SBI, various issues*

The table 3.6 exhibits the commission earned by SBI from credit cards for the period of six years from 2015-16 to 2021-22. It is observed from the table that there is a tremendous growth in the commission earned by SBI from credit card for the period from 2015-16 to 2019-20. But in the year 2020-21, the amount decreased to Rs.135 crores. Further in the year 2021-22, the amount again increased to Rs.199.61 crores.

**Table 3.7**

*Commission Earned by SBI from SBI Cap Securities Service Limited (SSL)*

<b>Year</b>	<b>Amount (Rs.in crore)</b>
2016-17	2.43
2017-18	5.14
2018-19	6.70
2019-20	4.74
2020-21	3.00
2021-22	5.06

*Source: Annual reports of SBI, various issues*

The above table exhibits the commission earned by SBI from SBI Cap Securities Service Limited (SSL) for the last six years from 2016-17 to 2021-22. The commission from SBI Cap Securities Service Limited (SSL) increased from Rs.2.43 crores in 2016-17 to Rs.6.70 crores in 2018-19. The following two years i.e., 2019-20 and 2020-21, the amount shows a decreasing trend. In the next year i.e., 2021-22, the commission again increased to Rs.5.06 crores.

**Table 3.8**

*Commission Earned by SBI from National Pension System (NPS)*

<b>Year</b>	<b>Amount (Rs.in crore)</b>
2017-18	2.44
2018-19	4.11
2019-20	5.03
2020-21	6.00
2021-22	10.00

*Source: Annual reports of SBI, various issues*

The table 3.8 illustrates the commission earned by SBI from National Pension System (NPS) for the last five years from 2017-18 to 2021-22. The table revealed that commission from NPS increased from Rs. 2.44 crores in 2017-18 to Rs. 10.00 crores in 2021-22.

### **3.13.2 Punjab National Bank**

Punjab National Bank (PNB) is the first Indian bank that has started solely with Indian capital which is owned, managed and operated by the Indians for the benefit of the Indians. It was established in 1894, headquartered in New Delhi, India. PNB is the second largest public sector bank in India after SBI in terms of business and its network.

The Bharat Bank Ltd (1951), Universal Bank of India (1961), Indo-commercial Bank (1962), Hindustan Commercial Bank (1986), New Bank of India (1993), Nedungadi Bank (2003) were acquired by the PNB. Recently i.e., on 1<sup>st</sup> April 2020 Oriental Bank of Commerce and United Bank of India were merged with PNB. With this merger, Punjab National Bank became the second largest public sector bank in India in terms of its network.

#### **Vision**

To position PNB as the ‘most preferred ‘for customers, ‘the ‘best place to work in, for employees and a ‘benchmark of excellence ‘for the industry’.

#### **Mission**

“Creating value for all its customers, investors and employees for being the first choice for all stakeholders”.

#### **3.13.2.1. Cross-selling Practices of Punjab National Bank**

PNB, the second largest public sector bank in India cross-sell diversified products and services to its customers through its extensive network of bank branches. The bank has entered into a distribution agreement with various insurance companies and Asset Management Companies (AMC) to serve the growing financial needs of its

customers. Presently, the bank is well positioned to cross-sell and up-sell a wide range of financial products and services to its customers (Punjab National Bank, 2018). Cross-selling products offered by the PNB include life insurance, general insurance, mutual funds, credit cards, demat services, etc.

PNB acts as a corporate agent of PNB MetLife Insurance Company Ltd, Life Insurance Corporation of India (LIC) and Canara HSBC OBC Life Insurance Company Ltd for distributing life insurance policies (FY 2021-22). Presently, the bank is continuing tie-up with only two companies they are PNB MetLife India Insurance Co. Ltd (PMLI) and Life Insurance Corporation of India (LIC) (Punjab National Bank, 2022).

Under non life insurance, the bank has tied up with Oriental Insurance Company Ltd (OICL), The New India Assurance Company Ltd (Arrangement discontinued since 01/04/2020), Bajaj Allianz General Insurance Co. Ltd. (BAGIC), Cholamandalam MS General Insurance Co. Ltd. (CHOLA) Care Health Insurance Co. Ltd. (CHICL) Star Health & Allied Insurance Co. Ltd. (SHICL) for distributing non-life insurance policies (Punjab National Bank, 2022).

The bank is marketing and distributing mutual fund products of LIC Mutual Fund Asset Management Ltd, UTI Asset Management Company Ltd, Nippon Life Asset Management Company Ltd (Formerly known as Reliance Nippon Life Asset Management Limited) and Tata Asset Management Ltd (The bank has terminated its agreement with Tax Asset Management Ltd with effect from 03<sup>rd</sup> July 2020), Aditya Birla Sun Life Asset Management Ltd, Sundaram Asset Management Pvt. Ltd (previously known as Principal Asset Management Pvt. Ltd), DSP Investment Managers Pvt. Ltd, Franklin Templeton Asset Management (India) Pvt. Ltd. FISDOM is also providing MF Aggregator and Robo-Advisory services to existing eOBC customers on revenue sharing basis (Punjab National Bank, 2022).

As of 31 March 2021, the bank holds a leading position in the industry with 334 lakhs credit card customers. Recently, PNB has established a wholly owned subsidiary called PNB Cards and Services Ltd to manage its credit card business, which is incorporated on 16<sup>th</sup> March 2021 with authorized capital of Rs.25 crores and



paid up capital of Rs.15 crores (Desk, 2021). The subsidiary will undertake the non financial support services to credit card business of the bank (Business Standard, 2021). Instademat facility to open demat account instantly through digital channel was launched in collaboration with NSDL in September 2020. Since July 2020, PNB has set up 57 Customer Acquisition Centres (CACs) at major locations & 21 Government Business Vertical Centres (GBVs) at state capitals across India (Punjab National Bank, 2022). The main objective behind this is to give focused approach to generate bulk business through strategic tie ups with existing/new corporate/institutional/ govt./defense & PSU clients, by exploring cross sell/up sell bouquet of various bank products, third party products (TPP). Moreover, this structure also focuses on deepening relationship with HNI/NRI clients by exploring up sell/cross-sell opportunities (Punjab National Bank, 2022).

### **3.13.2.2. Cross-selling products and services offered by PNB**

Following are the cross-selling products and services offered by PNB.

#### **Life Insurance**

- A. PNB Metlife Insurance
- B. Life Insurance Corporation of India

#### **Health insurance (General& Standalone Health Insurance)**

- A. Health Individual
- B. Health – Group (Employer-Employee only) – Annual
- C. Health – Group (credit linked upto 5 years formed solely for availing insurance as defined in IRDA Group Guidelines of 14th July, 2005 Annual
- D. Health – Group (credit linked upto 5 years)
- E. Health – Govt. Scheme

#### **General Insurance (other than Motor Insurance)**

- A. Fire – Retail
- B. Fire – Corporate (Risks with SI < Rs.2,500 crores)

- C. Fire – Corporate (Risks with SI > Rs.2,500 crores)
- D. Marine – Cargo
- E. Marine – Hull
- F. Miscellaneous – Retail
- G. Miscellaneous – Corporate / Group
- H. Miscellaneous – Corporate (Engineering Risks with SI > Rs.2,500 crores)

### **Motor Insurance**

- A. Motor (Comprehensive)
- B. Motor (Stand-alone TP)

### **Mutual Funds**

- A. LIC Mutual Fund Asset Management Ltd.
  - ✓ Equity Funds
  - ✓ Debt Funds
  - ✓ Hybrid Funds
  - ✓ ETFs & Index Funds
  - ✓ Solution Oriented Funds
- B. Aditya Birla Sun Life Mutual Fund
- C. Sundaram Asset Management Co. Ltd
- D. UTI Asset Management Company Limited.
- E. Nippon Life India Asset Management Limited (Formerly known as Reliance Nippon Life Asset Management Limited)
- F. Tata Asset Management Ltd.

### **Credit Cards**

- A. PNB Wave & Pay Credit Card
- B. PNB Visa Signature Card
- C. PNB Visa Platinum Card
- D. PNB Visa Gold Card
- E. PNB Visa Classic Card

- F. PNB Rakshak Rupay Select Card
- G. PNB Rakshak Rupay Platinum Card
- H. PNB Rupay Millennial Card
- I. PNB Rupay Select Card
- J. PNB Rupay Platinum Card

### **Demat Account**

PNB as Depository Participant (DP) of NSDL and CDSL provides their customers depository services with a secure and convenient way for holding customers' securities through all branches of bank (Punjab National Bank).

The bank offers following services.

- Opening of demat account
- Dematerialization
- Rematerialization
- Settlement of trades settlement of off-market trades
- Electronic credit in respect of securities allotted under IPO
- Receiving non-cash corporate benefits, such as allotment of bonus and rights Shares, stock split, etc.
- Pledging/un-pledging of securities
- Providing periodical statement of transactions (Punjab National Bank)

### **National Pension Scheme (NPS) and Atal Pension Yojana (APY)**

PNB has launched National Pension System (NPS) through all its branches. PNB is registered as point of presence (POP) and all bank branches will act as point of presence-branches (POP-SP) for assisting the individuals for operating NPS.

Punjab National Bank allows its customers to subscribe to the Atal Pension Yojana, which offers a guaranteed pension.

Apart from the above cross-selling products and services, Punjab National Bank has entered into factoring business through the joint venture route.

### **3.13.2.3. Income Earned by PNB from Cross-selling Business**

**Table 3.9**

*Income Earned by PNB from Cross-selling Life Insurance*

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<b>Year</b>	<b>Amount (Rs.in crore)</b>
2012-13	37.75
2013-14	46.28
2014-15	59.74
2015-16	86.47
2016-17	110.19
2017-18	143.91
2018-19	177.60
2019-20	181.26
2020-21	276.22
2021-22	294.00

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*Source: Annual reports of PNB, various issues*

The above table shows the income earned by PNB from cross-selling life insurance for the last 10 years from 2012-13 to 2021-22. There is a tremendous growth in the income earned by PNB for the last 10 years. The income from cross-selling life insurance has increased from Rs.37.75 crores in 2012-13 to Rs.294.00 crores in 2021-22.

**Table 3.10***Income Earned by PNB from Cross-selling General Insurance*

<b>Year</b>	<b>Amount (Rs. in crore)</b>
2012-13	15.89
2013-14	20.30
2014-15	21.87
2015-16	24.51
2016-17	28.23
2017-18	35.71
2018-19	51.44
2019-20	59.69
2020-21	92.65
2021-22	101.00

*Source: Annual reports of PNB, various issues*

The table 3.10 presents the income earned by PNB from cross-selling general insurance for the last 10 years from 2012-13 to 2021-22. The income earned by PNB from cross-selling general insurance has increased from Rs.15.89 crores in 2011-12 to Rs.101 crores in 2020-21.

**Table 3.11***Income Earned by PNB from Cross-selling Mutual Funds*

<b>Year</b>	<b>Amount (Rs.in crore)</b>
2012-13	1.97
2013-14	2.05
2014-15	3.62
2015-16	3.38
2016-17	3.59
2017-18	6.44
2018-19	3.43
2019-20	2.22
2020-21	3.81
2021-22	5.72

*Source: Annual reports of PNB, various issues*

The table 3.11 exhibits the income earned by PNB from cross-selling mutual funds for the last 10 years from 2012-13 to 2021-22. The income earned by PNB from cross-selling mutual funds has increased from Rs.1.97 crores in 2012-13 to Rs.3.62 crores in 2014-15. In the next year, the amount decreased to Rs.3.38 crores. Thereafter, the amount shows an increasing trend and reached to Rs.6.44 crores in the year 2017-18. In the next two years, the amount again shows a decreasing trend and reached to Rs.2.22 crores in the year 2019-20. The amount again increased to Rs.3.81 crores in the year 2020-21. In the year 2021-22, the amount again increased to Rs.5.72 crores.

**Table 3.12**

*Income Earned by PNB from Cross-selling Credit Cards*

<b>Year</b>	<b>Amount (Rs.in crore)</b>
2015-16	0.52
2016-17	1.40
2017-18	24.56
2018-19	47.33
2019-20	59.97

*Source: Annual reports of PNB, various issues*

The table 3.12 displays the income earned by PNB from cross-selling credit cards for the periods from 2015-16 to 2019-20. The table discloses that there is a tremendous growth in the income earned by PNB from cross-selling credit cards business, the amount has increased from Rs.0.52 crore in 2015-16 to Rs.59.77 crores in 2019-20.

### **3.13.3. ICICI Bank**

ICICI bank was established by Industrial Credit and Investment Corporation of India (ICICI) as a new generation private sector bank in the year 1994. ICICI bank is the country's largest private sector bank with consolidated asset of Rs.17,526.37 billion and profit after tax of Rs.233.39 billion as on 31<sup>st</sup> March 2022. Its headquarters is in Mumbai, Maharashtra. It is the first Indian bank to be listed in the New York

Stock Exchange (NYSE) with UG GAAP accounting. In the 1990's with the liberalization of Indian financial service sector, ICICI bank transformed its business from a development financial institution offering only project finance to a diversified financial service provider along with its subsidiaries and other group companies (ICICI Bank). In 2001, the board of directors of ICICI and ICICI bank approved the amalgamation of ICICI and two of its wholly owned retail finance subsidiaries, ICICI personal financial service ltd and ICICI capital service ltd with ICICI bank (ICICI Bank).

### **Vision**

To be the trusted financial service provider of choice for our customers, thereby creating sustainable value for our stakeholders (ICICI Bank, 2020).

### **Mission**

- To grow one risk-calibrated core operating profit by:-delivering products and services that create value for customers.
- Bringing together all one capabilities to seamlessly meet customer needs.
- Conducting our business well- defined risk tolerance levels (ICICI Bank, 2020).

#### **3.13.3.1. Cross-selling Practices of ICICI Bank**

ICICI bank offer various diversified financial products and services to retail, SME and corporate customers through its extensive network of branches. It acts as a distributor of third parties for mutual funds and also acts as a corporate agent of ICICI Prudential Life Insurance Company Limited and ICICI Lombard General Insurance Company. The bank offers various cross-selling products like life insurance, non life insurance, mutual funds, credit cards, demat services and other financial products and services to its customers through its various subsidiaries (Shimin & Habeeburahiman, 2021).

### **3.13.3.2. Cross-selling Products and Services of ICICI Bank**

Following are the cross-selling products and services offered by the ICICI bank to their customers.

#### **Life Insurance**

- A. ICICI Pru i Protect Smart Term Insurance
- B. ICICI Pru Heart/ Cancer Protect
- C. ICICI Pru Guaranteed Pension Plan
- D. Pradhan Mantri Jeevan Jyothi Bima Yojan (PMJJBY)

#### **Non Life Insurance**

- A. Health Insurance
  - ✓ Senior Citizen Health Insurance
  - ✓ Group Health Insurance
- B. Motor Insurance
  - ✓ Car Insurance
  - ✓ Two Wheeler Insurance
- C. Travel Insurance
  - ✓ Single Round Trip Plan
  - ✓ Multi Trip Plan

#### **Mutual Funds**

- A. Equity Funds
- B. Debt Funds
- C. Hybrid funds

#### **Credit Cards**

- A. Travel
- B. Lifestyle
- C. Fuel Payment
- D. Sports



### **Demat Account**

ICICI offers trading and demat account services for more than 20 years. The ICICI Direct Demat Account is a digital platform that allows the investor to invest in both the domestic and worldwide markets. The investor can trade stocks, mutual funds, fractional shares, and a variety of other assets. ICICI direct demat account provides market knowledge to assist the investor in investing, as well as the ability to trade fractional shares of the worldwide market. As of 20<sup>th</sup> June 2021, ICICI bank demat services boasts of an ever-growing customer base of more than 50 lakhs customers (ICICI Bank).

### **National Pension Scheme (NPS) and Atal Pension Yojana (APY)**

The Pension Fund Regulatory and Development Authority (PFRDA) has appointed ICICI bank as a Point of Presence (POP) for the National Pension Scheme (NPS) (ICICI Bank). In other words, ICICI bank is authorized to collect NPS subscriptions from investors (Chaluvadi, 2023). ICICI bank has announced the launch of online facility for opening National Pension System account. The Customers of ICICI bank can register for NPS through their internet banking account. This new facility will improve customer's convenience.

ICICI bank is registered with PFRDA to provide APY related services to its customers (ICICI Bank). Apart from these cross-selling products and services, bank also provide factoring and venture capital services. ICICI Bank's factoring performs an important trade finance service by helping customers to convert their receivables into cash, thus helping them to tide over constraints of cash flow and working capital. Factoring relies on the financial strength, credit worthiness of the customers (Slide Share, 2014). Customers' account receivables in the form of invoices and bills are purchased by ICICI bank at a discount. Thus, the onus of collection too falls on ICICI bank and hence the customers can focus their attention and effort on the growth of their business. Domestic factoring – (discounting of non-LC backed domestic invoices/ bills) Export factoring (discounting of non-LC backed export invoices/bills) are the services provided by ICICI bank. ICICI bank has recently launched iStartup 2.0, a comprehensive package of services for the young or inexperienced

entrepreneurs to meet all of their investment and spending requirements, in order to develop a fully viable start-up, using industry specific solutions.

### **3.13.3.3. Income Earned by the ICICI Bank from Cross-selling Business**

**Table 3.13**

*Income Earned by ICICI Bank from Cross-selling Life Insurance Policies*

<b>Year</b>	<b>Amount (Rs.in Million)</b>
2012-13	3786.60
2013-14	4786.50
2014-15	6325.70
2015-16	7667.70
2016-17	9644.20
2017-18	8821.10
2018-19	9792.30
2019-20	8499.90
2020-21	6,363.90
2021-22	5775.80

*Source: Annual reports of ICIC bank, various issues*

The table 3.13 exhibits the income earned by ICICI bank from cross-selling life insurance policies for the last 10 years from 2012-13 to 2021-22. Income earned by ICICI bank from cross-selling life insurance policies has increased from Rs.3786.60 million to Rs.9644.20 million in 2016-17. In 2017-18, the amount decreased to Rs.8821.10 million. In the next year i.e., in 2018-19, the amount increased to Rs.9792.30 million. Thereafter, the amount shows a decreasing trend and reached to Rs.5775.80 million in 2021-22.

**Table 3.14***Income Earned by ICICI Bank from Cross-selling Non -Life Insurance Policies*

<b>Year</b>	<b>Amount (in Million)</b>
2012-13	466.00
2013-14	539.50
2014-15	678.20
2015-16	735.10
2016-17	888.90
2017-18	1133.50
2018-19	1382.80
2019-20	1772.50
2020-21	1,152.30
2021-22	901.90

*Source: Annual reports of ICICI bank, various issues*

The table 3.15 displays the income earned by ICICI bank from cross-selling non-life insurance policies for the period of 10 years from 2012-13 to 2021-22. There is a tremendous growth in the income earned by ICICI bank from cross-selling non-life insurance policies until 2019-20. The income has increased from Rs.466.00 million in 2012-13 to Rs.1772.50 million in 2019-20. Thereafter, the amount shows a decreasing trend and reached to Rs.901.90 million in 2021-22.

**Table 3.15***Income Earned by ICICI Bank from Cross-selling Mutual fund/Collective Investment Scheme Products*

<b>Year</b>	<b>Amount (in Million)</b>
2011-12	693.10
2012-13	1004.30
2013-14	1371.40
2014-15	2426.60

<b>Year</b>	<b>Amount (in Million)</b>
2015-16	1794.50
2016-17	2681.30
2017-18	4999.50
2018-19	3156.70
2019-20	1548.80
2020-21	1,997.60

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*Source: Annual reports of ICICI bank, various issues*

The above table shows the income earned by ICICI bank from cross-selling mutual fund/collective investment scheme products for the last 10 years from 2011-12 to 2020-21. Income earned by ICICI bank from cross-selling mutual fund/collective investment scheme products has increased from Rs.693.10 million in 2011-12 to Rs.2426.60 million in 2014-15. Thereafter, it decreased to Rs.1794.50 million in 2015-16. In the next two years the amount shows an increasing trend and it has risen to Rs.4999.50 million in 2017-18. Then it again shows a declining trend and reached to Rs.1548.80 million in 2019-20. In the next year (2020-21), the amount again increased to Rs.1997.60 million.

#### **3.13.4. HDFC Bank**

HDFC bank is an Indian financial service company incorporated on August 1994 by the name of HDFC Bank Ltd. HDFC bank commenced its operations as a scheduled commercial bank in 1995. HDFC Bank Ltd was the first bank which received ‘in principle’ approval from the Reserve Bank of India (RBI) to set up a bank in the private sector as a part of RBI’s liberalization policy of Indian banking sector (HDFC Bank). It was promoted by a leading housing finance company, Housing Development Finance Corporation Limited of India. Its registered office is in Mumbai, India.

#### **Vision, Mission and Values**

HDFC banks’ mission is to be a world class Indian bank. We have a two-fold objective. First, to be the preferred provider of banking services for target retail and

wholesale customer segments. The second objective is to achieve healthy growth in profitability, consistent with the bank's risk appetite (HDFC Bank).

The bank is committed to maintain the highest level of ethical standards, professional integrity, corporate governance and regulatory compliance. HDFC bank's business philosophy is based on five core values: operational excellence, customer focus, product leadership, people and sustainability (HDFC Bank).

#### **3.13.4.1. Cross-selling Practices of HDFC Bank**

HDFC Bank, the largest private sector bank (by balance sheet size) (HDFC Bank, 2022) in India act as an one stop shop financial service provider by offering comprehensive range of financial products and services both directly and through its subsidiaries and other companies (Shimin & Habeeburahiman, 2021) to meet the diverse needs of around 7.1 crore plus customers (as on 31<sup>st</sup> March 2022) of the bank. It engages with its customers through a myriad of delivery channels made to expand the bank's offerings in response to changing customers' needs and preferences. HDFC Bank cross- sell various products like life insurance, general insurance, health insurance, mutual funds (commonly referred as third party products), credit cards, demat services, etc. to their customers.

The open architecture adopted by the bank for immense distribution with eight insurance providers was strengthened by leveraging more branches and expanding the product portfolio. HDFC Bank acts as a corporate agent of HDFC Life Insurance Company Ltd (earlier known as HDFC Standard Life Insurance Company Ltd.), TATA AIA Life Insurance Company Ltd and Aditya Birla Sun Life Insurance Company Ltd for marketing life insurance products. The bank acts as a corporate agent of HDFC Ergo General Insurance Company Ltd, Bajaj Allianz General Insurance Company Ltd and Bharati AXA General Insurance Company Ltd. Under health insurance, the bank acts as a corporate agent of HDFC Ergo Health Insurance Company Ltd, Aditya Birla Health Insurance Company Ltd and Max Bupa Health Insurance Company Ltd. for marketing non life insurance products.

HDFC Bank is a leading player in credit card business with 1.65 crore credit card holders as on 31<sup>st</sup> March, 2022. HDFC Bank distributes mutual funds of HDFC Asset Management Company Ltd. that act as a leading cross-seller of mutual fund products.

#### **3.13.4.2. Cross-selling Products and Services Offered by HDFC Bank**

Cross-selling products and services offered by HDFC bank is listed below.

##### **Life Insurance**

- A. Protect Life (Term)
- B. Secure Childrens Future
- C. Protect Life And Grow Wealth
- D. Protect Life And Plan For Retirement

##### **Health & Accident Insurance**

- A. Mediclaim
- B. Critical Illness
- C. Personal Accident
- D. Super Top –up (Health)

##### **Vehicle Insurance**

- A. Private Car Insurance
- B. Two-wheeler Insurance
- C. Commercial Vehicle Insurance

##### **Travel Insurance**

- A. Single trip and Multi-trip Travel Insurance
- B. Student Travel Insurance

##### **Mutual Funds**

- A. Aditya Birla Sun Life Mutual Fund
- B. Axis Mutual Fund

- C. Baroda Mutual Fund
- D. BNP Paribas Mutual Fund
- E. BOI Axa Mutual Fund
- F. Canara Robeco Mutual Fund
- G. DSP Mutual Fund
- H. Edelweiss Mutual Fund
- I. Navi Mutual Fund
- J. Franklin Templeton Mutual Fund
- K. HDFC Mutual Fund
- L. HSBC Mutual Fund
- M. IDBI Mutual Fund
- N. IDFC Mutual Fund
- O. India Bulls Mutual Fund
- P. Invesco India Mutual Fund
- Q. JM Financial Mutual Fund
- R. Kotak Mutual Fund
- S. LIC Mutual Fund
- T. L&T Mutual Fund
- U. Mahindra Mutual Fund
- V. Mirae Asset Mutual Fund
- W. Motilal Oswal Mutual Fund
- X. Nippon India Mutual Fund
- Y. PGIM Mutual Fund
- Z. Principal Mutual Fund
- AA. ICICI Prudential Mutual Fund
- BB. SBI Mutual Fund
- CC. Sundaram Mutual Fund
- DD. Tata Mutual Fund
- EE. Taurus Mutual Fund
- FF. UTI Mutual Fund
- GG. Union Mutual Fund

### **Credit Cards**

- A. Super Premium
- B. Diners Club Black Credit Card
- C. INFINIA Metal Edition
- D. Lifestyle
- E. Entertainment
- F. Travel
- G. Fuel
- H. EMI
- I. Business
- J. Other Credit Cards

### **Commercial Credit Cards**

- A. Corporate Credit Cards
- B. Purchase Solutions

### **Demat Account**

HDFC began offering the demat account in the year 2000 and was the second largest full-service broker in India. It allows the investor to trade digitally. It is the best option for an offline advice feature. HDFC Securities Demat Account is a one-stop-shop for all trading needs (Navi, 2023). The investor can trade Indian and international equities, as well as get customer service 24 hours a day, seven days a week.

### **National Pension Scheme (NPS) and Atal Pension Yojana (APY)**

The customer can invest in HDFC NPS online through the website of the bank and also they can invest in the NPS scheme offline through the authorized branches of HDFC bank. HDFC bank also provides leasing, venture capital and factoring services to their customers. Under factoring solutions, HDFC bank would purchase a pool of receivables or a set of identified receivables from the company (HDFC Bank) and receivables may be purchased with specified margins.



HDFC bank is registered with PFRDA to provide APY related services to their customers.

### 3.13.4.3. Income Earned by HDFC Bank from Cross-selling Business

**Table 3.16**

*Income Earned by HDFC Bank from Cross-selling Life Insurance Policies*

<b>Year</b>	<b>Amount (Rs. in crores)</b>
2011-12	453.63
2012-13	469.21
2013-14	337.56
2014-15	454.01
2015-16	661.75
2016-17	789.35
2017-18	1192.34
2018-19	1473.37
2019-20	2182.76
2020-21	2748.34

*Source: Annual reports of HDFC bank, various issues*

The table 3.16 discloses the income earned by HDFC bank from cross-selling life insurance policies for the period of 10 years from 2011-12 to 2020-21. Income earned by HDFC bank from cross-selling life insurance has increased from Rs.453.63 crores in 2011-12 to Rs.2748.34 crores in 2020-21.

**Table 3.17**

*Income Earned by HDFC Bank from Cross-selling General Insurance Policies*

<b>Year</b>	<b>Amount (Rs.in crores)</b>
2011-12	109.50
2012-13	125.47
2013-14	116.69
2014-15	137.07
2015-16	156.13

<b>Year</b>	<b>Amount (Rs.in crores)</b>
2016-17	157.58
2017-18	203.43
2018-19	222.68
2019-20	272.25
2020-21	398.89

*Source: Annual reports of HDFC bank, various issues*

The table no 3.17 shows the income earned by HDFC bank from cross-selling general insurance policies for the period of 10 years from 2011-12 to 2020-21. Income has increased from Rs.109.50 crores in 2011-12 to Rs.125.47 crores in 2012-13. In the next year, the amount decreased to Rs.116.69 crores. From the next year (2014-15) onwards, income earned by HDFC bank from cross-selling general insurance shows an upward trend and the amount reached to Rs.398.89 crores in 2020-21.

**Table 3.18**

*Income Earned by HDFC Bank from Cross-selling Third Party Products*

<b>Year</b>	<b>Amount (Rs.in crore)</b>
2016-17	1381.00
2017-18	2091.00
2018-19	2200.00
2019-20	2817.00
2020-21	3573.00
2021-22	4422.00

*Source: Annual reports of HDFC bank, various issues*

The table no 3.18 shows the income earned by HDFC Bank from cross-selling third party products (life insurance, general and health insurance and mutual funds) for the period of six years from 2016-17 to 2021-22. Income from this business grew from Rs. 1381.00 crores in 2016-17 to Rs.4422.00 crores in 2021-22.

**Table 3.19**

*Credit Card Holders of HDFC Bank for the Last 10 Years*

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<b>Year</b>	<b>No. of credit card holders (in crore)</b>
2012-13	0.56
2013-14	0.64
2014-15	0.51
2015-16	0.60
2016-17	0.73
2017-18	1.07
2018-19	1.25
2019-20	1.45
2020-21	1.49
2021-22	1.65

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*Source: Annual reports of HDFC bank, various issues*

The above table shows the credit card holders of HDFC Bank for the last 10 years from 2012-13 to 2021-22. There is a tremendous growth in the credit card holders of HDFC Bank for the last 10 years. Credit card holders have increased from Rs.0.56 crores in 2012-13 to Rs.1.65 crores in 2021-22.

### **3.14. Conclusion**

The present chapter provided a brief account of theoretical framework about cross-selling practices in Indian banking sector. It covered history of Indian banking sector and structure of Indian banking sector, also a detailed picture about cross-selling practices of banks which include concept of cross-selling, meaning and definition of cross-selling, global perspective of cross-selling practices, cross-selling practices in Indian banking sector, scope of cross-selling in Indian banking sector, reason for banks entering into cross-selling practices, benefits of cross-selling to various parties, cross-selling products and services offered by the banks are briefly discussed. This chapter also presented a detailed explanation of the cross-selling

practices of selected public and private sector banks and the cross-selling products and services of these banks. The next chapter analyses the cross-selling practices from the customers' perspective.

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Chapter IV

**ASSESSMENT OF CROSS-SELLING  
PRACTICES FROM CUSTOMERS'  
PERSPECTIVE**

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#### **4.1. Introduction**

In this era of intense competition, perception of customers has recently become a principle competitive weapon for attaining a sustainable competitive advantage. Perception is the process by which an individual selects, organizes and interprets stimuli to make a meaningful and coherent picture of the world. Customer perception refers to customers' opinions, feelings and beliefs about a business and its brand, along with its products and services. This plays an important role in strengthening customer loyalty and retention as well as brand reputation and awareness. The perception of customers towards the company's image and its products and services also influence their buying behavior. The perception of customers about bank is formed by their evaluation of the quality of services provided by the bank and their satisfaction with the overall services provided by the bank. Here, customer perception is the collection and interpretation of sensory information about the bank's cross-selling practices and its cross-selling products and services. It tells about the overall picture of the cross-selling practices of the banks. If the customers have positive perception about the bank and its products and services, they are more likely to cross-buy from the bank. Similarly, a negative perception may losses the trust of the customers and may lead to customer attrition. Hence, it is essential to keep a close eye on customer perception as it influences cross-buying intention, customer satisfaction, customer loyalty and customer retention.

In this chapter, an attempt has been made to analyse the cross-selling practices from customers' perspective by covering various aspects such as awareness of customers about cross-selling products and services, sources of information about

cross-selling products and services, factors motivated the customers to buy cross-selling products and services from their existing bank, their perception about cross-selling practices and cross-selling benefits, their satisfaction about cross-selling practices and problems faced by them while or after buying cross-selling products and services. Moreover, product wise analysis regarding life insurance, general insurance, mutual funds and credit cards are included in this chapter. The researcher also made an attempt to analyse the perception of customers on the basis of their demographic features such as gender, age, education, occupation, marital status, monthly income and region. Sector-wise analysis was also conducted to compare the perception of customers of public sector and private sector banks. In order to fulfill these objectives, primary data were collected from 480 customers by using a structured questionnaire. The collected data were analysed by employing various mathematical and statistical tools like percentages, averages, factor analysis, independent sample t-test, one way ANOVA and correlation.

The present chapter is divided into two sections namely Section A and Section B. Section A deals with the profile of the respondents and section B deals with the perception of customers about cross-selling practices.

## **Section A**

### **4.2. Profile of Sample Respondents**

The sample respondents of the study consist of 480 customers from the four selected banks. The table 4.1 and 4.2 illustrates the sector-wise classification of number of sample respondents and their demographic profile.

#### **4.2.1. Number of Sample Respondents**

Table 4.1 exhibits the number and percentage of customers selected from four selected banks.

**Table 4.1**

*Number of Sample Respondents*

Sector	Name of the bank	Number	Percent
Public	State Bank of India	120	25.0
	Punjab National Bank	120	25.0
	<b>Total</b>	<b>240</b>	<b>50.0</b>
Private	ICICI Bank	120	25.0
	HDFC Bank	120	25.0
	<b>Total</b>	<b>240</b>	<b>50.0</b>
<b>Grand Total</b>		<b>480</b>	<b>100</b>

*Source: Survey Data*

It is observed from the table that out of 480 respondents, 50% of the respondents were the customers of public sector banks (120 customers each from SBI and PNB) and remaining are from the private sector banks (120 customers each from ICICI bank and HDFC bank).

#### **4.2.2. Demographic Profile of the Respondents**

Table 4.2 depicts the demographic profile of the sample respondents. The important variables such as gender, age, educational qualification, occupation, marital status, monthly income and region are included in this study. The profile of the respondents of public sector and private sector banks are shown separately.

**Table 4.2**

*Demographic Profile of the Respondents*

Variables	Public Sector		Private Sector		Total		
	Number	Percent	Number	Percent	Number	Percent	
<b>Gender</b>	Male	189	78.8	181	75.4	370	77.1
	Female	51	21.3	59	24.6	110	22.9
	<b>Total</b>	<b>240</b>	<b>100</b>	<b>240</b>	<b>100</b>	<b>480</b>	<b>100</b>
<b>Age</b>	Less than 30	42	17.5	81	33.8	123	25.6
	31-40	109	45.4	91	37.9	200	41.7
	41-50	70	29.2	44	18.3	114	23.8
	Above 50	19	7.9	24	10	43	9
	<b>Total</b>	<b>240</b>	<b>100</b>	<b>240</b>	<b>100</b>	<b>480</b>	<b>100</b>

Variables	Public Sector		Private Sector		Total		
	Number	Percent	Number	Percent	Number	Percent	
<b>Education</b>	Below SSLC	3	1.3	2	0.8	5	1
	SSLC	11	4.6	13	5.4	24	5
	Plus two	28	11.7	27	11.3	55	11.5
	Graduate	119	49.6	111	46.3	230	47.9
	Postgraduate	48	20	53	22.1	101	21
	Professional	31	12.9	34	14.2	65	13.5
	<b>Total</b>	<b>240</b>	<b>100</b>	<b>240</b>	<b>100</b>	<b>480</b>	<b>100</b>
<b>Occupation</b>	Govt. Employee	64	26.7	38	15.8	102	21.3
	Private sector Employee	78	32.5	92	38.3	170	35.4
	Business	26	10.8	51	21.3	77	16
	Professional	26	10.8	31	12.9	57	11.9
	Self-employed	32	13.3	15	6.3	47	9.8
	NRI	5	2.1	11	4.6	16	3.3
	Retired	9	3.8	2	0.8	11	2.3
	<b>Total</b>	<b>240</b>	<b>100</b>	<b>240</b>	<b>100</b>	<b>480</b>	<b>100</b>
<b>Marital Status</b>	Married	194	80.8	181	75.4	375	78.1
	Unmarried	46	19.2	59	24.6	105	21.9
	<b>Total</b>	<b>240</b>	<b>100</b>	<b>240</b>	<b>100</b>	<b>480</b>	<b>100</b>
<b>Monthly Income</b>	Up to 10,000	5	2.1	4	1.7	9	1.9
	10,001-20,000	44	18.3	28	11.7	72	15
	20,001-30,000	69	28.8	74	30.8	143	29.8
	30,001- 40,000	65	27.1	47	19.6	112	23.3
	40,001-50,000	26	10.8	32	13.3	58	12.1
	Above 50,000	31	12.9	55	22.9	86	17.9
	<b>Total</b>	<b>240</b>	<b>100</b>	<b>240</b>	<b>100</b>	<b>480</b>	<b>100</b>
<b>Region</b>	South	80	33.3	80	33.3	160	33.3
	Central	80	33.3	80	33.3	160	33.3
	North	80	33.3	80	33.3	160	33.3
	<b>Total</b>	<b>240</b>	<b>100</b>	<b>240</b>	<b>100</b>	<b>480</b>	<b>100</b>

Source: Survey Data

It is observed from the table that out of 480 respondents, 370 (77.1%) are males and remaining 110 (22.9%) are females. The majority of the respondents are males in both public sector and private sector banks, with 189 (78.8%) in public sector

banks and 181 (75.4%) in private sector banks. 51 (21.3 %) respondents of public sector banks and 59 (24.6 %) respondents of private sector banks are females.

In this study, age is divided into four categories, i.e., less than 30, 31-40, 41-50 and above 50. Most of the respondents in the public sector banks are in the age category of 31-40 years (45.4%), followed by 41-50 years (29.2%), less than 30 years (17.5%) and above 50 years (7.9%). In the case of private sector banks, majority of the respondents (37.9%) are in the age category of 31-40 years, followed by less than 30 years (33.8%), 41-50 years (18.3%) and above 50 years (10%).

Educational Qualifications of the respondents are classified into six categories such as below SSLC, SSLC, plus two, graduates, postgraduates and professionals. Most of the respondents of both public sector and private sector banks are graduates (49.6% and 46.3%) followed by postgraduates (20% and 22.1%), professionals (12.9% and 14.2%), plus two (11.7% and 11.3%), SSLC (4.6% and 5.4%) and below SSLC (1.3% and 0.8%).

The respondents are grouped into seven heads based on their occupation such as government employee, private sector employee, business, professionals, self-employed, NRIs and retired. The occupation wise distribution of the sample indicates that 78 (32.5%) respondents of public sector banks have jobs in the private sector and the next highest category i.e., 64 respondents (26.7%) have government job, 32 (13.3%) respondents are self-employed, 26 respondents each are businessman and professionals (10.8% in each category), 9 respondents are retired people and 5 respondents are NRIs and they constitute 3.8% and 2.1% of the total sample in the public sector banks respectively. 92 (38.3%) respondents of private sector banks have jobs in the private sector, 51 (21.3%) respondents are doing business, 38 (15.8%) respondents are government employees, 31 (12.9%) respondents are professionals, 15 (6.3%) respondents are self-employed, 11(4.6%) respondents are NRIs and only 2 (0.8%) respondents are retired people. Out of 480 respondents, 35.4% of the respondents are private sector employees constituted the highest percentage and the retired people constituted the least percentage.

Most of the respondents of public sector and private sector banks are married (80.8% and 75.4%) and the rest 19.2% of public sector bank and 24.6% of private sector banks are unmarried.

Monthly income of respondents is confined to six groups such as up to Rs. 10,000, 10,001-20,000, 20,001-30,000, 30,001-40,000, 40,001-50,000 and above 50,000. The table discloses that out of total respondents, 29.8% of the respondents are having monthly income between Rs. 20,001-30,000, 23.3% of the respondents falls in the range of Rs.30,001-40,000, 17.9% of the respondents are having monthly income above Rs.50,000, 15% of the respondents having monthly income between 10,001-20,000 and 12.1% of the respondents earn monthly income between Rs.40,001-50,000. Only 1.9% of the respondents are having monthly income up to Rs.10, 000. According to the sector wise classification, majority of the respondents (28.8%) of public sector banks having monthly income between Rs.20,001-30,000, 27.1% of the respondents having monthly income between Rs.30,001-40,000, 18.3% earn monthly income between Rs.10,001-20,000, 12.9% of the respondents having monthly income above Rs.50,000, 10.8% belongs to the monthly income category Rs.40,001-50000 and 2.1% of the respondents having monthly income up to Rs.10,000. Further, in the case of private sector banks, majority of the respondents i.e., 30.8% are having monthly income between Rs.20,001-30,000, 22.9% are having monthly income above Rs.50,000, 19.6% of the respondents earn monthly income between Rs.30,001-40,000. Further 13.3%, 11.7%, 1.7% of the respondents are belonging to the income category Rs.40,001-50,000, Rs.10,001-20,000 and up to Rs.10,000 respectively.

In this study out of 480 total respondents, 160 respondents (80 respondents from each bank) each from north, central and south regions are considered for the study.



### 4.3. Banking Information of the Respondents

The below table exhibits the banking information of the respondents such as length of association, type of account and number of cross-selling products availed.

**Table 4.3**

*Banking Information of the Respondents*

Variables	Public Sector		Private Sector		Total		
	Number	Percent	Number	Percent	Number	Percent	
Association	Less than 1 year	34	14.2	29	12.1	63	13.1
	1-5 Years	96	40	101	42.1	197	41
	5-10 years	69	28.8	74	30.8	143	29.8
	More than 10 years	41	17.1	36	15	77	16
	<b>Total</b>	<b>240</b>	<b>100</b>	<b>240</b>	<b>100</b>	<b>480</b>	<b>100</b>
Type of account	Savings account	156	65	167	69.9	323	67.3
	Current account	10	4.2	14	5.8	24	5
	Term deposit account	5	2.1	7	3.9	12	2.5
	Salary account	40	16.7	32	13.3	72	15
	Loan account	29	12.1	20	8.3	49	10.2
	<b>Total</b>	<b>240</b>	<b>100</b>	<b>240</b>	<b>100</b>	<b>480</b>	<b>100</b>
No. of Cross-selling products availed	Only one product	204	85.0	190	79.2	394	82.1
	More than one product	36	15.0	50	20.8	86	17.9
	<b>Total</b>	<b>240</b>	<b>100</b>	<b>240</b>	<b>100</b>	<b>480</b>	<b>100</b>

*Source: Survey Data*

The sector-wise classification shows that majority of the respondents of both public and private sector banks (40% and 42.1%) are having an association with the bank for 1-5 years, followed by 5-10 years (28.8% and 30.8%), more than 10 years (17.1% and 15%) and less than 1 year (14.2% and 12.1%).

Most of the respondents of public sector and private sector banks (65% and 69.9%) have savings account followed by salary account (16.7% and 13.3%), loan account (12.1% and 8.3%) and current account (4.2% and 5.8%). Only 2.1% of the public sector banks and 2.9 % of the private sector banks have term deposit account.

Out of total respondents, only 17.9% of the customers have availed more than one cross-selling product from their banks. The remaining 82.1% of the customers have availed only one cross-selling product from their banks. The sector-wise classification shows that only 20.8 % and 15 % of the customers of public sector banks and private sector banks respectively have availed more than one cross-selling product. Rest of the respondents i.e., 79.2% of public sector banks and 85% of private sector banks have availed only one cross-selling product.

#### **4.4 Awareness of Customers about Cross-selling Products and Services**

The willingness of customers to buy cross-selling products and services will increase if they are aware of cross-selling products and services offered by the banks, resulting in better financial performance of the banks. Hence, banks must ensure that customers are well informed about the cross-selling products and services offered to them. The objectives of introducing cross-selling products and services will be fully undermined if the customers are unaware about these products and services. Hence, it is highly relevant to examine the extent of awareness of customers about various cross-selling products and services. The results of the analysis not only helps to understand the extent of awareness of customers, but also help banks to make necessary modification in their programs and strategies for improving the awareness among the customers about these products and services.

Under this study, 'Life insurance', General 'insurance', 'Mutual funds', 'Credit cards', 'Demat account', 'Pension schemes' are identified as cross-selling products and services. The customers were asked to rate their extend of awareness on a five point Likert scale ranging from extremely aware to not at all aware (5=Extremely Aware, 4=Very Aware, 3=Moderately Aware, 2=Slightly Aware, 1=Not at all Aware). Mean score is used to measure the awareness of customers and the result is given in the table 4.4.

**Table 4.4**

*Awareness of Customers about Cross-selling Products and Services*

Cross-selling Products and Services	Public		Private	
	Mean	SD	Mean	SD
Life insurance	3.44	.861	3.62	.898
General insurance	3.30	.884	3.53	.838
Mutual funds	3.35	.879	3.61	.861
Credit cards	3.65	.840	3.79	.796
Demat account	2.26	.951	2.60	1.082
Pension schemes	2.34	.950	2.28	.855
<b>Total awareness</b>	<b>3.0569</b>	<b>.75941</b>	<b>3.2382</b>	<b>.73711</b>

*Source: Survey Data*

The table 4.4 reveals that the customers of both public and private sector banks are moderately aware about life insurance, general insurance, mutual funds and credit cards as the mean score value of these cross-selling products and services are above three. But the customers of both public sector and private sector banks are less aware about demat account and pension schemes as the mean score value of these products and services are less than three. The table also reveals that the mean score of total awareness of public sector bank is 3.0569 (SD 0.75941) and private sector banks is 3.2382 (SD 0.73711) which implies that customers of both the sectors are moderately aware about cross-selling products and services offered by their banks. The customers of both the sectors are having more awareness about credit cards (Public sector: Mean 3.65, SD 0.840 and Private sector: Mean 3.79, SD 0.796).

#### **Sector-wise Comparison of Awareness of Customers about Cross-selling Products and Services**

For the purpose of comparing awareness of customers about cross-selling products and services with regard to the type of bank, the following hypothesis was formed and tested by using Independent sample t-test.

H0: There is no significant difference between public and private sector bank customers regarding their awareness about cross-selling products and services.

**Table 4.5**

*Sector-wise Comparison of Awareness of Customers about Cross-selling Products and Services*

<b>Cross-selling Products and Services</b>	<b>Sector</b>	<b>N</b>	<b>Mean</b>	<b>SD</b>	<b>t value</b>	<b>p value</b>	<b>Remarks</b>
Life insurance	Public	240	3.44	.861	-2.179	.030	Significant
	Private	240	3.62	.898			
General insurance	Public	240	3.30	.884	-2.862	.004	Significant
	Private	240	3.53	.838			
Mutual funds	Public	240	3.35	.879	-3.253	.001	Significant
	Private	240	3.61	.861			
Credit cards	Public	240	3.65	.840	-1.896	.059	Insignificant
	Private	240	3.79	.796			
Demat account	Public	240	2.26	.951	-3.676	.000	Significant
	Private	240	2.60	1.082			
Pension Schemes	Public	240	2.34	.950	.657	.512	Insignificant
	Private	240	2.28	.855			
<b>Total awareness</b>	<b>Public</b>	<b>240</b>	<b>3.0569</b>	<b>.75941</b>	<b>-2.653</b>	<b>.008</b>	<b>Significant</b>
	<b>Private</b>	<b>240</b>	<b>3.2382</b>	<b>.73711</b>			

*Source: Survey Data  
Significant at 5 percent*

Table 4.5 shows the sector-wise comparison of awareness of customers about cross-selling products and services. It is observed from the table that p values of life insurance, general insurance, mutual funds and demat account are less than 0.05 (significant at 5 percent) which indicates that there is significant difference between the public sector and private sector bank customers regarding their awareness about these cross-selling products and services. In the case of credit cards and pension schemes, the p value is greater than 0.05 (significant at 5 percent) which means that there is no significant difference in the awareness about these products and services between the two sectors.

The p value of total awareness is (0.008) less than the significance level of 0.05 which denotes the existence of significant difference in the total awareness and mean score is more in the case of private sector banks. Hence, it can be concluded that customers of private sector banks are more aware about cross-selling products and services than the customers of public sector banks.

### **Gender Wise Comparison of Awareness of Customers about Cross-selling Products and Services**

The awareness level of the respondents may be influenced by the gender of the respondents. To understand the difference in the level of awareness of male and female respondents about cross-selling products and services, following hypothesis has been formulated.

H0: There is no significant difference between male and female respondents with regard to their awareness about cross-selling products and services.

An Independent sample t-test is performed to find out the statistical significance of this difference. Leven's test for equality of variance shows the p value of 0.212, hence homogeneity of variance confirmed ( $p > 0.05$ ). The result of independent sample t-test is exhibited in the table 4.6.

**Table 4.6**

*Gender Wise Comparison of Awareness of Customers about Cross-selling Products and Services*

	<b>Gender</b>	<b>N</b>	<b>Mean</b>	<b>SD</b>	<b>t value</b>	<b>P Value</b>	<b>Remarks</b>
<b>Awareness</b>	Male	370	3.1878	.76199	2.157	.032	Significant
	Female	110	3.0121	.70880			

Source: Survey Data  
Significant at 5 percent

The result of independent sample t-test shows a p value of 0.032 which is less than the significance value of 0.05 hence rejected the null hypothesis and led to an interpretation that there is significant difference between male and female respondents with regard to their awareness about cross-selling products and services. The mean

score of awareness of male respondents is 3.1878 (SD 0.76199) which is higher than the mean score of female respondents (Mean 3.0121, SD 0.70880) implying that male respondents have more awareness than female respondents.

### **Age Wise Comparison of Awareness of Customers about Cross-selling Products and Services**

Awareness level of customers may be influenced by their age. In order to find out whether there exists any significant difference in the awareness level of different age categories, following hypothesis has been formulated and tested by using ANOVA.

H0: There is no significant difference in the awareness level of customers about cross-selling products and services with regard to their age.

Before doing ANOVA, homogeneity of variance has been examined by using Levene's test. The p value of the Levene's test is 0.878 which is greater than 0.05. Hence, the homogeneity of variance was confirmed and ANOVA was carried out. The result is shown in the below table.

**Table 4.7**

*Age Wise Comparison of Awareness of Customers about Cross-selling Products and Services*

	Age	N	Mean	SD	F value	P value	Remarks
Awareness	Less than 30	123	3.1640	.70999	9.075	.000	Significant
	31-40	200	3.2517	.74216			
	41-50	114	3.1506	.72630			
	Above 50	43	2.6085	.79005			

*Source: Survey Data*  
*Significant at 5 percent*

The test result shows the p value of 0.000 which is less than 0.05 and the null hypothesis is rejected. It indicates that there is significant difference in the awareness level of customers about cross-selling products and services with regard to their age. To find out the exact significant difference between different age groups, multiple comparisons have been carried out through post hoc analysis. Tukey HSD test for

multiple comparisons is used for this purpose. The test result shows that awareness of age group above 50 differs with the age group less than 30, 31-40 and 41-50. More precisely, customers in the age category of above 50 years are less aware about cross-selling products and services as compared to customers in the age category of less than 30 years, 31-40 years and 41-50 years.

### Education Wise Comparison of Awareness of Customers about Cross-selling Products and Services

The level of education of respondents may influence their awareness to a great extent. Hence, it is necessary to analyse whether the awareness level of respondents about cross-selling products and services varies with regard to their educational qualifications. To examine this, a hypothesis is formed.

H0: There is no significant difference in the awareness level of customers about cross-selling products and services with regard to their educational qualifications.

The p value of the Levene's test is 0.978 which is higher than 0.05, hence homogeneity of variance is confirmed and ANOVA test was applied. The result is given in the table 4.8.

**Table 4.8**

*Education Wise Comparison of Awareness of Customers about Cross-selling Products and Services*

	Education	N	Mean	SD	F value	P value	Remarks
Awareness	Below SSLC	5	2.3000	.73974	4.246	.001	Significant
	SSLC	24	2.7292	.78607			
	Plus Two	55	3.0515	.72993			
	Graduate	230	3.1312	.72878			
	Post Graduate	101	3.2888	.78134			
	Professional	65	3.2872	.70864			

Source: Survey Data  
Significant at 5 percent

The table 4.8 exhibits the comparison of awareness of customers about cross-selling products and services according to their educational qualification. Since the p value of ANOVA (0.001) is less than 0.05, the null hypothesis is rejected and can be concluded that there is significant difference in the awareness level of respondents with regard to their educational qualifications. Tukey HSD post hoc test was performed to find out the exact difference among the groups and the result says that respondents with educational qualification below SSLC have a significant difference in their awareness level with the respondents having educational qualification postgraduate and professional qualifications. The post hoc test results also reveals that respondents with educational qualification of SSLC have significant difference in their awareness with respondents having postgraduate and professional qualifications. More precisely, customers with educational qualifications below SSLC and SSLC are less aware about cross-selling products and services as compared to customers with higher educational qualifications.

#### **Occupation Wise Comparison of Awareness of Customers about Cross-selling Products and Services**

In order to check whether the awareness level of respondents varies according to their occupation, ANOVA test is applied for this purpose. A hypothesis is formed for testing whether this difference is statistically significant or not.

H<sub>0</sub>: There is no significant difference in the awareness level of customers about cross-selling products and services with regard to their occupation.

Prior to the testing of ANOVA, homogeneity of variance is confirmed by using Levene's test. The p value of the Levene's test is 0.973 which is greater than 0.05 and hence homogeneity of variance is confirmed and ANOVA has been performed. The result is shown in the below table.



**Table 4.9**

*Occupation Wise Comparison of Awareness of Customers about Cross-selling Products and Services*

<b>Perception</b>	<b>Occupation</b>	<b>N</b>	<b>Mean</b>	<b>SD</b>	<b>F value</b>	<b>P value</b>	<b>Remarks</b>
Awareness	Government Employee	102	3.1127	.76256	2.757	.012	Significant
	Private Sector Employee	170	3.2471	.71318			
	Business	77	3.1104	.75346			
	Professional	57	3.2661	.79048			
	Self-Employed	47	2.9716	.70994			
	NRI	16	3.0417	.78998			
	Retired	11	2.4848	.84148			

*Source: Survey Data  
Significant at 5 percent*

The table 4.9 illustrates the mean awareness level of respondents according to their occupation. While observing the mean values, it is found that self-employed and retired people are less aware about cross-selling products and services than the other groups. ANOVA shows a p value of 0.012 which is less than 0.05, the null hypothesis is rejected. So it is necessary to do multiple comparisons to find out the awareness level of which groups have a significant difference. The result of the Tukey HDS test reveals that awareness level of retired people differs with private sector employees and professionals. There is no significant difference in the awareness level of other groups.

**Marital Status Wise Comparison of Awareness of Customers about Cross-selling Products and Services**

For the purpose of comparing the awareness level of customers with regard to their marital status, the following hypothesis was formulated.

H0: There is no significant difference between married and unmarried respondents with regard to their awareness about cross-selling products and services.

An Independent sample t-test was used for testing the hypothesis and result is presented in the table 4.10.

**Table 4.10**

*Marital Status Wise Comparison of Awareness of Customers about Cross-selling Products and Services*

	<b>Marital Status</b>	<b>N</b>	<b>Mean</b>	<b>SD</b>	<b>t value</b>	<b>P Value</b>	<b>Remarks</b>
Awareness	Married	375	3.1422	.76313	-.294	.769	Insignificant
	Unmarried	105	3.1667	.71909			

*Source: Survey Data  
Significant at 5 percent*

Levene's test for equality of variance shows the p value of 0.521, hence homogeneity of variance assumed ( $p > 0.05$ ). The result of Independent sample t-test shows a p value of 0.796 which is higher than the significance level of 0.05. Therefore, failed to reject the null hypothesis and it can be inferred that there is no statistically significant difference in the awareness level of customers about cross-selling products and services with regard to their marital status.

### **Income Wise Comparison of Awareness of Customers about Cross-selling Products and Services**

The awareness level of customers about cross-selling products and services may be influenced by their income. The statistical significance of the difference in the awareness level based on the income of the respondent is tested by using ANOVA. A hypothesis is set for this:-

H0: There is no significant difference in the awareness level of customers about cross-selling products with regard to their income.

Homogeneity of variance was confirmed as Levene's test shows the p value of 0.885. So that ANOVA was carried out to test the hypothesis. The result is depicted in the table 4.11.

**Table 4.11**

*Income Wise Comparison of Awareness of Customers about Cross-selling Products and Services*

	<b>Income</b>	<b>N</b>	<b>Mean</b>	<b>SD</b>	<b>F value</b>	<b>P value</b>	<b>Remarks</b>
<b>Awareness</b>	Up to 10,000	9	2.4444	.78174	4.605	.000	Significant
	10,001-20,000	72	2.9861	.74312			
	20,001-30,000	143	3.0466	.74730			
	30,001- 40,000	112	3.2307	.70008			
	40,001-50,000	58	3.2500	.74093			
	Above 50,000	86	3.3469	.76663			

*Source: Survey Data  
Significant at 5 percent*

The result of one way ANOVA shows a p value of 0.000 which is less than 0.05 and indicates that the null hypothesis is rejected and concluded that there is significant difference in the awareness level of customers with regard to their income. Post hoc test was carried out to analyse the difference further. The result of post hoc test reveals that customers having monthly income of up to Rs.10,000 have significant difference in their awareness level with customers having monthly income of Rs.30,001-40,000, Rs.40,001-50,000 and above Rs.50,000. Respondents having a monthly income above Rs.50,000 have a difference in their awareness level comparing with respondents having monthly income up to Rs.10,000, 10,001-20,000 and 20,001-30,000. There is no significant difference in the awareness level of other income categories.

### Region Wise Comparison of Awareness of Customers about Cross-selling Products and Services

For the purpose of comparing awareness level of respondents with regard to their region, the following hypothesis is formed.

H0: There is no significant difference in the awareness level of customer about cross-selling products and services with regard to their region.

Here, the homogeneity of variance is checked by using Levene's test and the p value of Levene's test is 0.185 which is higher than 0.05 indicates that homogeneity of variance is confirmed and ANOVA is performed to find out the statistical significance of difference. The result of ANOVA is presented in the table given below.

**Table 4.12**

*Region Wise Comparison of Awareness of Customers about Cross-selling Products and Services*

	Region	N	Mean	SD	F value	P value	Remarks
Awareness	South	160	3.2156	.71682	3.847	.022	Significant
	Central	160	3.2135	.70740			
	North	160	3.0135	.81670			

Source: Survey Data  
Significant at 5 percent

The comparison of awareness of customers about cross-selling products and services with respect to their region is presented in the table 4.12. The mean score shows difference in the awareness level among different groups. The test results also reveal that the customers from different regions have different awareness level about cross-selling products and services ( $P=0.022$ ,  $P<0.05$ ). Tukey HSD post hoc test result shows that there is no significant difference in the awareness between south and central region. The awareness level of customers from north region is significantly different with customers from south and central region. The mean difference clearly indicates that customers in the south and central regions are more aware about cross-selling products and services than those in the north.

### Comparison of Awareness Level of Customers about Cross-selling Products and Services Based on Number of Products Availed

The awareness level of customers may varies according to the number of cross-selling products availed by them. Hence, it is worthwhile to understand whether there is any significant difference in the awareness level of customers about cross-selling products and services with regard to the number of cross-selling products availed by them. The hypothesis is set as follows:-

H0: There is no significant difference in the awareness level of customers about cross-selling products and services with regard to the number of cross-selling products availed by them.

An Independent sample t-test was performed for testing the hypothesis and result is shown in the table 4.13.

**Table 4.13**

*Comparison of Awareness Level of Customers about Cross-selling Products and Services Based on Number of Products Availed*

	Number of products availed	N	Mean	SD	t value	P Value	Remarks
Awareness	Only one product	394	3.0351	.73358	-7.384	.000	Significant
	More than one product	86	3.6628	.61675			

Source: Survey Data  
Significant at 5 percent

The table 4.13 demonstrates the mean awareness level of respondents with respect to the number of products availed by them. While observing the mean values, it is found that awareness level of respondents who have availed more than one product is higher than those who have availed only one product. Levene's test for equality of variance shows the p value of 0.260 and hence, homogeneity of variance confirmed. The result of t test shows a p value of 0.000 which is less than 0.05 and

therefore the null hypothesis is rejected. It can be concluded that there exist significant difference in the awareness level of customers about cross-selling products and services based on the number of products availed by them. Precisely, the customers who availed more than one product know more about cross-selling products and services than those who availed only one product.

#### 4.5. Sources of Information about Cross-selling Products and Services

Customers depend upon various sources for getting information about cross-selling products and services which include bank employees, bank website, bank brochures, advertisement, friends and relatives etc. An attempt is made here to identify the important sources that customers rely on to get information. The result is shown in the table 4.14.

**Table 4.14**

*Sources of Information about Cross-selling Products and Services*

		Public Sector		Private Sector		Total	
		Number	Percent	Number	Percent	Number	Percent
Sources of awareness	Bank employees	119	49.6	135	56.3	254	52.9
	Bank brochures	24	10	30	12.5	54	11.3
	Bank website	26	10.8	14	5.8	40	8.3
	Direct mail	5	2.1	7	2.9	12	2.5
	Advertisement	19	7.9	15	6.3	34	7.1
	Friends and relatives	45	18.8	35	14.6	80	16.7
	Academic literature	2	.8	4	1.7	6	1.3
	<b>Total</b>	<b>240</b>	<b>100</b>	<b>240</b>	<b>100</b>	<b>480</b>	<b>100</b>

*Source: Survey Data*

It is ascertained from the table that out of 480 total respondents, more than half of the respondents (52.9%) received information about cross-selling products and services through bank employees. The second important source of information is friends and relatives (16.7%). 11.3% of the total respondents got information through

bank brochures. 8.3%, 7.1% and 2.5% of the respondents relied on bank website, advertisement and direct mail respectively for getting information. Only 1.3% of the respondents got information through academic literatures.

According to sector-wise classification, majority of the respondents of public sector banks (49.6%) got information through bank employees. 18.8% of the respondents depend on friends and relatives for getting information about cross-selling products and services. Similarly, respondents who have depended on bank website is 10.8%, bank brochures is 10% and advertisement is 7.95% for getting information. Direct mail (2.16%) and academic literatures (0.8%) are the least important source of information for the respondents.

Further, in the case of private sector banks, 56.3 % of the respondents came to know about cross-selling products and services through bank employees. The next important source of information is friends and relatives (14.6%) followed by bank brochures (12.5%), advertisement (6.3%) and bank website (5.8%). Only 2.9% and 1.7% of the respondents relied on direct mail and academic literatures for getting information about cross-selling products and services. Briefly, bank employees act as a major source of information to the customers.

#### **4.6. Factors Motivated the Customers to Buy Cross-selling Products and Services from their Existing Banks**

Different factors motivate the customers to buy cross-selling products and services from their existing bank. Under this study, the researcher tries to find out the factors that have motivated the customers to buy cross-selling products and services from the banks. 14 factors are identified from various reviews and the responses of customers were measured by using five point Likert scale ranging from strongly agree to strongly disagree. Exploratory Factor Analysis (EFA) was employed to find out the most influencing factor that motivated the customers to buy cross-selling products and services from their existing bank. The factors and their respective labels are shown in the table 4.15.

**Table 4.15**

*Factors Motivated the Customers to Buy Cross-selling Products and Services from their Existing Banks and Respective Labels Used in Factor Analysis*

<b>Sl. No.</b>	<b>Factors</b>	<b>Labels</b>
1	I prefer nearby banks to my home or office for cross buy financial products	F1
2	Paper formalities are less while buying additional products as the bank maintains record file regarding each customer	F2
3	The bank is highly reputed bank in the banking industry	F3
4	I am already satisfied with the bank services	F4
5	Bank employees suggested me to buy additional products	F5
6	The bank can satisfy majority of my needs by offering various financial service under one roof	F6
7	It makes me convenient in availing various services from a single service provider	F7
8	Expertise services are rendered by the bank	F8
9	I have trust and confidence in the bank and bank employees	F9
10	I bought additional products as per my friends and relatives suggestion	F10
11	The bank offer the cross-selling products of various companies that I trust	F11
12	The bank meet the expected level of each customer	F12
13	High standard and customized products at reduced price is available in the bank	F13
14	Quality of service rendered by the bank is satisfactory	F14



**Table 4.16**

*KMO and Bartlett's Test – Factors Motivated the Customers to Buy Cross-selling Products from their Existing Banks*

<b>KMO and Bartlett's Test</b>		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.766
	Approx. Chi-Square	3110.442
Bartlett's Test of Sphericity	Df	91
	Sig.	.000

The Kaiser-Meyer-Olkin (KMO) and Bartlett's test measure of sampling adequacy were used to verify the adequacy or appropriateness of data for factor analysis. The result depicted in the table no 4.16 reveals that Kaiser-meyer olkin measure of sampling adequacy is 0.766 which is greater than 0.5 and Bartlett's test of sphericity is significant ( $P < 0.001$ ) with chi-square value of 3110.442 with 91 degrees of freedom confirming that there exist a correlation among the variables and the data is appropriate for Exploratory Factor Analysis (EFA).

**Table 4.17***Total Variance Explained by the Factors Motivated the Customers to Buy Cross-selling Products and Services from their Existing Banks*

Component	Initial Eigen values			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	percent of Variance	Cumulative percent	Total	percent of Variance	Cumulative percent	Total	percent of Variance	Cumulative percent
1	4.165	29.749	29.749	4.165	29.749	29.749	2.522	18.012	18.012
2	2.131	15.222	44.971	2.131	15.222	44.971	2.445	17.466	35.478
3	1.591	11.363	56.334	1.591	11.363	56.334	2.220	15.857	51.335
4	1.359	9.708	66.042	1.359	9.708	66.042	2.005	14.322	65.657
5	1.215	8.677	74.718	1.215	8.677	74.718	1.269	9.061	74.718
6	.727	5.193	79.912						
7	.554	3.955	83.867						
8	.533	3.809	87.676						
9	.429	3.064	90.740						
10	.393	2.807	93.547						
11	.349	2.495	96.043						
12	.249	1.780	97.823						
13	.217	1.548	99.370						
14	.088	.630	100.000						

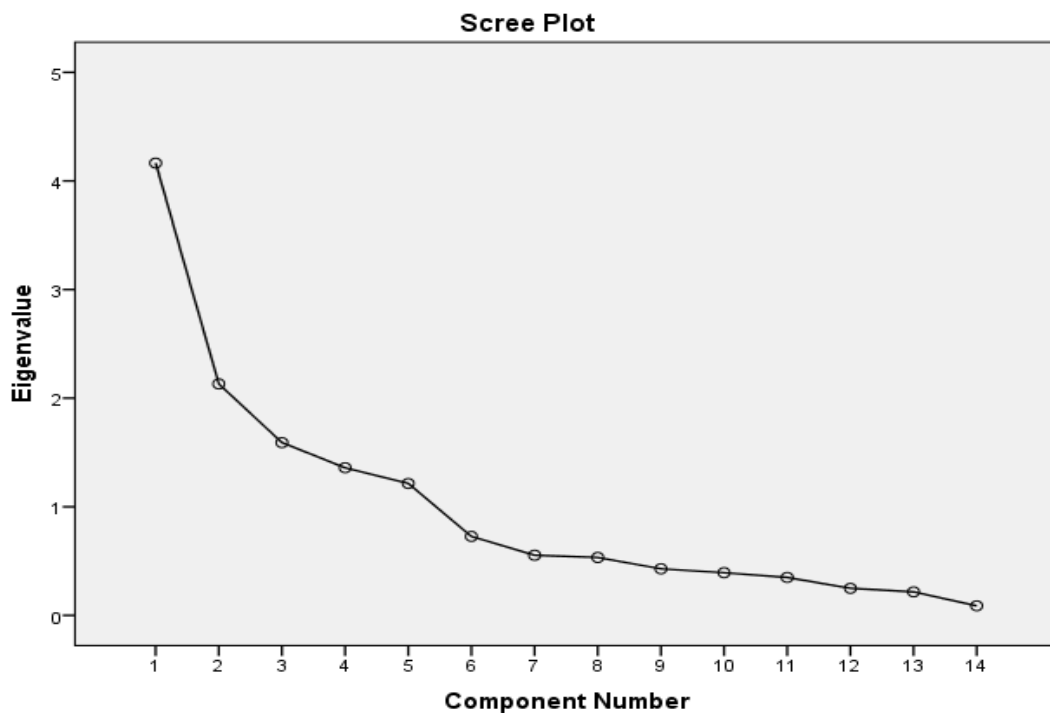
Extraction Method: Principal Component Analysis.

*Source: Survey Data*

Table 4.17 shows the percentage variance contributed by each component with eigen values. With the principal component analysis, five components are identified and the eigen values of these component are greater than one and they together explained 74.718% of variance. The first component explains 29.749% of variance with eigen value of 4.165, the second component explains 15.222% of variance with eigen value of 2.131, the third component explains 11.363% of variance with eigen value of 1.591, the fourth component explains 9.708% of variance with eigen value of 1.359 and the fifth component explains 8.677% of variance with eigen value of 1.215. The following screen plot clearly shows this.

**Figure 4.1**

*Screen Plot*



As illustrated in diagram 4.1, all the 14 statements are combined and divided into five components.

**Table 4.18**

*Rotated Component Matrix of Factors Motivated the Customers to Buy Cross-selling Products and Services from their Existing Banks*

Label	Factors	Component				
		1	2	3	4	5
F1	I prefer nearby banks to my home or office for cross buy financial products	.920				
F2	Paper formalities are less while buying additional products as the bank maintains record file regarding each customer				.711	
F3	The bank is highly reputed bank in the banking industry		.823			
F4	I am already satisfied with the bank services			.865		
F5	Bank employees suggested me to buy an additional products					.799
F6	The bank can satisfy majority of my needs by offering various financial service under one roof	.913				
F7	It makes me convenient in availing various services from a single service provider	.801				
F8	Expertise services are rendered by the bank				.846	
F9	I have trust and confidence in the bank and bank employees		.894			
F10	I bought additional products as per my friends and relatives suggestion					.785
F11	The bank offer the cross-selling products of various companies that I trust		.886			
F12	The bank meet the expected level of each customer			.760		
F13	High standard and customized products at reduced price is available in the bank				.814	
F14	Quality of service rendered by the bank is satisfactory			.909		

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 5 iterations.

Table 4.18 exhibits the result of principal component analysis of factors that motivated the customers to buy cross-selling products and services from their existing bank after rotated factor matrix. Five factors are extracted from 14 statements.

The first factor is extracted 29.749 percent of variance and it consists of three items. They are '*I prefer nearby banks to my home or office for cross-buy final products*' with the highest loading (0.920) followed by '*The bank can satisfy majority of my needs by offering various financial services under one roof*' (0.913) and '*it makes me convenient in availing various services from a single service provider*' (0.801). The factor has been named as 'convenience'

The second factor is extracted 15.222 percent of various and it consists of three items. They are '*I have trust and confidence in the bank and bank employees*' with the highest loading (0.894) followed by '*The bank offers cross-selling products of various companies that I trust*' (0.886) and '*the bank is highly reputed in the banking industry*' (0.823). The factor has been named as 'Bank reputation and trust'.

The third factor is extracted 11.363 percent of variance and it consists of three items. They are '*quality of services rendered by the bank is satisfactory*' with the highest loading (0.909) followed by '*I am already satisfied with the bank services*' (0.865) and '*the bank meet the expected level of each customer*' (0.760). The factor has been named as 'service quality'.

The fourth factor is extracted 9.708 percent of variance and it consists of three items. They are '*expertise services rendered by the bank*' with the highest leading (0.846) followed by '*high standard and customized products at reduced price is available in the bank*' (0.814) and '*paper formalities are less while buying additional products as the bank maintains record file regarding each customer*'(0.711). The factor has been named as 'perceived value'.

The fifth factor is extracted 8.677 percent of variance and it consists of two items. They are '*Bank employees suggested me to buy an additional products*' with the highest loading (0.799) and '*I bought additional products as per my friends and relatives suggestion*' (0.785). The factor has been named as 'promotional factors'.

**Table 4.19**

*Summary of Factors Motivated the Customers to Buy Cross-selling Products and Services from their Existing Banks*

Factors	Label	Factor loading	Factor Name
I prefer nearby banks to my home or office for cross buy financial products	F1	.920	
The bank can satisfy majority of my needs by offering various financial service under one roof	F6	.913	Convenience
It makes me convenient in availing various services from a single service provider	F7	.801	
The bank is highly reputed bank in the banking industry	F3	.823	
I have trust and confidence in the bank and bank employees	F9	.894	Bank Reputation and Trust
The bank offer the cross-selling products of various companies that I trust	F11	.886	
I am already satisfied with the bank services	F4	.865	
The bank meet the expected level of each customer	F12	.760	Service Quality
Quality of service rendered by the bank is satisfactory	F14	.909	
Paper formalities are less while buying additional products as the bank maintains record file regarding each customer	F2	.711	
Expertise services are rendered by the bank	F8	.846	Perceived Value
High standard and customized products at reduced price is available in the bank	F13	.814	
Bank employees suggested me to buy an additional products	F5	.799	Promotional Factors
I bought additional products as per my friends and relatives suggestion	F10	.785	

In brief, the result of exploratory factor analysis revealed that convenience, bank reputation and trust, service quality, perceived value and promotional factors are the main factors that motivated the customers to buy cross-selling products and services from their existing banks.

**Strength of Factors Motivated the Customers to Buy Cross-selling Products and Services from Their Existing Banks**

The factors motivated the customers to buy cross-selling products and services may be different for public and private sector customers. So, descriptive analysis is carried out to find out the factors that motivated the customers to buy cross-selling products and services from their banks. Under this study, all 14 statements are combined and divided into five main components such as ‘Convenience’, ‘Bank reputation and trust’, ‘Service quantity’, ‘Perceived value’ and ‘Promotional factors’ by using Exploratory Factor Analysis. The result of descriptive analysis is given in the following table 4.20 and 4.21.

**Table 4.20**

*Strength of Factors Motivated the Customers of Public Sector Banks to Buy Cross-selling Products and Services from their Existing Banks*

<b>Factors</b>	<b>Mean</b>	<b>SD</b>
<b>Bank reputation and Trust</b>		
I have trust and confidence in the bank and bank employees	3.82	.515
The bank is highly reputed bank in the banking industry	3.81	.566
The bank offer the cross-selling products of various companies that I trust	3.78	.556
<b>Convenience</b>		
I prefer nearby banks to my home or office for cross buy financial products	3.69	.645
The bank can satisfy majority of my needs by offering various financial service under one roof	3.60	.646
It makes me convenient in availing various services from a single service provider	3.83	.581

<b>Service Quality</b>	<b>3.5486</b>	<b>.59398</b>
I am already satisfied with the bank services	3.87	.681
The bank meet the expected level of each customer	3.05	.766
Quality of service rendered by the bank is satisfactory	3.72	.772
<b>Perceived Value</b>	<b>3.3889</b>	<b>.59415</b>
Paper formalities are less while buying additional products as the bank maintains record file regarding each customer	3.77	.596
Expertise services are rendered by the bank	3.25	.791
High standard and customized products at reduced price is available in the bank	3.15	.843
<b>Promotional Factors</b>	<b>3.3833</b>	<b>.56662</b>
Bank employees suggested me to buy an additional products	3.62	.767
I bought additional products as per my friends and relatives suggestion	3.15	.760

Source: Survey data

**Table 4.21**

*Strength of Factors Motivated the Customers of Private Sector Banks to Buy CROSS-SELLING Products and Services from their Existing Banks*

<b>Factors</b>	<b>Mean</b>	<b>SD</b>
<b>Convenience</b>	<b>3.8597</b>	<b>.53362</b>
I prefer nearby banks to my home or office for cross buy financial products	3.85	.602
The bank can satisfy majority of my needs by offering various financial service under one roof	3.82	.576
It makes me convenient in availing various services from a single service provider	3.91	.556
<b>Service Quality</b>	<b>3.8458</b>	<b>.66794</b>
I am already satisfied with the bank services	4.00	.656
The bank meet the expected level of each customer	3.56	.885
Quality of service rendered by the bank is satisfactory	3.97	.699
<b>Bank reputation and Trust</b>	<b>3.7069</b>	<b>.46918</b>
I have trust and confidence in the bank and bank employees	3.69	.547
The bank is highly reputed bank in the banking industry	3.83	.487
The bank offer the cross-selling products of various companies that I trust	3.61	.576



<b>Perceived Value</b>	<b>3.5097</b>	<b>.58168</b>
Paper formalities are less while buying additional products as the bank maintains record file regarding each customer	3.88	.601
Expertise services are rendered by the bank	3.40	.714
High standard and customized products at reduced price is available in the bank	3.25	.768
<b>Promotional Factors</b>	<b>3.4542</b>	<b>.77350</b>
Bank employees suggested me to buy an additional products	3.70	.915
I bought additional products as per my friends and relatives suggestion	3.20	.957

*Source: Survey data*

#### **A) Public Sector Banks**

Table 4.20 clearly exhibits that among the five factors identified, the customers of public sector banks consider 'Bank reputation and trust' (3.8028) as the most influencing factor. The next important factors are 'Convenience' (3.7042), 'Service Quality' (3.5486), 'Perceived Value' (3.3889) and 'Promotional Factors' (3.3833).

#### **B) Private Sector Banks**

Table 4.21 shows the factors motivated the customers of private sector banks to buy cross-selling products and services. It is observed from the table that 'Convenience' is the most influencing factor that motivated the customers to buy cross-selling products and services with a mean value of 3.8597 followed by the factors 'Service Quality', 'Bank reputation and trust', 'Perceived Value' and 'Promotional factors' with a mean value of 3.8458, 3.7069, 3.5097, and 3.4542 respectively.

### **4.7. Perception of Customers about Cross-selling Practices**

The perception of customers about cross-selling practices are measured by using various statements such as 'Cross Buying from existing bank helps to maintain better relation with bank', 'Cross Buying from existing bank helps to reduce transaction cost', 'Cross Buying from existing bank helps to reduce price of the product', 'Cross Buying from existing bank helps to reduce paper formalities', 'Bank

employees are highly interested to cross sell various products, 'Bank sell customized products as per the financial requirements of customers' and 'Bank act as a financial service super market'. The customers were asked to rate their opinion on a five point Likert scale (5=Strongly Agree, 4=Agree, 3= Neither agree nor Disagree, 2=Disagree, and 1= Strongly Disagree). Mean score is calculated to measure the perception of customers about cross-selling practices. The following table exhibits the result.

**Table 4.22**

*Perception of Customers about Cross-selling Practices*

	Public		Private	
	Mean	SD	Mean	SD
Cross Buying from existing bank helps to maintain better relation with bank	3.58	.794	3.71	.795
Cross Buying from existing bank helps to reduce transaction cost	3.11	.936	3.30	.868
Cross Buying from existing bank helps to reduce price of the product	3.16	.928	3.27	.876
Cross Buying from existing bank helps to reduce paper formalities	3.83	.703	3.95	.670
Bank employees are highly interested to cross sell various products	3.82	.769	3.88	.834
Bank sell customized products as per the financial requirements of customers	3.21	.839	3.34	.786
Bank act as a financial service super market	3.67	.836	3.82	.787
<b>Overall perception</b>	<b>3.4821</b>	<b>.68058</b>	<b>3.6083</b>	<b>.65706</b>

*Source: Survey Data*

The above table displays the descriptive statistics related with perception of customers about cross-selling practices. An observation on the mean score reveals that the customers of both public sector and private sector banks have a positive perception about cross-selling practices as the mean score of all the statements are above the threshold three. The customers from both public sector and private sector banks opined that cross buying from existing bank reduce paper formalities for availing new products or services (Mean: Public 3.83; Private 3.95). They also says that employees are highly interested in selling cross-selling products and services (Mean: Public 3.82;

Private 3.88) and bank act as a financial service super market (Mean: Public 3.67; Private 3.82). They also have a favorable opinion about cross-buying as a way to maintain better relation with bank (Mean: Public 3.58, Private 3.71). Banks sell customized products as per the customers' financial requirements (Mean: Public 3.21, Private 3.34), reduction in transaction cost (Mean: Public 3.11, Private 3.30) and price (Mean: Public 3.16, Private 3.27) are the least scored statements even if the customers have a positive perception about cross-selling practices. In brief, the customers of private sector banks are having a better perception (Mean 3.6083) as compared to public sector banks (Mean 3.4821).

### **Sector-wise Comparison of Perception of Customers about Cross-selling Practices**

Public sector and Private sector banks practice cross-selling differently, and these differences are reflected in customers' perceptions as well. So it is necessary to analyse whether there is any difference in the perception of public and private sector bank customers about cross-selling practices. The researcher framed following hypothesis for comparing this difference.

H0: There is no significant difference between public and private sector bank customers regarding their perception about cross-selling practices

**Table 4.23**

*Sector-wise Comparison of Perception of Customers about Cross-selling Practices*

	<b>Sector</b>	<b>N</b>	<b>Mean</b>	<b>SD</b>	<b>t value</b>	<b>P Value</b>	<b>Remarks</b>
<b>Perception</b>	Public	240	3.4821	.66893	-2.085	.038	Significant
	Private	240	3.6083	.65706			

*Source: Survey Data*  
*Significant at 5 percent*

An Independent sample t-test was conducted to determine if there is any difference in the perception of public sector and private sector customers regarding cross-selling practices. Homogeneity of variance is confirmed from the Levene's test for equality of variance as the p value is 0.177. The result of Independent sample t-

test reveals that there is significant difference between public and private sector customers regarding their perception about cross-selling practices ( $P < 0.05$ ). The mean score of private sector banks (3.6083) is higher than that of public sector banks (3.4821) clarifying that customers of private sector banks have comparatively better perception than the customers of public sector bank.

### **Gender Wise Comparison of Perception of Customers about Cross-selling Practices**

For the purpose of comparing the differences in the perception of customers with regard to gender, following hypothesis was formulated.

H0: There is no significant difference between male and female respondents with regard to their perception about cross-selling practices.

Independent sample t-test was used for testing the hypothesis. The result is presented in the table 4.24.

**Table 4.24**

*Gender Wise Comparison of Perception of Customers about Cross-selling Practices*

	<b>Gender</b>	<b>N</b>	<b>Mean</b>	<b>SD</b>	<b>t value</b>	<b>P Value</b>	<b>Remarks</b>
Perception	Male	370	3.5591	.66879	.835	.404	Insignificant
	Female	110	3.4987	.65444			

*Source: Survey Data*  
*Significant at 5 percent*

Levene's test for equality of variance shows the p value of 0.655, hence homogeneity of variance assumed ( $p > 0.05$ ). The result of Independent sample t-test reveals that there is no significant difference between male and female respondents with regard to their perception about cross-selling practices as the p value ( $p = 0.404$ ) is greater than 0.05.

### **Age Wise Comparison of Perception of Customers about Cross-selling Practices**

The perception of customers about cross-selling practices may be influenced by the age of the respondents. So, age wise comparison of perception of respondents is essential to understand the influence of the age on the perception of customers. A hypothesis is formed for this and tested by using ANOVA.

H0: There is no significant difference in the perception of customers about cross-selling practices with regard to their age.

It is necessary to verify homogeneity of variance before performing the ANOVA using Levene's test. Homogeneity of variance is confirmed as Levene's test shows a p value of 0.588. Consequently, ANOVA was performed. The result is depicted in the following table.

**Table 4.25**

*Age Wise Comparison of Perception of Customers about Cross-selling Practices*

	<b>Age</b>	<b>N</b>	<b>Mean</b>	<b>SD</b>	<b>F value</b>	<b>P value</b>	<b>Remarks</b>
<b>Perception</b>	Less than 30	123	3.5935	.66102	3.545	.015	Significant
	31-40	200	3.6071	.64044			
	41-50	114	3.4875	.68862			
	Above 50	43	3.2724	.67065			

*Source: Survey Data*  
*Significant at 5 percent*

The above table shows the comparison of perception of customers about cross-selling practices with regard to their age. The mean score indicates that there is difference in the awareness level among different groups. The result of ANOVA also shows a p value of 0.015 which is less than 0.05 (significant at 5 percent level) hence rejected the null hypothesis and led to an interpretation that there is significant difference in the perception of customers about cross-selling practices with regard to their age. Tukey HSD post hoc test was run to find out the exact difference among the groups. It reveals that the perception of age group above 50 years differs with the age group less than 30 years and 31-40 years. There is no significant difference in the perception of customers between the age group above 50 years and 41-50 years. While

evaluating the mean difference, it is found that customers with the age group of less than 30 years and 31-40 years have better perception about cross-selling practices as compared to customers above 50 years old.

### **Education Wise Comparison of Perception of Customers about Cross-selling Practices**

The perception of customers about cross-selling practices may be influenced by their educational qualifications. An education wise comparison of perception of customers about cross-selling practices is essential to know the difference in the perception of customers having different educational qualifications. Following hypothesis is formulated and test is held by using One-Way ANOVA.

H0: There is no significant difference in the perception of customers about cross-selling practices with regard to their education.

Homogeneity of variance is examined before doing ANOVA. The p value of the Levene's test is 0.427 (Levene's statistics of 0.983) which is much higher than 0.05. Hence the homogeneity of variance is confirmed and ANOVA has been applied. The result is shown in the table 4.26.

**Table 4.26**

*Education Wise Comparison of Perception of Customers about Cross-selling Practices*

	<b>Education</b>	<b>N</b>	<b>Mean</b>	<b>SD</b>	<b>F value</b>	<b>P value</b>	<b>Remarks</b>
<b>Perception</b>	Below SSLC	5	3.4286	.81441	2.179	.055	Insignificant
	SSLC	24	3.4107	.65575			
	Plus Two	55	3.4442	.61885			
	Graduate	230	3.4894	.69681			
	Post Graduate	101	3.6719	.63328			
	Professional	65	3.6901	.59632			

Source: Survey Data  
Significant at 5 percent

The result of ANOVA gives a p value of 0.055 which is greater than 0.05 and failed to reject the null hypothesis. Hence, it can be concluded that educational qualifications of respondents does not make any significant difference in their perception about regarding cross-selling practices.

**Occupation Wise Comparison of Perception of Customers about Cross-selling Practices**

To understand the occupation wise difference in the perception of customers about cross-selling practices, one way ANOVA test was used and following hypothesis has been formulated to test whether this difference is statistically significant or not.

H0: There is no significant difference in the perception of customers about cross-selling practices with regard to their occupation.

Homogeneity of variance is confirmed (P=0.689i.e. P> 0.05) and ANOVA was performed to test the hypothesis.

**Table 4.27**

*Occupation Wise Comparison of Perception of Customers about Cross-selling Practices*

	<b>Occupation</b>	<b>N</b>	<b>Mean</b>	<b>SD</b>	<b>F value</b>	<b>P value</b>	<b>Remarks</b>
<b>Perception</b>	Government Employee	102	3.4552	.70667	1.325	.244	Insignificant
	Private Sector Employee	170	3.5857	.68250			
	Business	77	3.5788	.61090			
	Professional	57	3.6892	.63838			
	Self-Employed	47	3.4407	.63318			
	NRI	16	3.4732	.62536			
	Retired	11	3.3247	.62300			

Source: Survey Data  
Significant at 5 percent

The table 4.27 explains the difference in the perception among customers about cross-selling practices with respect to their occupation. A comparison of the mean scores indicates that there is difference in the awareness level among different groups. But the result of ANOVA reveals that these difference are not statistically significant as the p value is 0.244 which is greater than 0.05. Hence, the researcher failed to reject the null hypothesis and concluded that there is no significant difference in the perception of customers about cross-selling practices with regard to their occupation.

### **Marital Status Wise Comparison of Perception of Customers about Cross-selling Practices**

For the purpose of comparing the difference in the perception of customers about cross-selling practices with regard to their marital status, the following hypothesis is formed.

H0: There is no significant difference between married and unmarried respondents with regard to their perception about cross-selling practices.

**Table 4.28**

*Marital Status Wise Comparison of Perception of Customers about Cross-selling Practices*

	<b>Marital Status</b>	<b>N</b>	<b>Mean</b>	<b>SD</b>	<b>t value</b>	<b>P Value</b>	<b>Remarks</b>
Perception	Married	375	3.5410	.66610	-.266	.790	Insignificant
	Unmarried	105	3.5605	.66556			

*Source: Survey Data  
Significant at 5 percent*

Levene's test for equality of variance shows the p value of 0.389, hence homogeneity of variance assumed ( $P > 0.05$ ). The result of Independent sample t-test shows a p value of .0790 which is more than the significance level. Hence it can be inferred that perception of customers about cross-selling practices is not affected by their marital status.



### **Income Wise Comparison of Perception of Customers about Cross-selling Practices**

Perception of customers may be influenced by their income. Hence, it is worthwhile to analyse whether there is any difference in the perception of customers about cross-selling practices with regard to their income. The hypothesis is set as follows:

H0: There is no significant difference in the perception of customers about cross-selling practices with regard to their income.

For testing the hypothesis, One-way ANOVA was conducted and result is exhibited in the table 4.29.

**Table 4.29**

*Income Wise Comparison of Perception of Customers about Cross-selling Practices*

	<b>Income</b>	<b>N</b>	<b>Mean</b>	<b>SD</b>	<b>F value</b>	<b>P value</b>	<b>Remarks</b>
<b>Perception</b>	Up to 10,000	9	3.0476	.83299	4.033	.001	Significant
	10,001-20,000	72	3.4266	.69553			
	20,001-30,000	143	3.4585	.65198			
	30,001- 40,000	112	3.5612	.60812			
	40,001-50,000	58	3.6429	.57967			
	Above 50,000	86	3.7542	.71063			

*Source: Survey Data  
Significant at 5 percent*

Levene's test was applied before carrying out ANOVA test to determine homogeneity of variance. Levene's test gives a p value of 0.488 hence homogeneity of variance was confirmed. The p value of one-way ANOVA is 0.001, which is less than 0.05 (significant 5% level), hence rejected the null hypothesis and stating that there exists significant difference in the perception of customers with regard to their income. Tukey HSD post hoc test was carried out to find out the difference further. It reveals that customers having monthly income above Rs.50,000 have significant difference in their perception with customers having monthly income up to Rs.10,000 ( $p = 0.027$ ), Rs.10,001-20,000 ( $p = 0.023$ ) and Rs.20,000- 30,000 ( $p = 0.013$ ).

Specifically, the perception of customers with higher income is better than that of customers with lower incomes.

### **Region Wise Comparison of Perception of Customers about Cross-selling Practices**

For the purpose of comparing the difference in the perception of customers about cross-selling practices with regard to their region, the following hypothesis is developed and tested by using ANOVA.

H0: There is no significant difference in the perception of customers about cross-selling practices with regard to their income.

Homogeneity of variance was confirmed and ANOVA was performed for testing the hypothesis.

**Table 4.30**

*Region Wise Comparison of Perception of Customers about Cross-selling Practices*

	<b>Region</b>	<b>N</b>	<b>Mean</b>	<b>SD</b>	<b>F value</b>	<b>P value</b>	<b>Remarks</b>
Perception	South	160	3.5232	.67804	.180	.836	Insignificant
	Central	160	3.5446	.69658			
	North	160	3.5679	.62259			

*Source: Survey Data  
Significant at 5 percent*

The mean score showed in the above table itself shows that there is no significant difference in the perception between the groups. The result of ANOVA also clarifies that perception of customer about cross-selling practices does not differ significantly with regard to their region ( $p=0.836$ ).

### **Comparison of Perception of Customers about Cross-selling Practices Based on Number of Products Availed**

The perception of respondents may be influenced by the number of cross-selling products availed by them. So, it was found necessary to check whether there

is any significant difference in the perception of customers about cross-selling practices with regard to the number of cross-selling products availed by them. To examine this, a hypothesis is formed and tested by using Independent sample t-test.

H0: There is no significant difference in the perception of customers about cross-selling products and services with regard to the number of cross-selling products availed by them.

**Table 4.31**

*Comparison of Perception of Customers about Cross-selling Practices Based on Number of Products Availed*

	<b>Number of products availed</b>	<b>N</b>	<b>Mean</b>	<b>SD</b>	<b>t value</b>	<b>P Value</b>	<b>Remarks</b>
<b>Perception</b>	Only one product	394	3.4518	.67399	-9.354	.000	Significant
	More than one product	86	3.9734	.41026			

*Source: Survey Data  
Significant at 5 percent*

Levene's test for equality of variance shows the p value of 0.000 and hence, homogeneity of variance cannot be assumed. The result of Independent sample t-test shows a p value of 0.000 which is less than 0.05 hence, rejected the null hypothesis and it can be concluded that there is significant difference in the perception of customers about cross-selling practices based on the number of cross-selling products availed by them. While analyzing the mean score value, it is found that the mean score of respondents who have availed only one product is 3.4518 (SD 0.67399) which is less than the mean score of respondents who have availed more than one product (Mean 3.9734, SD 0.41026) clarifying that the customers who availed more than one product have better perception about cross-selling practices than those who availed only one product.

### **Correlation Analysis between the Awareness Level of Customers about Cross-selling Products and Services and their Perception about Cross-selling Practices**

The perception of the respondents may be influenced by their awareness about cross-selling products and services. Hence a hypothesis is formed for testing this which is as follows:

H0: There is no relationship between the awareness level of customers about cross-selling products and services and their perception about cross-selling practices.

**Table 4.32**

*Correlation Analysis between the Awareness Level of Customers about Cross-selling Products and Services and their Perception about Cross-selling Practices*

Variables		Awareness about Cross-selling products and services	Perception about Cross-selling practices
Awareness about cross-selling products and services	Pearson Correlation	1	.228**
	Sig. (2-tailed)		.000
Perception about cross-selling practices	Pearson Correlation	.228**	1
	Sig. (2-tailed)	.000	

\*\* Correlation is significant at the 0.01 level (2-tailed).

Table 4.32 exhibits the relationship between the awareness level of customers about cross-selling products and services and their perception about cross-selling practices. Pearson correlation revealed that there existed significant and positive correlation between the awareness level of customers about cross-selling products and services and their perception about cross-selling practices ( $r=0.228$ ,  $p<0.01$ ).

#### 4.8. Perception of Customers about Cross-selling Benefits

Perception of customers about the benefit of buying cross-selling products and services is analysed by developing various statement with the help of literatures and experts in the field. The statements are 'convenience', 'tailor made products to meet varied customer need', 'individual attention to each customers', 'reduction in transaction cost', 'product at reduced price', 'reduction in formalities and paper work as customer already familiar with the bank and need not prove credential for every new purchase', 'additional benefits', 'service of skilled and trained employees', 'expect advices of the bank employees in taking final decision', 'innovative and wide product ranges to meet varied customer needs' and 'financial security is ensured as personal and financial information of customer is maintained in one hand'. A five point Likert scale ranging from strongly agree to strongly disagree is used in the questionnaire for collecting the responses and the collected responses are analysed by using mean score. The summary of the responses is shown in the table 4.33.

**Table 4.33**

*Perception of Customers about Cross-selling Benefits*

	Public		Private	
	Mean	SD	Mean	SD
Convenience	3.85	.701	3.93	.699
Tailor made products to meet varied customer need	3.22	.842	3.32	.808
Individual attention to each customer	3.14	.854	3.35	.824
Reduction in transaction cost	3.09	.955	3.26	.907
Product at reduced price	3.12	.941	3.24	.904
Reduction in formalities and paperwork as customer already familiar with the bank and need not to prove credential for every new purchase	3.81	.722	3.92	.683
Additional benefits (eg: special discounts, offers, preferential pricing etc.	3.11	.838	3.24	.808
Services of skilled and trained employees	3.34	.892	3.52	.813

	Public		Private	
	Mean	SD	Mean	SD
Expert advice of the bank employee in taking financial decision	3.38	.884	3.49	.760
Innovative and wide product ranges to meet customers' needs	3.28	.773	3.46	.786
Financial security is ensured as personal and financial information of customer is maintained in one hand	3.68	.762	3.66	.737
<b>Overall perception</b>	<b>3.3659</b>	<b>.66597</b>	<b>3.4898</b>	<b>.65984</b>

*Source: Survey Data*

The above table illustrates the perception of customers about the benefits of buying cross-selling products and services. It is seen from the table that all the statements have a mean score higher than three which clearly demonstrates that customers in both the sectors have positive perception about cross-selling benefits. Convenience, reduction in formalities and paperwork and financial security are the highly positively perceived benefit by the customers of public and private sector banks. Even though the customers of both the sectors have positive perception about cross-selling benefits, some of the statements scored low values. In the case of public sector banks, reduction in price and transaction cost, individual attention provided by the banks and additional benefits received are the least scored benefits. Further, in the case of private sector banks, reduction in price and transaction cost and additional benefits received are the least scored benefits. Overall customers of both the sectors have positive perception about cross-selling benefits. Particularly, customers in the private sector banks have better perception than those in the public sector banks.

### **Sector-wise Comparison of Perception of Customers about Cross-selling Benefits**

Public and private sector banks provide different cross-selling benefits to their customers, and their perception also reflects that. Hence, it is essential to check whether there is any significant difference in the perception of customers according to the type of bank. A hypothesis is set as follows:

H0: There is no significant difference between public and private sector bank customers regarding their perception about cross-selling benefits.

An independent sample t-test was conducted to examine the statistical significance of this difference. Levene's test for equality of variance shows the p value 0.421 and hence, the homogeneity of variance is assumed. The result of independent sample t-test is shown in the table 4.34.

**Table 4.34**

*Sector-wise Comparison of Perception of Customers about cross-selling Benefits*

	Sector	N	Mean	SD	t value	P Value	Remarks
Perceived benefits	Public	240	3.3659	.66597	-2.047	.041	Significant
	Private	240	3.4898	.65984			

Source: Survey Data  
Significant at 5 percent

The above table demonstrates the sector-wise comparison of perception of customers about cross-selling benefits. It is observed from the table that there is difference in the mean perception of customers of public sector and private sector banks. The result of t-test also denotes that there is significant difference between public sector and private sector bank customers regarding their perception about cross-selling benefits. Here, the null hypothesis is rejected at 5 percent level of significance as the p value (0.041) is less than 0.05. The mean score of private sector bank is 3.4898 (SD 0.65984) which is higher than the mean score of public sector bank (Mean 3.3659, SD 0.66597). Hence, it can be concluded that customers in the private sector banks have better perception than those in the public sector banks.

### **Gender Wise Comparison of Perception of Customers about Cross-selling Benefits**

In order to analyse whether there is any difference in the perception among male and female respondents about cross-selling benefits, gender wise comparison was done with the following hypothesis.

H0: There is no significant difference between male and female respondents with regard to their perception about cross-selling benefits.

An independent sample t-test was conducted to check the statistical significance of this difference. Homogeneity of variance is confirmed as the p value of Levene's test for equality of variance is 0.438 ( $P > 0.05$ ). The result is shown in the following table.

**Table 4.35**

*Gender Wise Comparison of Perception of Customers about Cross-selling Benefits*

	Gender	N	Mean	SD	t value	P Value	Remarks
Perceived benefits	Male	370	3.4369	.67175	.544	.587	Insignificant
	Female	110	3.3975	.64434			

*Source: Survey Data  
Significant at 5 percent*

It is observed from the above table that the mean values of male and female customers are different. But the result of Independent sample t-test reveals that this difference is not statistically significant as the p value is 0.587 which is higher than the significance value. Hence rejected the null hypothesis by stating that there is no significant difference in the perception of customers about cross-selling benefits with regard to their gender.

#### **Age Wise Comparison of Perception of Customers about Cross-selling Benefits**

The perception of customers about cross-selling benefits may be influenced by their age. An age wise comparison of perception is essential to know the difference in the perception of customers about cross-selling benefits according to their age. Following hypothesis is formulated for this purpose and test is held by using ANOVA.

H0: There is no significant difference in the perception of customers about cross-selling benefits with regard to their age.



**Table 4. 36**

*Age Wise Comparison of Perception of Customers about Cross-selling Benefits*

	Age	N	Mean	SD	F value	P value	Remarks
Perceived benefits	Less than 30	123	3.4723	.63633	3.404	.018	Significant
	31-40	200	3.4909	.64250			
	41-50	114	3.3692	.67200			
	Above 50	43	3.1628	.76949			

*Source: Survey Data  
Significant at 5 percent*

Homogeneity of variance is confirmed as the p value of Levene's test is (0.317) is greater than 0.05. The result of ANOVA shows a p value of 0.018 which is less than 0.05, the null hypothesis is rejected which led to an interpretation that there is significant difference in the perception of customers about cross-selling benefits with regard to their age. So, it is necessary to make multiple comparisons to find out which groups have significant difference. Tukey HSD test result revealed that customers with the age group of less than 30 years and 31-40 years have better perception about cross-selling benefits as compared to customers above 50 years old.

**Education Wise Comparison of Perception of Customers about Cross-selling Benefits**

Education wise analysis is necessary to understand the influence of education on the perception of customers about cross-selling benefits. Following hypothesis has been formulated and tested by conducting one way ANOVA test.

H0: There is no significant difference in the perception of customers about cross-selling benefits with regard to their education.

Prior to the testing of ANOVA, homogeneity of variance has been verified by using Levene's test. The p value of Levene's test is 0.374 and hence, homogeneity of variance is confirmed. The result is presented in the table 4.37.

**Table 4.37***Education Wise Comparison of Perception of Customers about Cross-selling Benefits*

	Education	N	Mean	SD	F value	P value	Remarks
Perceived benefits	Below SSLC	5	3.1455	.62523	2.080	.067	Insignificant
	SSLC	24	3.2689	.78957			
	Plus Two	55	3.3322	.62329			
	Graduate	230	3.3834	.67093			
	Post Graduate	101	3.5572	.67612			
	Professional	65	3.5455	.58188			

Source: Survey Data  
Significant at 5 percent

Table 4.37 shows the differences in the perception of customers with respect to their educational qualifications. Even though the mean score themselves show difference in the perception of customers with respect to their educational qualifications, a statistically significant difference could not be found as the p value of ANOVA is 0.067. It implies that there is no significant difference in the perception of customers about cross-selling benefits with regard to their education.

### **Occupation Wise Comparison of Perception of Customers about Cross-selling Benefits**

For the purpose of analysing occupation wise difference in the perception of customers about cross-selling benefits, following hypothesis has been formed.

H0: There is no significant difference in the perception of customers about cross-selling benefits with regard to their occupation.

Homogeneity of variance was verified by using Levene's test (P=0.578 i.e. P >0.05). So that ANOVA was applied. The result is depicted in the table 4.38.

**Table 4.38**

*Occupation Wise Comparison of Perception of Customers about Cross-selling Benefits*

	<b>Occupation</b>	<b>N</b>	<b>Mean</b>	<b>SD</b>	<b>F value</b>	<b>P value</b>	<b>Remarks</b>
<b>Perceived benefits</b>	Government Employee	102	3.3547	.69063	1.455	.192	Insignificant
	Private Sector Employee	170	3.4711	.68935			
	Business	77	3.4734	.63127			
	Professional	57	3.5614	.58264			
	Self-Employed	47	3.3056	.63138			
	NRI	16	3.2727	.64795			
	Retired	11	3.1736	.75126			

*Source: Survey Data*  
*Significant at 5 percent*

Since the p value of ANOVA is (0.192) is greater than 0.05, the researcher failed to reject the null hypothesis. So, it is found that occupation of the customers does not create significant difference in their perception about cross-selling benefits.

**Marital Status Wise Comparison of Perception of Customers about Cross-selling Benefits**

For the purpose of comparing perception of customers about cross-selling benefits with regard to their marital status, the following hypothesis is formulated.

H0: There is no significant difference between married and unmarried customers regarding their perception about cross-selling benefits.

An Independent sample t-test is carried out for testing the above hypothesis.

**Table 4.39**

*Marital Status Wise Comparison of Perception of Customers about Cross-selling Benefits*

	<b>Marital Status</b>	<b>N</b>	<b>Mean</b>	<b>SD</b>	<b>t value</b>	<b>P Value</b>	<b>Remarks</b>
Perceived benefits	Married	375	3.4305	.66497	.168	.867	Insignificant
	Unmarried	105	3.4182	.66871			

*Source: Survey Data*  
*Significant at 5 percent*

Table 4.39 shows the mean score of perception of customers about cross-selling benefits based on their marital status. Homogeneity of variance was confirmed as Levene's test for equality of variance shows a p value 0.862. The result of t test gives the p value 0.867 which is greater than 0.05 (significant at 5 percent level) and hence failed to reject the null hypothesis and concluded that there is no significant difference in the perception of customers about cross-selling benefits with regard to their marital status.

### **Income Wise Comparison of Perception of Customers about Cross-selling Benefits**

The perception of customers about cross-selling benefits may be influenced by their income. To understand the income wise difference in the perception of customers about cross-selling benefits, one way ANOVA test was used. Following hypothesis was formulated for this.

H0: There is no significant difference in the perception of customers about cross-selling benefits with regard to their income.

Homogeneity of variance is verified by using Levene's test. The P value of Levene's test is 0.402 (levens statistics 1.025) which is much higher than 0.05 and hence, homogeneity of variance is confirmed. So that ANOVA was performed. The result is displayed in the table 4.40.

**Table 4.40**

*Income Wise Comparison of Perception of Customers about Cross-selling Benefits*

	<b>Income</b>	<b>N</b>	<b>Mean</b>	<b>SD</b>	<b>F value</b>	<b>P value</b>	<b>Remarks</b>
<b>Perceived benefits</b>	Up to 10,000	9	2.9596	.95358	4.614	.000	Significant
	10,001-20,000	72	3.3119	.70498			
	20,001-30,000	143	3.3357	.62782			
	30,001- 40,000	112	3.4140	.66254			
	40,001-50,000	58	3.5470	.56362			
	Above 50,000	86	3.6649	.65707			

*Source: Survey Data*  
*Significant at 5 percent*

The above table shows the comparison of perception of customers about cross-selling benefits based on their income. From the mean values, it is found that the mean value of respondents having monthly income up to Rs.10000 is less than three while others have mean value above three. Since the P value of ANOVA is 0.000 which is less than 0.05 (significant at 5 percent level) the null hypothesis is rejected and stating that there is significant difference in the perception of customers about cross-selling benefits with regard to their income. Hence, in order to explore exact difference, the researcher used Tukey HSD test. It reveals that perception of respondents having monthly income above Rs.50,000 is statistically significantly differs with the perception of respondents having monthly income up to Rs.10,000, Rs.10,001-20,000 and Rs.20,001-30,000. Precisely, customers with higher incomes have better perception than the customers with lower incomes.

**Region Wise Comparison of Perception of Customers about Cross-selling Benefits**

In order to check whether the perception of customers about cross-selling benefits varies with regard to their region, following hypothesis is formulated and tested by using ANOVA.

H0: There is no significant difference in the perception of customers about cross-selling benefits with regard to their region.

**Table 4.41***Region Wise Comparison of Perception of Customers about Cross-selling Benefits*

	<b>Region</b>	<b>N</b>	<b>Mean</b>	<b>SD</b>	<b>F value</b>	<b>P value</b>	<b>Remarks</b>
Perceived benefits	South	160	3.4176	.63291			
	Central	160	3.4278	.69636	.038	.963	Insignificant
	North	160	3.4381	.66858			

*Source: Survey Data*  
*Significant at 5 percent*

The mean score showed in the table 4.41 indicates that there is no significant difference in the perception between the groups. The test result also reveals that there is no significant difference in the perception of customers about cross-selling benefits with regard to their region as the p value is 0.963 which is greater than 0.05.

#### **Comparison of Perception of Customers about Cross-selling Benefits Based on Number of Products Availed**

For the purpose of comparing the perception of customers about cross-selling benefits with regard to the number of cross-selling products availed by them, the following hypothesis is formulated.

H0: There is no significant difference in the perception of customers about cross-selling benefits with regard to the number of cross-selling products availed by them.

An Independent sample t-test was run for testing the hypothesis and result is given in the table 4.42.

**Table 4.42**

*Comparison of Perception of Customers about Cross-selling Benefits Based on Number of Products Availed*

	<b>Number of products availed</b>	<b>N</b>	<b>Mean</b>	<b>SD</b>	<b>t value</b>	<b>P Value</b>	<b>Remarks</b>
Perception	Only one product	394	3.3353	.67238	-	.000	Significant
	More than one product	86	3.8520	.42527	9.064		

*Source: Survey Data  
Significant at 5 percent*

Levene's test for equality of variance shows the p value of 0.000 and hence, homogeneity of variance cannot be assumed. The result of t test gives a p value of 0.000 which is less than the significance value and therefore the null hypothesis is rejected. It can be concluded that there is significant difference in the perception of customers about cross-selling benefits based on the number of products availed by them. Precisely, the customers who availed more than one product have better perception about cross-selling benefits than those who availed only one product.

#### **4.9. Satisfaction of Customers about Cross-selling Practices**

Nowadays, banks are giving importance to customer satisfaction and used different marketing strategies to satisfy their customers. Customer satisfaction is a measure of how well the products and services supplied by a bank meet the customer's expectations. In other words, it is a mental state of customers which compares the result of customer's expectation prior to purchase with their perception about performance after purchase. The customers will remain loyal to the bank only if they are satisfied with the services of their present bank and they are more likely to cross-buy additional products or services only if they are satisfied with their previous purchase. Hence, customer satisfaction strongly influences the willingness of the customers to buy additional products and services from their banks. So, it was found necessary to know how far the customers are satisfied with the cross-selling practices

of the banks. Here, the customers were asked to rate their opinion on a five point likert scale ranging from highly satisfied to highly dissatisfied (5=Highly Satisfied, 4=Satisfied, 3=Neither Satisfied nor Dissatisfied, 2=Dissatisfied, 1=Highly Dissatisfied). Based on their opinion, mean score is calculated and result is summarized in table 4.43.

**Table 4.43**

*Satisfaction of Customers about Cross-selling Practices*

	Public		Private	
	Mean	SD	Mean	SD
Knowledge of the employees regarding various cross-selling products and services	3.79	.703	3.90	.693
Availability of the concerned staff at the right time	3.61	.810	3.74	.772
Sales culture of the bank employees	3.51	.858	3.89	.851
Services of trained staff	3.53	.802	3.64	.712
Professional and advisory service provided by the bank employees	3.50	.771	3.60	.701
After sale service provided by the bank	3.23	.910	3.40	1.034
Speedy and prompt customer service	3.60	.886	3.81	.840
Information provided by the employees regarding cross-selling products and services	3.47	.792	3.62	.767
Attitude of the staff in resolving customer problem	3.36	.866	3.52	.981
Advertisement and awareness campaign on various cross-selling products	3.54	.770	3.63	.738
Banks innovativeness in introducing new products	3.56	.746	3.59	.737
Amount charged by the bank on various cross-selling products and services	2.34	.702	2.29	.700
<b>Overall Satisfaction</b>	<b>3.4181</b>	<b>.67071</b>	<b>3.5524</b>	<b>.65373</b>

*Source: Survey Data*

The table 4.43 reveals that the customers of both public sector and private sector banks are satisfied with all the statements related with customer satisfaction except amount charged by the banks on various cross-selling products and services



(Mean: Public 2.34; Private 2.29). The mean score representing overall satisfaction pointing to the fact that the customers of both public (3.4181) and private (3.5524) sectors are satisfied with the cross-selling practices of their banks, but at a moderate level. It also indicates that satisfaction is comparatively higher among the customers of public sector banks.

### Sector-wise Comparison of Satisfaction of Customers about Cross-selling Practices

Different banks follow different cross-selling practices, deliver different levels of service and offer various products and services which are reflected in their customers' satisfaction. Hence, it is very essential to check whether there is any difference in the satisfaction level of customer about cross-selling practices with regard to the type of bank. Following hypothesis was formulated and tested by using Independent sample t-test.

H0: There is no significant difference between public and private sector bank customers regarding their satisfaction about cross-selling practices.

**Table 4.44**

*Sector-wise Comparison of Satisfaction of Customers about Cross-selling Practices*

	Sector	N	Mean	SD	t value	P Value	Remarks
Satisfaction	Public	240	3.4181	.67071	-2.223	.027	Significant
	Private	240	3.5524	.65373			

Source: Survey Data  
Significant at 5 percent

Table 4.44 shows the sector-wise comparison of satisfaction level of customers. Levene's test for equality of variance shows a p value of 0.159 hence homogeneity of variance confirmed ( $p > 0.05$ ). While analyzing the mean score, it is found that there is a difference in the satisfaction of public sector and private sector banks. The test result also shows a p value of 0.027 which is less than 0.05 and hence rejected the null hypothesis and implying that there is significant difference between public sector and private sector bank customers regarding their satisfaction about

cross-selling practices. The mean score of private sector banks is higher than that of public sector banks clarifying that customers in the private sector banks are more satisfied with the cross-selling practices than the latter.

### **Gender Wise Comparison of Satisfaction of Customers about Cross-selling Practices**

Satisfaction of customers about cross-selling practices may be influenced by their gender. Hence, an attempt has been made to analyse the statistical significance of this difference by using Independent sample t-test. A hypothesis is formulated as:

H0: There is no significant difference between male and female respondents with regard to their satisfaction about cross-selling practices.

**Table 4.45**

*Gender Wise Comparison of Satisfaction of Customers about Cross-selling Practices*

	<b>Gender</b>	<b>N</b>	<b>Mean</b>	<b>SD</b>	<b>t value</b>	<b>P Value</b>	<b>Remarks</b>
Satisfaction	Male	370	3.4941	.67709	.537	.591	Insignificant
	Female	110	3.4553	.62460			

*Source: Survey Data*  
*Significant at 5 percent*

Table 4.45 shows the gender wise comparison of satisfaction level of customers. Homogeneity of variance is confirmed as the p value of Levene's test for equality of variance is 0.389 ( $P > 0.05$ ). The above table makes it clear that there is no significant difference in the satisfaction of customers about cross-selling practices with regard to their gender ( $P=0.591$  i.e.  $P > 0.05$ ).

### **Age Wise Comparison of Satisfaction of Customers about Cross-selling Practices**

The satisfaction level of customers may be influenced by their age. To understand the age wise difference in the satisfaction level of customers about cross-selling practices, one way ANOVA test was used. Following hypothesis has been developed for testing whether this difference is statistically significant or not.

H0: There is no significant difference in the satisfaction of customers about cross-selling practices with regard to their age.

Homogeneity of variance is verified by using Levene's test. Homogeneity of variance is confirmed as the p value (0.536) is greater than 0.05 and ANOVA was applied. The result is presented in the table 4.46.

**Table 4.46**

*Age Wise Comparison of Satisfaction of Customers about Cross-selling Practices*

	Age	N	Mean	SD	F value	P value	Remarks
Satisfaction	Less than 30	123	3.5413	.61510	4.240	.006	Significant
	31-40	200	3.5629	.67076			
	41-50	114	3.3838	.66939			
	Above 50	43	3.2326	.68972			

*Source: Survey Data  
Significant at 5 percent*

The comparison of satisfaction level of customers about cross-selling practices with regard to their age is demonstrated in the above table. The test result of ANOVA gives a p value of 0.006 which is less than 0.05. Hence, rejected the null hypothesis and indicating that there is significant difference in the satisfaction of customers about cross-selling practices with regard to their age. For understanding the difference in detail, Tukey HSD post hoc test for multiple comparisons is carried out and the result revealed that satisfaction of age group above 50 years differs with the age group less than 30 years and 31-40 years. More precisely, customers with the age group less than 30 years and 31-40 years are more satisfied than the customers over 50 years of age.

### **Education Wise Comparison of Satisfaction of Customers about Cross-selling Practices**

The satisfaction level of customers about cross-selling practices may be influenced by their educational qualifications. So, it is essential to analyse whether there is any difference in the satisfaction level of customers with regard to their

educational qualifications, following hypothesis is formed and test is held by using one-way ANOVA.

H0: There is no significant difference in the satisfaction of customers about cross-selling practices with regard to their education.

Homogeneity of variance is confirmed as the p value of Levene's test is 0.541 hence, ANOVA was carried out.

**Table 4.47**

*Education Wise Comparison of Satisfaction of Customers about Cross-selling Practices*

	Education	N	Mean	SD	F value	P value	Remarks
Satisfaction	Below SSLC	5	3.1667	.58035	1.962	.083	Insignificant
	SSLC	24	3.3472	.70611			
	Plus Two	55	3.4167	.55763			
	Graduate	230	3.4351	.67164			
	Post Graduate	101	3.6188	.68499			
	Professional	65	3.5885	.65780			

Source: Survey Data  
Significant at 5 percent

The comparison of satisfaction of customers about cross-selling practices with regard to their educational qualification is shown in the above table. The test result shows a p value of 0.083. Hence, it cannot be concluded that satisfaction of customers about cross-selling practices is influenced by their educational qualifications.

### **Occupation Wise Comparison of Satisfaction of Customers about Cross-selling Practices**

For the purpose of comparing satisfaction of customers with regard to their occupation, the following hypothesis is formed and test is conducted by using ANOVA. The result is shown in the following table.

H0: There is no significant difference in the satisfaction of customers about cross-selling practices with regard to their occupation.

**Table 4.48**

*Occupation Wise Comparison of Satisfaction of Customers about Cross-selling Practices*

Perception	Occupation	N	Mean	SD	F value	P value	Remarks
Satisfaction	Government Employee	102	3.4126	.77523	1.443	.196	Insignificant
	Private Sector Employee	170	3.5314	.63626			
	Business	77	3.5281	.59260			
	Professional	57	3.6184	.66199			
	Self-Employed	47	3.3298	.61458			
	NRI	16	3.3594	.60608			
	Retired	11	3.3030	.69149			

*Source: Survey Data*  
*Significant at 5 percent*

Before doing ANOVA, homogeneity of variance is verified by using Levene's test. Homogeneity of variance is confirmed ( $P=0.109$  i.e.  $P>0.05$ ). Since the P value of ANOVA is greater than 0.05, the researcher failed to reject the null hypothesis. Hence, it cannot be concluded that satisfaction of customers about cross-selling practices differs with their occupation.

**Marital Status Wise Comparison of Satisfaction of Customers about Cross-selling Practices**

In order to compare the satisfaction of customers with regard to their marital status, the following hypothesis is formulated.

H0: There is no significant difference between married and unmarried respondents with regard to their satisfaction about cross-selling practices.

**Table 4.49**

*Marital Status Wise Comparison of Satisfaction of Customers about Cross-selling Practices*

	<b>Marital Status</b>	<b>N</b>	<b>Mean</b>	<b>SD</b>	<b>t value</b>	<b>P Value</b>	<b>Remarks</b>
Satisfaction	Married	375	3.4871	.67195	.116	.908	Insignificant
	Unmarried	105	3.4786	.64260			

*Source: Survey Data*  
*Significant at 5 percent*

Homogeneity of variance is confirmed as the p value of Levene's test for equality of variance is 0.747. The result of Independent sample t-test reveals that there is no significant difference in the satisfaction about cross-selling practices with regard to their marital status.

#### **Income Wise Comparison of Satisfaction of Customers about Cross-selling Practices**

The satisfaction level of customers may be influenced by their income. The statistical significance of the difference in the satisfaction level based on their income is tested by using ANOVA. A hypothesis is set for this as follows.

H0: There is no significant difference in the satisfaction of customers about cross-selling practices with regard to their income.

Homogeneity of variance is ensured as the P value of Levene's test is 0.944. So that ANOVA is applied. The result is given in the table 4.50.

**Table 4.50**

*Income Wise Comparison of Satisfaction of Customers about Cross-selling Practices*

	<b>Income</b>	<b>N</b>	<b>Mean</b>	<b>SD</b>	<b>F value</b>	<b>P value</b>	<b>Remarks</b>
<b>Satisfaction</b>	Up to 10,000	9	3.0370	.65366	3.838	.002	<b>Significant</b>
	10,001-20,000	72	3.3796	.64639			
	20,001-30,000	143	3.3887	.64398			
	30,001- 40,000	112	3.5134	.64604			
	40,001-50,000	58	3.5517	.59866			
	Above 50,000	86	3.6996	.72640			

*Source: Survey Data*  
*Significant at 5 percent*

The mean score showed in the above table reveals that there is difference in the satisfaction of customers with respect to their income. The test result also shows a p value of 0.002 which is less than 0.05 (significant at 5% level). Therefore, the null hypothesis is rejected and it can be inferred that satisfaction of customers about cross-selling practices varies according to their income. The result of Tukey HSD post hoc test reveals that satisfaction of customers having monthly income above Rs.50,000 differs with customers having monthly income up to Rs.10,000, Rs.10,001-20,000 and Rs.20,001-30,000. Specifically, customers with higher incomes are more satisfied with the cross-selling practices as compared to customers with lower incomes.

**Region Wise Comparison of Satisfaction of Customers about Cross-selling Practices**

For the purpose of comparing satisfaction of customers with regard to their region, the following hypothesis is formulated and tested by using ANOVA.

Homogeneity of variance was confirmed as the p value of Levene's test is 0.356, so that ANOVA was performed.

**Table 4.51***Region Wise Comparison of Satisfaction of Customers about Cross-selling Practices*

	<b>Region</b>	<b>N</b>	<b>Mean</b>	<b>SD</b>	<b>F value</b>	<b>P value</b>	<b>Remarks</b>
	South	160	3.4578	.70065			
Satisfaction	Central	160	3.4896	.66593	.235	.790	Insignificant
	North	160	3.5083	.62969			

*Source: Survey Data*  
*Significant at 5 percent*

The table 4.51 illustrates the comparison of satisfaction of customers about cross-selling practices with regard to their region. It is clear from the table that there is insignificant difference in the satisfaction of customers about cross-selling practices with regard to their region.

#### **Comparison of Satisfaction of Customers about Cross-selling Practices Based on Number of Products Availed**

Satisfaction of customers about cross-selling practices may be influenced by the number of cross-selling products availed by them. Hence, here an attempt has been made to analyse the statistical significance of this difference by using Independent sample t-test. To examine this a hypothesis is formed as follows:

H<sub>0</sub>: There is no significant difference in the satisfaction of customers about cross-selling practices with regard to the number of cross-selling products availed by them.



**Table 4.52**

*Comparison of Satisfaction of Customers about Cross-selling Practices Based on Number of Products Availed*

	<b>Number of products availed</b>	<b>N</b>	<b>Mean</b>	<b>SD</b>	<b>t value</b>	<b>P Value</b>	<b>Remarks</b>
Satisfaction	Only one product	394	3.3887	.65764	-8.493	.000	Significant
	More than one product	86	3.9273	.50144			

*Source: Survey Data  
Significant at 5 percent*

The table 4.52 exhibits the results of independent sample t-test. Homogeneity of variance is violated as assessed by using levene's test for equality of variance ( $p=0.002$ ). While analyzing the mean values it is found that there is difference in the satisfaction of customers based on the number of products availed by them. The result of Independent sample t-test also reveals that this difference is statistically significant as the p value is 0.000 which is less than the significance value of 0.05. Hence, rejected the null hypothesis by stating that there is significant difference in the satisfaction of customers about cross-selling practices with respect to the number of cross-selling products availed by them. More precisely, the customers who availed more than one product are more satisfied with cross-selling practices than those who availed only one product.

**Correlation Analysis between the Perception of Customers about Cross-selling Practices and Their Satisfaction about Cross-selling Practices**

The satisfaction of the respondents may be influenced by their perception about cross-selling practices. Hence a hypothesis formed for testing this as follows:

H0: There is no relationship between the perception of customers about cross-selling practices and their satisfaction about cross-selling practices.

**Table 4.53**

*Correlation Analysis between the Perception of Customers about Cross-selling Practices and Their Satisfaction about Cross-selling Practices*

Variables		Perception about Cross-selling practices	satisfaction about Cross-selling practices
Perception about cross-selling practices	Pearson Correlation	1	.854**
	Sig. (2-tailed)		.000
satisfaction about cross-selling practices	Pearson Correlation	.854**	1
	Sig. (2-tailed)	.000	

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Table no 4.53 shows the relationship between the perception of customers about cross-selling practices and their satisfaction about cross-selling practices. Pearson correlation revealed that the perception of customers about cross-selling practices and their satisfaction about cross-selling practices are significant and positively correlated ( $r=0.854$ ,  $p=0.000$ ).

#### **4.10. Problems Faced by the Customers while or after Buying Cross-selling Products and Services**

As it is said that every coin has two sides, there are advantages and disadvantages about cross-selling practices from the perspective of customers. Here, the researcher has made an attempt to study problems faced by the customers while or after buying cross-selling products and services. It will help the banks to improve their performance by taking remedial measures. A five point Likert scale ranging from strongly agree to strongly disagree was used for collecting the responses of customers and the responses are summarized in the following table.

**Table 4.54**

*Problems Faced by the Customers while or after Buying Cross-selling Products and Services*

	Public		Private	
	Mean	SD	Mean	SD
Lack of knowledge of the employee regarding various cross-selling products and services	2.25	.706	2.14	.712
Lack of trained staff to clear various doubts and clarification regarding the products	2.60	.822	2.48	.776
More formalities for getting an additional products	2.20	.694	2.08	.667
High amount are charged on cross-selling products and services	3.60	.743	3.68	.702
Existence of hidden charges	3.53	.765	3.49	.803
Unattractive product	2.46	.725	2.41	.721
Lack of guidance about product features	2.90	.893	2.54	.833
Limited time for individual interaction	2.58	.716	2.45	.763
Poor advisory assistance	2.55	.806	2.50	.743
Negative attitude of the bank employees towards cross-selling	2.47	.725	2.38	.728
Aggressive cross-selling makes customers frustrated and irritated	3.76	.769	3.70	.813
Frequent transfer of the bank employees	2.65	.762	2.59	.928
Lack of promotional effort from bank employees	2.40	.701	2.35	.693
Bank employees' resistance to change and adapt new culture	2.55	.775	2.33	.701

Source: Survey Data

Table 4.54 exhibits the important problems faced by the customers while or after buying cross-selling products and services. An observation on the mean score value reveals that aggressive cross-selling effort from the side of bank causes frustration and irritation (Mean: Public 3.76; Private 3.70), higher amount charged by the banks on various cross-selling products and services (Mean: Public 3.60; Private 3.68) and existence of hidden charges (Mean: Public 3.53; Private 3.49) are the important problems faced by the customers of both the sectors.

#### 4.11. Willingness of the Customers to Continue with the Bank

The willingness of the customers to remain as a customer of their present bank is an indication of loyalty towards that bank. Hence, it is necessary to know whether the customers would like to remain with the bank or not. The result is presented in the following table 4.55.

**Table 4.55**

*Willingness of the Customers to Continue with the Bank*

	Public		Private		Total	
	Frequency	Percent	Frequency	Percent	Frequency	Percent
<b>Yes</b>	207	86.3	213	88.8	420	87.5
<b>No</b>	33	13.8	27	11.3	60	12.5
<b>Total</b>	<b>240</b>	<b>100</b>	<b>240</b>	<b>100</b>	<b>480</b>	<b>100</b>

Source: Survey data

It is ascertained from the table that majority (87.5%) of the respondents would like to continue as customers of their present bank and only 12.5% would not like to remain with their present bank. The sector-wise classification shows that 86.3% of the public sector and 88.8 % of the private sector customers express their willingness to continue in the present bank and remaining 13.8% and 11.3% customers of the public sector banks and private sector banks respectively are not interested to continue as customers.

**Table 4.56**

*Willingness of the Customers to Continue as Cross-selling Customers*

	Public		Private		Total	
	Frequency	Percent	Frequency	Percent	Frequency	Percent
<b>Yes</b>	175	72.9	193	80.4	368	76.7
<b>No</b>	65	27.1	47	19.6	112	23.3
<b>Total</b>	<b>240</b>	<b>100</b>	<b>240</b>	<b>100</b>	<b>480</b>	<b>100</b>

Source: Survey data

The table 4.56 depicts that 175 customers of the public sector banks and 193 customers of private sector banks show an interest to continue as cross-selling

customers of their present bank. Further, 65 out of 240 customers in the public sector banks and 47 out of 240 customers of private sector banks are not interested to continue their relationship as cross-selling customers of their present bank.

#### **4.12. Willingness of the Customers to Buy Cross-selling Products and Services in the Near Future**

The researcher has further collected information from the customers who wish to remain as cross-selling customers of their present bank regarding their willingness to buy cross-selling products in near future from their present bank. The result is shown in the table 4.57.

**Table 4.57**

*Willingness of the Customers to Buy Cross-selling Products and Services in the Near Future*

	Public		Private		Total	
	Frequency	Percent	Frequency	Percent	Frequency	Percent
<b>Yes</b>	97	55.4	141	73.1	238	64.7
<b>No</b>	78	44.6	52	29.6	130	35.3
<b>Total</b>	<b>175</b>	<b>100</b>	<b>193</b>	<b>100</b>	<b>368</b>	<b>100</b>

Source: Survey data

It is clear from the table that, total of 238 respondents expressed their interest to buy cross-selling products and services in the near future. Out of the same, 141 respondents are from private sector banks and remaining is from public sector banks. Further, 78 respondents of the public sector banks does not have an interest in buying cross-selling products and services in the near future whereas only 52 respondents of private sector banks does not show a positive response to cross-selling products and services. It is evident from the table that willingness is higher in the case of private sector banks as compared to public sector banks.

**Table 4.58***Willingness of the Customers to Recommend Their Bank*

	Public		Private		Total	
	Frequency	Percent	Frequency	Percent	Frequency	Percent
<b>Yes</b>	182	75.8	207	86.3	389	81
<b>No</b>	58	24.2	33	13.8	91	19
<b>Total</b>	<b>240</b>	<b>100</b>	<b>240</b>	<b>100</b>	<b>480</b>	<b>100</b>

Source: Survey data

It is observed from the above table that most of the respondents of public sector (75.8%) and private sector banks (86.3%) are interested to suggest their present bank to their friends and relatives. The rest of 24.2% and 13.8% respondents of public sector banks and private sector banks respectively are not interested in suggesting their present bank to their friends and relatives. The table further makes it clear that the willingness of the customers to suggest their present bank is more in the case of private sector banks.

**Table 4.59***Cross-selling Products Availed by the Customers*

	Public			Private			Total		
	Frequency	Total	Percent	Frequency	Total	Percent	Frequency	Total	Percent
Life insurance	70	240	29.2	78	240	32.5	148	480	30.8
General insurance	64	240	26.7	67	240	27.9	131	480	27.3
Mutual fund	70	240	29.2	71	240	29.6	141	480	29.4
Credit card	80	240	33.3	92	240	38.3	172	480	35.8

Source: Survey data

It is observed from the table that 70 respondents of the public sector banks and 78 respondents of the private sector banks availed life insurance policies from their bank, totaling to 148 respondents out of 480 respondents. Total of 131 respondents availed general insurance policies i.e., 64 and 67 respondents from public sector bank and private sector banks respectively. While in the case of mutual fund, 70 and 71

respondents in public sector banks and private sector banks respectively availed mutual funds from their bank. The data presented in the table also exhibits that out of total respondents, 172 respondents availed credit card. Among 172 respondents availed, 80 and 92 respondents are from public sector banks and private sector banks respectively.

#### **4.13. Product wise Analysis**

Even though banks offer a wide range of cross-selling products and services to their customers, here only four products are examined in detail. They are life insurance, general insurance, mutual funds and credit cards. These products are selected as they are the most commonly sold products by the banks.

##### **4.13.1 Life Insurance**

##### **4.13.1.1. Awareness Level of Policy Holders about the Attributes of Life Insurance Policy**

The awareness level of life insurance policy holders about the attributes of life insurance policies are measured by using variables such as pre policy medical examination, age limit, service charge, level of protection, free look period, terms and conditions. The respondents were asked to mark their level of awareness on a five point Likert scale ranging from extremely aware to not at all aware. Mean score is used to measure the awareness level and the result is presented in the table 4.60.

**Table 4.60**

*Awareness Level of Policy Holders about the Attributes of Life Insurance Policy*

<b>Attributes</b>	<b>Public</b>		<b>Private</b>	
	<b>Mean</b>	<b>SD</b>	<b>Mean</b>	<b>SD</b>
Pre policy medical examination	3.86	.708	3.92	.698
Age limit	3.80	.754	3.87	.691
Service charge	2.46	.829	2.56	.906
Level of protection	3.87	.635	3.95	.622
Free look period	2.01	1.083	2.12	1.139
Terms and conditions	2.69	.671	3.04	.844

*Source: Survey data*

It is clear from the table that policy holders of public sector banks have moderate level of awareness about attributes such as level of protection (3.87), pre policy medical examination (3.86) and age limit (3.80). But they are less aware about terms and conditions (2.69), service charge (2.46) and free look period (2.01). The table also makes it clear that policy holders of private sector banks have moderate level of awareness about level of protection (3.95), pre policy medical examination (3.92), age limit (3.87) and terms and conditions (3.04). But they are less aware about service charge (2.56) and free look period (2.12).

#### 4.13.1.2. Reason for Availing Life Insurance

The data presented in the below table revealed the reason for availing life insurance policy by the customers. The responses of the customers are analysed by using mean score and ranks are assigned according to their mean score. The result is given in the table 4.61.

**Table 4.61**

*Reason for Availing Life Insurance*

Reason	Mean	SD	Rank
Life coverage	4.05	.831	2
Investment	3.55	1.174	3
Security	4.26	.651	1
Tax advantage	3.27	1.358	6
Liquidity	3.31	1.189	5
Annuity benefit	2.00	1.143	8
Easy access to claim settlement	3.51	1.110	4
Tied with another product	2.24	1.357	7

*Source: Survey data*

The customers availed life insurance policies because of security ensured along with the policies. Further, they consider life insurance as ‘life coverage’ and ‘investment policy’. The other factors such as ‘easy access to claim settlement’, ‘liquidity’, ‘tax advantages’, ‘tied with income product’ and ‘annuity benefit’ are also the reasons for availing life insurance policies.



**Table 4.62**

*Classification of Respondents on the Basis of Types of Life Insurance Policy Availed*

Type of life insurance policy	Public		Private		Total	
	Frequency	Percent	Frequency	Percent	Frequency	Percent
Whole life insurance	3	4.3	4	5.1	7	4.7
Term plan	18	25.7	20	25.6	38	25.7
Unit linked insurance plan (ULIP)	4	5.7	6	7.7	10	6.8
Endowment plan	10	14.3	18	23.1	28	18.9
Credit protection plan	19	27.1	13	16.7	32	21.6
Money back policy	8	11.4	5	6.4	13	8.8
Child's plan	3	4.3	9	11.5	12	8.1
Retirement plan	5	7.1	3	3.8	8	5.4
<b>Total</b>	<b>70</b>	<b>100</b>	<b>78</b>	<b>100</b>	<b>148</b>	<b>100</b>

*Source: Survey data*

Table no 4.62 exhibits the different types of life insurance policies availed by the customers. It is ascertained from the table that majority (25.7%) of the respondents availed term plan. 21.6% of the respondents availed credit protection plan followed by endowment plan (18.9%). Only 5.4% and 4.7% of the respondents availed retirement plan and whole life insurance. The sector-wise analysis shows that the majority of the respondents of public sector banks availed credit protection plan (27.1%) and term plan (25.7%). Rest of the respondents availed whole life insurance (4.3%) and child's plan (4.3%). Majority of the respondents of private sector banks availed term plan (25.6%) and endowment plan (23.1%). Only 3.8% of the respondents availed retirement plan.

**Table 4.63***Period of Association with the Bank as Life Insurance Customers*

Years	Public		Private		Total	
	Frequency	Percent	Frequency	Percent	Frequency	Percent
Less than 1 year	25	35.7	22	28.2	47	31.8
1-3 years	17	24.3	24	30.8	41	27.7
3-5 years	15	21.4	18	23.1	33	22.3
More than 5 years	13	18.6	14	17.9	27	18.2
<b>Total</b>	70	100	78	100	148	100

*Source: Survey data*

It is observed from the table 4.63 that most of the respondents (31.8%) are continuing as life insurance customers for a period of less than 1 year. 27.7% of the total respondents are transacting for a period of 1-3 years followed by 3-5 years (22.3%) and more than 5 years (18.2%).

According to sector-wise classification, majority of the respondents (35.7%) of public sector banks are transacting with the bank as life insurance customers for less than 1 year. 24.3%, 21.4% and 18.6% of the respondents are continuing their association for a period 1-3 years, 3-5 years and more than 5 years respectively.

Further, in the case of private sector banks, most of the respondents (30.8%) continue as life insurance customers for a period 1-3 years followed by less than 1 year (28.2%), 3.5 years (23.1%) and more than 5 years (17.9%).

#### **4.13.2 General Insurance**

##### **4.13.2.1. Awareness Level of Policy Holders about the Attributes of General Insurance Policy**

Table No 4.64 exhibits the awareness level of general insurance customers about the attributes of general insurance policy. Here, the researcher measured the

awareness level of customers who have availed health insurance and customers who have availed general insurance other than health insurance separately. Five point of Likert scale is adopted to measure the awareness level. Mean score is used to measure the awareness level. The result is shown in the following table.4.64.

**Table 4.64**

*Awareness Level of Policy Holders about the Attributes of General Insurance Policy*

Attributes	Public		Private	
	Mean	SD	Mean	SD
<b>Health Insurance</b>				
Pre policy medical examination	3.71	.791	3.84	.943
Age limit	3.69	.847	3.76	.970
Service charge	2.41	.840	2.52	.770
Level of protection	3.78	.743	3.88	.881
Tie up with hospital	3.65	.751	3.80	.957
Cashless facility	3.61	.885	3.72	1.061
Terms and conditions	2.65	.723	2.68	.852
<b>Other General Insurance</b>				
Service charge	2.47	.743	2.60	.665
Level of protection	3.80	.561	3.86	.566
Terms and conditions	2.53	.743	2.64	.485

*Source: Survey data*

It is clear from the table that health insurance customers of public sector and private sector banks have moderate level of awareness about the level of protection, pre policy medical examination, age limit, tie up with hospital and cash facility. But they are less aware about terms and condition and service charge. It is also ascertained from the table that the customers of general insurance other than health insurance in both the sectors are moderately aware about level of protection (Mean: Public 3.80; Private 3.80). But they are less aware about terms and conditions (Mean: Public 2.53; Private 2.64) and service charge (Mean: Public 2.47; Private 2.60).

#### 4.13.2.2. Reason for Availing General Insurance

Table 4.65 shows the reason for availing general insurance policies by the customers and their responses are assessed by using mean score and ranks are assigned to the reasons on the basis of mean score.

**Table 4.65**

*Reason for Availing General Insurance*

Reason	Mean	SD	Rank
Security	4.27	.605	1
Tied with another product	2.19	1.307	4
Easy access to claim settlement	3.56	1.177	3
Risk coverage	4.19	.646	2

*Source: Survey data*

It is ascertained from the table that the factors security and risk coverage are the important reasons considered by the customers while availing general insurance policies. The other reasons are easy access to claim settlement and tied with another product.

**Table 4.66**

*Classification of Respondents on the Basis of Type of General Insurance Policy Availed*

Type of general insurance policy	Public		Private		Total	
	Frequency	Percent	Frequency	Percent	Frequency	Percent
Health insurance	49	76.6	25	37.3	74	56.5
Vehicle insurance	10	15.6	23	34.3	33	25.2
Home insurance	0	0	4	6	4	3.1
Personal accident insurance	5	7.8	13	19.4	18	13.7
Property insurance	0	0	2	3	2	1.5
<b>Total</b>	64	100	67	100	131	100

*Source: Survey data*

Table No 4.66 depicts the different types of general insurance policies availed by the customers. While analysing the public sector bank respondents, most of them availed health insurance i.e., 76.6%. Further, only 15.6% and 7.8% of the public sector bank respondents have availed vehicle insurance and personal accident insurance policies respectively. None of them availed property insurance and home insurance.

Further, while examining the private sector bank respondents, health insurance (37.3%) and vehicle insurance (34.3%) are the most preferred general insurance policies. Only a few of them have availed home insurance and property insurance.

Precisely, most of the respondents of both the sectors have availed health insurance and property insurance is the least availed general insurance policy.

**Table 4.67**

*Period of Association with the Bank as General Insurance Customers*

Years	Public		Private		Total	
	Frequency	Percent	Frequency	Percent	Frequency	Percent
Less than 1 year	55	85.9	53	79.1	108	82.4
1-3 years	9	14.1	14	20.9	23	17.6
<b>Total</b>	64	100	67	100	131	100

*Source: Survey data*

It can be observed from the table that majority of the respondents of both public sector and private sector banks have been associating with the bank as general insurance customers for a period of less than one year. Further, 14.1% of the public sector banks and 20.9% of the private sector banks have been associating with the bank for a period of 1-3 years.

### **4.13.3 Mutual Funds**

#### **4.13.3.1. Awareness Level of Mutual Fund Investors about the Attributes of Mutual Funds**

The awareness level of mutual fund investors about the attributes of mutual funds are measured by using variables such as risk related to investment, various

mutual fund scheme, NAV, lock in period, switching facility and entry load/exit load. The respondents were asked to mark their extent of awareness on a five point Likert scale ranging from extremely aware to not at all aware. Mean score is used to measure the awareness level and the result is presented in the table 4.68.

**Table 4.68**

*Awareness Level of Mutual Fund Investors about the Attributes of Mutual Funds*

Attributes	Public		Private	
	Mean	SD	Mean	SD
Risk related to investment	2.87	.833	2.93	.961
Various mutual fund scheme	3.47	1.003	3.54	.753
NAV	4.13	.721	4.21	.631
Lock in period	3.93	.822	4.03	.609
Switching facility	2.54	1.112	2.69	1.022
Entry load/exit load	3.46	1.045	3.63	.898

*Source: Survey data*

The respondents of public sector banks are highly aware about NAV (mean value above 4). They are moderately aware about various mutual fund scheme, lock in period and entry load/exit load (mean value between 3 and 4) and they are less aware about switching facility and risk related to investment (mean value less than 3).

The respondents of private sector banks are highly aware about NAV and lock in period with mean value of 4.21 and 4.03 respectively. They are moderately aware about various mutual fund schemes (3.54) and entry load/exit load (3.63) and they are less aware about switching facility (2.69) and risk related to investment (2.93).

#### **4.13.3.2. Reasons for Investing in Mutual Funds**

The table 4.69 depicts the reason for investing in mutual funds. Here, the respondents were asked to rate the reason based on the importance given to each reason at the time of investing in mutual fund and their responses are analysed by using mean score and ranks are assigned to the reasons according to their mean score.

**Table 4.69**

*Reasons for Investing in Mutual Funds*

Reason	Mean	SD	Rank
Savings	3.98	.626	2
Tax advantage	3.22	1.184	5
Diversification	3.60	.933	4
Return	4.30	.597	1
Safety and security	3.89	.704	3

*Source: Survey data*

The customers are investing in mutual funds due to return ensured from the investment followed by the factor savings. The other reasons are safety and security ensured in mutual funds, diversification and tax advantages benefited from the scheme of mutual funds.

**Table 4.70**

*Classification of Respondents on the Basis of Mode of Investment Preferred*

Mode of Investment	Public		Private		Total	
	Frequency	Percent	Frequency	Percent	Frequency	Percent
One time investment	19	27.1	23	32.4	42	29.8
Systematic Investment Plan (SIP)	51	72.9	48	67.6	99	70.2
<b>Total</b>	70	100	71	100	141	100

*Source: Survey data*

Table 4.70 makes it clear that, 99 out of 141 total respondents preferred systematic investments plan (SIP) over one time investment. While analysing the sector-wise comparison 51 and 19 respondents in the public sector banks preferred systematic investment plan (SIP) and one time investment respectively. In the case of private sector banks, 48 and 23 respondents have opted systematic investment plan (SIP) and one time investment respectively.

**Table 4.71***Amount Invested in One Time Investment*

Amount of Investment	Public		Private		Total	
	Frequency	Percent	Frequency	Percent	Frequency	Percent
Up to 100000	4	21.1	3	13	7	16.7
100001-300000	6	31.6	4	17.4	10	23.8
300001-500000	6	31.6	7	30.4	13	31
Above 500000	3	15.8	9	39.1	12	28.6
<b>Total</b>	19	100	23	100	42	100

*Source: Survey data*

The 29.8% of the respondents who have availed the one time investment were asked additional queries regarding the amount invested in one time investment scheme of mutual fund. It is observed from the table that 31% of the total respondents have invested Rs.300,001- 500,000 and 28.6% of the total respondents have invested above Rs.500,000 in one time investment. Only 16.7% of the respondents invested up to Rs.100,000. Out of the 23 respondents in private sector banks, 39.1% and 30.4% of the respondents have invested above Rs.500,000 and Rs.300,001-500,000 respectively. Further, 31.6 % each of public sector bank customers invested an amount of Rs.100,001-300,000 and Rs.300,001-500,000.

**Table 4.72***Amount Invested in Systematic Investment Plan (SIP)*

Amount of Investment	Public		Private		Total	
	Frequency	Percent	Frequency	Percent	Frequency	Percent
Up to1000	9	17.6	6	12.5	15	15.2
1000-1500	21	41.2	14	29.2	35	35.4
1500-3000	11	21.6	20	41.7	31	31.3
Above 3000	10	19.6	8	16.7	18	18.2
<b>Total</b>	51	100	48	100	99	100

*Source: Survey data*



It is already mentioned in the table 4.72 that total 99 respondents preferred systematic investment plan (SIP). The above table exhibits that 51 respondents from the public sector banks out of the 99 have invested in systematic investment plan (SIP) elaborating 10 respondents have invested above Rs.3000, 21 and 11 respondents have invested an amount ranging from Rs.1001-1500 and Rs.1501- 3000 respectively. Only 9 respondents have invested up to 1000 Rupees.

Further, in the case of private sector banks, 20 and 14 respondents have invested an amount of 1501-3000 and 1001-1500 respectively. Only 8 respondents have invested an amount above 3000 and 6 respondents have invested up to 1000 Rupees.

**Table 4.73**

*Classification of Respondents on the Basis of Mutual Fund Scheme Preferred*

Scheme	Public		Private		Total	
	Frequency	Percent	Frequency	Percent	Frequency	Percent
Open ended scheme	57	81.4	61	85.9	118	83.7
Close ended scheme	10	14.3	8	11.3	18	12.8
Interval	3	4.3	2	2.8	5	3.5
<b>Total</b>	70	100	71	100	141	100

*Source: Survey data*

It is found from the table that majority of the public sector and private sector bank customers preferred open ended scheme over close ended scheme and interval scheme i.e., 81.4% and 85.9 % in public sector and private sector respectively.

**Table 4.74***Period of Association with the Bank as Mutual Fund Investors*

Years	Public		Private		Total	
	Frequency	Percent	Frequency	Percent	Frequency	Percent
Less than 1 year	13	18.6	6	8.5	19	13.5
1-3 years	24	34.3	20	28.2	50	35.5
3-5 years	22	31.4	28	39.4	50	35.5
More than 5 years	11	15.7	17	23.9	28	19.9
<b>Total</b>	70	100	71	100	141	100

*Source: Survey data*

The above table shows the period of association of customers with the bank as mutual fund investors. In the case of public sector banks, 24 out of 70 investors have been associating with the bank as mutual fund investors for a period of 1-3 years followed by 22 and 13 for a period of 3.5 years and less than 1 year respectively. The rest of the 70 respondents have been associating for more than 5 years. While in the case of private sector banks, 28 and 20 respondents out of 71 have been transacting with the bank for a period of 3.5 years and 1-3 years respectively. Further, 17 respondents have been continuing their association for more than 5 years and only 6 of the total respondents have been transacting for less than 1 year.

#### **4.13.4 Credit Cards**

##### **4.13.4.1. Awareness Level of Credit Card Holders about the Attributes of Credit Cards**

The awareness level of credit card holders about the attributes of credit cards are measured by using variables such as interest charged, annual fee, fees and penalties, credit limit on the card, cash withdrawal limit and minimum payment due. The respondents were asked to rate their extent of awareness on a five point Likert

scale ranging from extremely aware to not at all aware. Mean score is used to measure the awareness level and the result is shown in the following table 4.75.

**Table 4.75**

*Awareness Level of Credit Card Holders about the Attributes of Credit Cards*

Attributes	Public		Private	
	Mean	SD	Mean	SD
Interest charged	4.21	.630	4.29	.719
Annual fee	4.03	.779	4.13	.759
Fees and penalties	3.56	.726	3.74	.739
Credit limit on the card	4.35	.530	4.50	.545
Cash withdrawal limit	2.61	.864	2.72	.918
Minimum payment due	4.11	.693	4.20	.715

*Source: Survey data*

Table 4.75 makes it clear that both the customers of public sector and private sector banks are highly aware about credit limit on the card (Mean: Public 4.35; Private 4.50), interest charged (Mean: Public 4.21; Private 4.29), minimum payment due (Mean: Public 4.11; Private 4.20) and annual fee (Mean: Public 4.21; Private 4.29). The table also reveals that customers of both the sector banks are moderately aware about fees and penalties (Mean: Public 3.56; Private 3.74) and they are less aware about cash withdrawal limit (Mean: Public 2.61; Private 2.72). Precisely, customers of both the sectors are aware about the attributes of credit cards except cash withdrawal limit.

#### **4.13.4.2 Reason for Availing Credit Cards**

The below table illustrates the reason for availing credit cards. Here, the respondents were asked to rate the reason for availing credit cards and their responses are analysed by mean score and ranks are imparted according to their mean score.

**Table 4.76***Reason for Availing Credit Cards*

<b>Reason</b>	<b>Mean</b>	<b>SD</b>	<b>Rank</b>
Convenient mode of payment	4.10	.706	2
To avoid risk of carrying cash	4.08	.824	3
To get credit facility	4.36	.600	1
Global acceptance of the card	3.47	1.235	5
EMI Facility	3.61	1.226	4
Incentives related to card	3.45	1.130	6
ATM facility for withdrawing money	2.54	1.151	9
Prestige	2.87	1.153	8
Convenient revolving overdraft facility	3.33	1.008	7

*Source: Survey data*

The main reasons for availing credit cards by the customers are credit card act as a credit facility and it is a convenient mode of payment. The other important reasons are to avoid risk of carrying cash, EMI facility, global acceptance of the card, incentives related to the card etc.

**Table 4.77***Classification of Respondents on the Basis of Type of Credit Card Possessed*

<b>Type of credit card</b>	<b>Public</b>		<b>Private</b>		<b>Total</b>	
	<b>Frequency</b>	<b>Percent</b>	<b>Frequency</b>	<b>Percent</b>	<b>Frequency</b>	<b>Percent</b>
Gold credit card	8	10	6	6.5	14	8.1
Silver credit card	10	12.5	13	14.1	23	13.4
Platinum credit card	31	38.8	36	39.1	67	39
Classic credit card	16	20	19	20.7	35	20.3
Travel credit card	7	8.8	9	9.8	16	9.3
Credit card for women	3	3.8	2	2.2	5	2.9
Fuel card	5	6.3	7	7.6	12	7
<b>Total</b>	80	100	92	100	172	100

*Source: Survey data*

The above table 4.77 shows the various types of credit cards possessed by the credit card holders. It is observed from the table that out of 172 total respondents, most of the respondents (39%) possessed platinum credit card. Only 2.9% of the respondents possessed credit card for women. According to sector-wise classification, majority of the respondents of public sector and private sector banks possessed platinum card followed by classic credit card and silver credit card. Only 3.8% and 2.2% of the respondents of public sector and public sector banks respectively possessed credit card for women.

**Table 4.78**

*Classification of Respondents on the Basis of Credit Limit*

Years	Public		Private		Total	
	Frequency	Percent	Frequency	Percent	Frequency	Percent
Up to 50000	39	48.8	35	38	74	43
50000-100000	22	27.5	28	30.4	50	29.1
100000-150000	12	15	16	17.4	28	16.3
Above 150000	7	8.8	13	14.1	20	11.6
<b>Total</b>	80	100	92	100	172	100

*Source: Survey data*

Table No 4.78 exhibits the classification of respondents on the basis of credit card limit on their card. It is clear from the table that majority of the respondents of both public sector and private sector banks have a credit card limit of up to Rs. 50,000 on their card. The next highest category of the respondents have a credit card limit of Rs.50,000-100,000 followed by Rs.100,000-150,000. Least of the respondents have a credit card limit of above Rs.150,000.

**Table 4.79***Average Amount of Credit Availed Per Month*

Years	Public		Private		Total	
	Frequency	Percent	Frequency	Percent	Frequency	Percent
Up to 20 %	55	68.8	52	65.5	107	62.2
21%-40%	15	18.8	22	23.9	37	21.5
41%-60%	8	10	12	13	20	11.6
61%-80%	2	2.5	4	4.3	6	3.5
81% and above	0	0	2	2.2	2	1.2
<b>Total</b>	80	100	92	100	172	100

*Source: Survey data*

The above table.4.79 exhibits the average percentage of credit limit availed per month by the credit card holders. It is clear from the table that most of the respondents of public sector and private sector banks availed up to 20% of their credit limit followed by 21% to 40%. None of the respondents of public sector banks availed 81% and above of their credit limit and only 2.2% of the respondents of private sector banks availed 81% and above of their credit limit.

**Table 4.80***Period of Association with the Bank as Credit Card Customers*

Years	Public		Private		Total	
	Frequency	Percent	Frequency	Percent	Frequency	Percent
Less than 1 year	25	31.3	20	21.7	45	26.2
1-3 years	21	26.3	35	38	56	32.6
3-5 years	18	22.5	15	16.3	33	19.2
More than 5 years	16	20	22	23.9	38	22.1
<b>Total</b>	80	100	92	100	172	100

*Source: Survey data*

It is ascertained from the table 4.80 that out of 172 respondents, most of them (56) are transacting with the bank as credit card customers for 1-3 years. 45 respondents are continuing as credit card holders for a period of less than 1 year followed by more than 5 years (38) and 3-5 years (33).

While analysing public sector bank respondents, most of them (31.3%) are transacting with the bank as credit card holders for a period of less than 1 year followed by 1-3 years (26.3%), 3-5 years (22.5%) and more than 5 years (20%).

Further, while examining the private sector bank respondents, majority of the respondents (38%) are associating with the bank as credit card holders for a period of 1-3 years. 23.9%, 21.7% and 16.3% of the respondents are associating with the bank for a period of more than 5 years, less than 1 year and 3-5 years respectively.

#### **4.14. Conclusion**

The present chapter made a detailed discussion about cross-selling practices from customers' perspective. From the analysis, it is found that customers of both public and private sector banks have moderate level of awareness about cross-selling products and services. The result of sector-wise comparison revealed that significant difference exists in the awareness of public and private sector customers. The analysis of the perception of customers about cross-selling practices and its benefits disclosed that customers of both the sectors have positive perception about cross-selling practices and its benefits. The result of sector-wise comparison revealed that there is significant difference between two sectors in their perception about cross-selling practices and their perception about cross-selling benefits. The analysis of the satisfaction of the customers about cross-selling practices revealed that customers of both public and private sector banks are moderately satisfied with cross-selling practices. The sector-wise comparison also revealed that there is statistically significant difference between public and private sector bank customers regarding their satisfaction about cross-selling practices.

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Chapter V

**ASSESSMENT OF CROSS-SELLING  
PRACTICES FROM EMPLOYEES'  
PERSPECTIVE**

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## **5.1. Introduction**

Recently, cross-selling practices are gaining wide acceptance among Indian banks. All banks including public sector and private sector banks are taking several efforts for implementing cross-selling practices, but their success depends largely on the attitude and commitment of their employees. Hence, it is crucial to understand the perception of bank employees regarding cross-selling practices which give an insight into cross-selling practices from the employee's perspective. This chapter analyses the cross-selling practices from employees' point of view. It contains analysis and results related with the perception of employees regarding initiatives taken by the bank for cross-selling and benefits of cross-selling practices to the banks, problems faced by them related to cross-selling practices and opinion of employees regarding measures taken for improving performance of banks in cross-selling business. In this chapter, sector-wise analysis is also carried to compare the perception of employees of public sector and private sector banks regarding cross-selling practices.

To achieve these objectives, data were collected from 120 bank employees by using structured questionnaire. The collected data were analysed with the help of various mathematical and statistical tools such as percentage, Averages, Independent sample t-test, ANOVA and Weighted Average Score.

This chapter is divided into two sections; Section A deals with the profile of the sample respondents and section B deals with the perception of bank employees regarding cross-selling practices.

## Section A

### 5.2. Profile of Sample Respondents

The sample respondents of the study consist of 120 employees from the four selected banks. The table 5.1 and 5.2 exhibits the sector-wise classification of number of sample respondents and their demographic profile.

#### 5.2.1. Number of Sample Respondents

Table 5.1 shows the number and percentage of employees selected from four selected banks.

**Table 5.1**

*Number of Sample Respondents*

Sector	Name of the bank	Number	Percent
Public	State Bank of India	30	25.0
	Punjab National Bank	30	25.0
	<b>Total</b>	<b>60</b>	<b>50.0</b>
Private	ICICI Bank	30	25.0
	HDFC Bank	30	25.0
	<b>Total</b>	<b>60</b>	<b>50.0</b>
	<b>Grand Total</b>	<b>120</b>	<b>100</b>

*Source: Survey Data*

The above table shows that out of 120 respondents, 50% of the respondents were the employees of public sector banks (30 employees each from SBI and PNB) and remaining are from the private sector banks (30 employees each from ICICI bank and HDFC bank).

#### 5.2.2. Demographic Profile of the Respondents

The distributions of sample respondents on the basis of their demographic profile are presented in the table 5.2. Variables such as gender, age, education, designation, and experience are included in the present study.

**Table 5.2**

*Demographic Profile of the Respondents*

Variables		Public Sector		Private Sector		Total	
		Number	Percent	Number	Percent	Number	Percent
<b>Gender</b>	Male	35	58.3	44	73.3	79	65.8
	Female	25	41.7	16	26.7	41	34.2
	<b>Total</b>	<b>60</b>	<b>100</b>	<b>60</b>	<b>100</b>	<b>120</b>	<b>100</b>
<b>Age</b>	Less than 30	16	26.7	30	50	46	38.3
	31-40	19	31.7	20	33.3	39	32.5
	41-50	16	26.7	8	13.3	24	20
	Above 50	9	15	2	3.3	11	9.2
	<b>Total</b>	<b>60</b>	<b>100</b>	<b>60</b>	<b>100</b>	<b>120</b>	<b>100</b>
<b>Education</b>	Plus two	9	15	1	1.7	10	8.3
	Graduate	28	46.7	29	48.3	57	47.5
	Post Graduate	16	26.7	27	45	43	35.8
	Professional	7	11.7	3	5	10	8.3
	<b>Total</b>	<b>60</b>	<b>100</b>	<b>60</b>	<b>100</b>	<b>120</b>	<b>100</b>
<b>Designation</b>	Manager	30	50	34	56.7	64	53.3
	officer	13	21.7	11	18.3	24	20
	SWO	9	15	6	10	15	12.5
	Clerical Staff	8	13.3	9	15	17	14.2
	<b>Total</b>	<b>60</b>	<b>100</b>	<b>60</b>	<b>100</b>	<b>120</b>	<b>100</b>
<b>Experience</b>	Less than 5 years	20	33.3	41	68.3	61	50.8
	5-10 years	17	28.3	11	18.3	28	23.3
	10-15 years	7	11.7	5	8.3	12	10
	Above 15 years	16	26.7	3	5	19	15.8
	<b>Total</b>	<b>60</b>	<b>100</b>	<b>60</b>	<b>100</b>	<b>120</b>	<b>100</b>

*Source: Survey Data*

The table shows that, out of 120 sample respondents surveyed, 65.8% of the total respondents are males and the remaining 34.2% are females. In the case of both

public sector and private sector banks, majority of the respondents are males which is 58.3% from public sector and 73.3% from private sector banks, 41.7% of the respondents of public sector banks and 26.7% of the respondents of private sector banks are females.

Under this study, age is confined to four heads namely; less than 30, 31-40, 41-50 and above 50 years. Majority of the respondents (31.7 %) of the public sector banks are within the age group of 31-40 years followed by less than 30 years and 41-50 years (26.7 % in each group) and above 50 years (15 %). In the case of private sector banks, most of the respondents (50%) are within the age group of less than 30 years followed by 33.3% in between 31-40 years, 13.3% of the respondents are in the age group of 41-50 years and 3.3% of the respondents are above 50 years of age.

Out of 120 total respondents, 47.5% are graduates followed by postgraduates (35.8%), 8.3% are equally in plus two and professional level distributed among the respondents. The sector-wise classification shows that majority of the employees of public sector banks (46.7 %) are graduates, 26.7% of the employees are postgraduates, 15% of the employees have plus two qualification and remaining 11.7% have professional qualification. Most of the employees of private sector banks (48.3%) are graduates, 45% of the employees are postgraduates and remaining 5% and 1.7% of the employees have professional and plus two qualifications respectively.

The employees are grouped into four heads based on their designation such as manager, officer, SWO and clerical staff. The table indicates that out of total respondents, 53.3% of the respondents are managers followed by officers (20%), clerical staff (14.2%) and SWOs (12.5%). According to the sector-wise classification, majority of the respondents (50%) of public sector banks are managers, 21.7% are officers, 15% are SWOs and remaining 13.3% are clerical staff. In the case of private sector banks, majority of the respondents i.e., 56.7% are managers, 18.3% are officers, 15% are clerical staff and 10% are SWOs.

The experience wise classification of respondents reveals that majority of the employees of public sector banks (33.3%) have less than 5 years of experience in the banking field. 28.3% of the employees have 5- 10 years of experience, 26.7% of the

employees have the experience of more than 10 years and remaining 11.7% have experience in between 10-15 years. Further, in the case of private sector banks, major share of the respondents (68.3%) have less than 5 years of experience in banking. 18.3%, 8.3% of the employees have the experience in between 5-10 years and 10-15 years respectively. Only 5% of the employees have more than 15 years of experience. More than half of the total respondents (50.8%) have less than 5 years of experience in the banking field.

### 5.3. Reasons for Entering into Cross-selling Practices

Banks have entered into cross-selling practices due to various reasons. These reasons are presented to the respondents and asked them to assign rank on the basis of their importance. Rank 1 for most important variable, Rank 2 for the second important variable and so on. Weighted Average Score is used for this purpose. The result is presented in the following table.

**Table 5.3**

*Reasons for Entering into Cross-selling Practices*

Reasons for Entering into Cross-selling Practices	Public		Private	
	Weighted Average score	Rank	Weighted Average score	Rank
To enhance profitability	12.18	1	13.21	1
Retention of existing customers	10.93	2	10.04	2
To improve customer loyalty	8.61	4	9.14	4
To improve customer satisfaction	9.57	3	9.46	3
To enhance reputation of the bank	5.61	6	6.61	6
To acquire the benefits of diversification	8.32	5	7.50	5
Optimum utilization of existing man powers, their skills and capabilities	4.71	7	4.11	7

*Source: Survey Data*

The employees of both public sector and private sector banks opined that the most important reason for entering into cross-selling practices is to enhance profitability with weighted average score of 12.18 in the case of former and 13.21 in the case of latter. In both the cases, retention of existing customers is ranked as the second important reason (weighted average score, Public:10.93, Private:10.04) followed by the reasons to improve customer satisfaction (weighted average score, Public: 9.57, Private: 9.46) and to improve customer loyalty (weighted average score, public: 8.61, Private: 9.14). In both the cases, least important rank is given to optimum utilization of existing man powers, their skills and capabilities with weighted average score of 4.71 in the case of public sector and 4.11 in the case of private sector banks.

#### **5.4. Perception of Employees Regarding Initiatives Taken for Cross-selling**

The perception of employees regarding initiatives taken for cross-selling by the banks, are assessed by using various statements such as ‘Special training provided to employees before they are entrusted with the responsibility of cross-selling’, ‘Bank gives importance to cross-selling together with other traditional banking practices’, ‘Customers are assisted with professional and expert advisory services’, ‘Integrated CRM packages and database are used to identify cross-selling opportunities and potential customers to reap out the market revenue’, ‘Regular advertisement on various products and services to make customers aware about the products’, ‘Suggested only relevant product to the customer based on their needs’, ‘Product bundling’. The respondents were asked to mark their opinion on a five point likert scale (5=Strongly Agree, 4=Agree, 3= Neither agree nor Disagree, 2=Disagree, and 1= Strongly Disagree) and the summary of the responses are displayed in the table given below.

**Table 5.4**

*Perception of Employees Regarding Initiatives Taken for Cross-selling*

<b>Cross-selling Initiatives</b>	<b>Public</b>		<b>Private</b>	
	<b>Mean</b>	<b>SD</b>	<b>Mean</b>	<b>SD</b>
Special training provided to employees before they are entrusted with the responsibility of cross-selling	3.72	1.180	4.48	.537
Bank gives importance to cross- selling together with other traditional banking practices	4.35	.755	4.25	.624
Customers are assisted with professional and expert advisory services	4.10	.706	4.50	.537
Integrated CRM packages and database are used to identify cross- selling opportunities and potential customers to reap out the market revenue	3.97	.901	4.52	.676
Regular advertisement on various products and services to make customers aware about the products	4.17	.717	4.50	.725
Suggested only relevant product to the customer based on their needs	4.22	.825	4.40	.785
Product bundling	3.82	.813	4.40	.718

*Source: Survey Data*

The table 5.4 demonstrates the perception of public sector and private sector employees regarding initiatives taken for cross-selling by the banks. An observation on the mean score reveals that in the case of both public sector and private sector banks means score of all the statements are above three, which implies that employees of both public sector and private sector banks have a positive perception regarding initiatives taken for cross-selling by the banks.

### **Sector-wise Comparison of Perception of Employees Regarding Initiatives Taken for Cross-selling**

Initiatives taken for cross-selling may be differing from bank to bank, hence it is reflected in their employees' perception. So it was found necessary to check whether there is any difference in the initiatives taken by the public sector and private sector banks. To examine this, a hypothesis is formed.

H0: There is no significant difference in the perception of employees regarding initiatives taken for cross-selling by public sector and private sector banks.

An Independent sample t-test was run to determine if there is any significant difference in the perception of employees regarding initiatives taken for cross-selling by public and private sector banks.

**Table 5.5**

*Sector-wise Comparison of Perception of Employees Regarding Initiatives Taken for Cross-selling*

Perception	Sector	N	Mean	SD	t value	p value	Remarks
Cross-selling Initiatives	Public	60	4.0476	.49042	-5.266	.000	Significant
	Private	60	4.4738	.39056			

*Source: Survey Data  
Significant at 5 percent*

The table 5.5 shows the mean score of initiatives taken by both public sector and private sector banks for cross-selling. In accordance with the levene's test for equality of variance, homogeneity of variance was confirmed ( $p=0.254$ ). The result of independent sample t-test reveals that there exists significant difference between two sectors in their perception regarding initiatives taken for cross-selling by the banks. While analyzing the mean score value, it is found that the mean score of private sector is higher than that of public sector banks clarifying that perception of private sector bank employees are comparatively better than public sector bank employees.

### **5.5. Perception of Employees Regarding Benefit of Cross-selling Practices to the Banks**

To know the perception of employees regarding benefit of cross-selling practices to the banks, various statements are developed. The employees were directed to rate their agreement on 18 variables under this construct on five point Likert scale ranging from strongly agree to strongly disagree (5=Strongly Agree, 4=Agree,



3=Neither agree nor Disagree, 2=Disagree, and 1= Strongly Disagree). The result is given in the following table.

**Table 5.6**

*Perception of Employees Regarding Benefit of Cross-selling Practices to the Banks*

<b>Benefit of Cross-selling Practices</b>	<b>Public</b>		<b>Private</b>	
	<b>Mean</b>	<b>SD</b>	<b>Mean</b>	<b>SD</b>
Cross-selling increase profitability of the bank	4.28	.640	4.63	.610
Cross-selling helps to increase return on asset	3.92	.829	4.53	.596
Cross-selling increase business per employee	3.88	.976	4.40	.694
Cross-selling increase profit per employee	3.77	1.015	4.05	1.227
Cross-selling helps to sell products at reduced price	3.60	.867	3.67	1.052
Cross-selling reduce communication and distribution cost	3.63	1.025	3.68	1.097
Cross-selling reduce cost of customer acquisition	3.73	.778	3.83	1.060
Cross-selling helps to reduce the risk of non-performing asset	3.02	1.228	3.72	1.151
Cross-selling increase customer base of the bank	3.98	.911	4.43	.621
Cross-selling improve customer satisfaction	4.38	.761	4.57	.593
Cross-selling improve customer loyalty	4.20	.732	4.32	.676
Cross-selling helps to strengthen customer relation	3.95	.928	4.33	.601
Cross-selling helps in customer retention	4.02	.748	4.30	.743
Cross-selling helps in utilizing potentials and skills of existing man powers	3.78	.976	4.23	.767
Cross-selling helps in optimum utilization of existing infrastructure	3.85	.880	3.92	.979
Cross-selling helps to motivate employees as they are rewarded with monitory and non-monitory incentives	3.40	1.278	4.18	.725
Cross-selling helps to strengthen bank reputation	3.80	1.005	4.25	.773
Cross-selling helps in protecting market share	3.82	.770	3.97	.882

*Source: Survey Data*

The table 5.6 reveals the perception of public sector and private sector bank employees regarding benefits of cross-selling practices to the banks. It is understood from the table that, in the case of both the sectors, mean score of all the statements are above three which clearly indicates that both public sector and private sector bank employees have a positive perception regarding the benefits of cross-selling practices to the banks.

### **Sector-wise Comparison of Perception of Employees Regarding the Benefits of Cross-selling Practices to the Banks**

To understand the sector-wise difference in the perception of public sector and private sector bank employees regarding benefits of cross-selling practices to the banks, following hypothesis has been formulated and tested by using Independent sample t-test.

H0: There is no significant difference in the perception of employees of public sector and private sector banks regarding the benefits of cross-selling practices to the banks.

**Table 5.7**

*Sector-wise Comparison of Perception of Employees Regarding the Benefits of Cross-selling Practices to the Banks*

Perception	Sector	N	Mean	SD	t value	p value	Remarks
Benefits of cross-selling practices	Public	60	3.8343	.59339	-3.399	.001	Significant
	Private	60	4.1676	.47411			

*Source: Survey Data  
Significant at 5 percent*

The table 5.7 exhibits the results of independent sample t-test. Based on the levene's test for equality of variance, homogeneity of variance was confirmed ( $p=0.350$  i.e.  $p>0.05$ ), the result of independent sample t-test shows a p value of 0.001 which is less than 0.05 and hence the null hypothesis is rejected. It can be concluded that there is significant difference in the perception of public and private sector bank

employees regarding benefits of cross-selling practices to the banks. Precisely, private sector bank employees are having better perception than the public sector bank employees.

### **5.7. Problems Faced by the Employees Related with Cross-selling Practices**

Employees are facing several issues related with cross-selling practices as they are the implementers of cross-selling strategies. So it is highly relevant to examine the problems faced by the employees related to cross-selling practices. The employees were asked to rate their level of agreement with the statements on a five point Likert scale ranging from strongly agree to strongly disagree. The result is shown in the table 5.8.

**Table 5.8**

*Problems Faced by the Employees Related with Cross-selling Practices*

Problems	Public			Private		
	Mean	SD	Rank	Mean	SD	Rank
Lack of incentives to employees	3.52	1.066	8	3.28	1.316	4
Inadequacy of proper training for selling cross-selling products	3.65	1.055	6	3.02	1.127	9
Increased workload makes cross-selling a burden	3.92	1.109	2	3.23	1.240	6
Inadequacy of favorable response from customers	3.82	.813	5	3.43	1.280	2
Increase in customer complaints due to aggressive cross-selling effort	3.58	1.169	7	3.25	1.257	5
Effort in cross-selling is not considered for performance appraisal	3.15	1.205	10	3.13	1.443	7
Lack of motivation	3.30	1.139	9	3.05	1.199	8
Insufficient knowledge among employees about the cross-selling products	3.87	.833	4	3.00	1.365	10
Unwanted pressure from top management	3.95	1.032	1	3.38	1.415	3
Difficult to achieve high cross-selling target	3.88	1.027	3	3.47	1.408	1

*Source: Survey Data*

The above table depicts the mean score and standard deviation of various problems faced by the public and private sector bank employees related to cross-selling practices. These problems are ranked in accordance with their mean scores. It is clear from the table that mean score of all the variables are above three which means that both public sector and private sector bank employees are facing various issues related to cross-selling practices.

The table also reveals that unwanted pressure from top management, increased workload, difficult to achieve high cross-selling target, insufficient knowledge among employees about the cross-selling products, inadequacy of favourable response from customers are the major problems faced by the employees of public sector banks related to cross-selling practices.

Difficult to achieve high cross-selling target, inadequacy of favourable response from customers, unwanted pressure from top management, lack of incentives to employees, increase in customer complaints due to aggressive cross-selling efforts are the major problems faced by the employees of private sector banks related to cross-selling practices.

### **Sector-wise Comparison of Problems Faced by the Employees Related to Cross-selling Practices**

The researcher also made a detailed analysis to know whether there is any difference in the opinion of employees of public sector and private sector banks regarding problems related to cross-selling practices. A hypothesis was formed and tested by using Independent sample t-test.

H0: There is no significant difference in the opinion of employees of public sector and private sector banks on problems related to cross-selling practices.

**Table 5.9**

*Sector-wise Comparison of Problems Faced by the Employees Related to Cross-selling Practices*

	<b>Sector</b>	<b>N</b>	<b>Mean</b>	<b>SD</b>	<b>t value</b>	<b>p value</b>	<b>Remarks</b>
Problems	Public	60	3.6633	.70156	2.775	.007	Significant
	Private	60	3.2250	1.00264			

*Source: Survey Data  
Significant at 5 percent*

Table 5.8 exhibits the sector-wise comparison of problems faced by the employees related to cross-selling practices. Homogeneity of variance is violated as assessed by using levene's test for equality of variance ( $p=0.004$ ). The result of independent sample t-test shows that there is significant difference ( $p=0.007$  i.e.,  $p<0.05$ ) in the opinion of employees of public sector and private sector banks regarding problems related to cross-selling practices. The overall mean score obtained in the case of public sector bank is 3.6633 and private sector bank is 3.2250. It discloses that problems faced by the employees of public sector banks are comparatively higher than the private sector banks.

**Experience Wise Comparison of Problems Faced by the Employees Related to Cross-selling Practices**

Experience of the employees may influence their opinion regarding problems faced by them related to cross-selling practices. Hence, it is relevant to find out the influence of experience on the opinion of employees regarding problems faced by them related to cross-selling practices. The following hypothesis is set for this purpose.

Ho: There is no significant difference in the opinion of employees on problems related to cross- selling practices with regard to their length of experience.

Homogeneity of variance was confirmed by using levene's statistics as the p value of levene's test is 0.222 (levene's statistics 1.488) which is greater than 0.05.

Hence, one way ANOVA was performed to find out the statistical significance of difference. The result is presented in the table 5.10.

**Table 5.10**

*Experience Wise Comparison of Problems Faced by the Employees Related to Cross-selling Practices*

	Experience	N	Mean	SD	F value	P value	Remarks
Problems	less than 5 years	61	3.4426	1.00423	.200	.896	Insignificant
	5-10 years	28	3.4393	.81073			
	10-15 years	12	3.6083	.81738			
	above 15 years	19	3.3526	.66781			

Source: Survey Data  
Significant at 5 percent

The test result shows the p value of 0.896 which is greater than 0.05. So the null hypothesis rejected at 5% level of significance indicates that experience of employees does not create any difference in their opinion about problems faced by them related to cross-selling practices.

### **5.10. Measures Taken for Improving Performance of Banks in Cross-selling Practices**

The opinion of employees regarding measures taken for improving performance of banks in cross-selling practices are assessed by using various statements. The employees were asked to rate their opinion on a five point Likert scale whose values ranging from strongly agree to strongly disagree. The result is summarized in the table given below.

**Table 5.11**

*Measures Taken for Improving Performance of Banks in Cross-selling Practices*

	Public		Private	
	Mean	SD	Mean	SD
A robust customer database should be maintained for successful cross-selling	4.27	1.023	4.27	.733
Ensure that employees are properly trained and well occupied with the knowledge in diversified products	4.43	.647	4.38	.585
Offer right product at the right time to the right customer	4.35	.840	4.55	.675
Selection of target customer is inevitable practice for successful cross-selling	4.27	.841	4.10	.817
Ensure that employees' performances are monitored on a regular basis and they are rewarded accordingly	4.13	.853	4.47	.596
Don't overburden the customers with the product they don't prefer	4.55	.675	4.18	1.157
Products and services should be customized based on their needs and requirements	4.38	.640	4.67	.475

*Source: Survey Data*

Table 5.11 shows the descriptive statistics of opinion of bank employees regarding measures taken for improving performance of banks in cross-selling practices. In the case of both public sector and private sector banks, mean score of all the statements are above 4. A well maintained customer database, customized products and services, properly trained employees with knowledge in diversified products, offering right product at the right time to the right customer are the major recommendations made by the employees for the betterment of cross-selling practices. They also opined that don't overburden the customer with the product they don't prefer and ensure that employee performances are monitored on a regular basis and they are rewarded accordingly. Hence, banks should consider all these factors for improving performance of banks in cross-selling practices.

## 5.8. Conclusion

The present chapter contains the details about the assessment of cross-selling practices from the employees' perspective. Observations from the analysis point out that the employees of both public and private sector banks have positive perception regarding initiatives taken for cross-selling by the banks and benefits of cross-selling practices to the banks. The result of sector-wise comparison revealed that there exist significant difference between two sectors in their perception regarding initiatives taken for cross-selling by the banks and their perception regarding cross-selling benefits to the banks. The sector-wise comparison also revealed that there is significant difference in the opinion of public sector and private sector employees regarding problems faced by them related to cross-selling practices. Additionally, the study found that unwanted pressure from top management, Increased workload, difficult to achieve high cross-selling target, insufficient knowledge among employees about the cross-selling products, inadequacy of favourable response from customers are the major problems related with cross-selling practices among public sector bank employees. Difficult to achieve high cross-selling target, inadequacy of favourable response from customers, unwanted pressure from top management, lack of incentives to employees, increase in customer complaints due to aggressive cross-selling effort are the major problems related with cross-selling practices among private sector bank employees.



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Chapter VI

**SUMMARY, FINDINGS, AND  
CONCLUSION**

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## **6.1. Introduction**

This chapter contains a brief summary of the research work, important findings drawn from the analysis and conclusions of the study.

## **6.2. Summary of the Study**

The banking sector is the backbone of any economy as it has a significant role in the development of any country. The health of the economy is directly related to the growth and development of its banking system. In Indian context, banking sector continues to be the dominant element in the country's financial system, which plays a pivotal role in the development of a robust economy.

Indian banking sector, which operated in a highly protected and comfortable environment until the early 1990s, has been facing intense competition after liberalisation and initiation of economic reforms. The free entry of private and foreign banks, deregulation of interest rate, technological developments made the banking sector highly competitive in the domestic as well as world market. Consequently, banks lost substantial portion of their business which reduced their profit margin. In addition, customers are becoming more informed and demanding high quality products and services. Hence, finding a place in the heating sun became critical for the long term profitability and ultimate survival of the banks. One way that banks can earn higher profit and competitive advantage is by retaining their existing customers rather than attracting new ones and cross-selling is the common strategy followed by the banks in this direction. Cross-selling puts simply means selling additional products and services by a bank to its existing customers. Hence, banks have diversified its areas of activities into non-traditional fee generating activities and cross-sold insurance, mutual fund, credit card, capital market services, leasing and so on either

directly or indirectly through their subsidiaries or joint ventures. Years back, the bank acts as a financial institution which provides fundamental banking services such as accepting deposits and lending loans. Nowadays, it is emerged as the biggest entity proving wide gamut of financial services under one roof. The concept of cross-selling is relatively new to Indian banks as compared to other nations. The cross-selling practices are recently adopted by the Indian banks and it gained popularity from the year 2000 onwards. So, the cross-selling practices are at embryonic stage in India (Shimin & Habeeburahiman, 2021). Even if Indian banks are at embryonic stage of cross-selling, very recently many public sector and private sector banks have been taking substantial initiatives to implement cross-selling strategies to combat with cut throat competition prevailing in Indian banking sector.

Several research questions have been raised in this context from the perspective of both customers and employees and some of the pertinent research questions are listed below.

- To what extent customers are aware about various cross-selling products and services offered by the bank?
- What are the factors that motivated the customers to buy cross-selling products and services from their existing bank?
- What is the perception of customers about cross-selling practices?
- What is the extent of variations in the perception of customers of public and private sector banks about cross-selling practices?
- To what extent the customers are satisfied with the cross-selling practices?
- What are the problems faced by the customers while or after buying cross-selling products and services?
- What is the perception of employees about cross-selling practices?
- What is the extent of variations in the perception of employees of public and private sector banks about cross-selling practices?

- What are the problems faced by the employees while dealing in cross-selling practices?

Nowadays, banks have introduced several cross-selling products and services to their customers with a view to improve profitability, customer satisfaction and customer loyalty. So, there is always a need to know whether the customers are aware about these products and services. It is also necessary to find out the factors that motivated the customers to buy cross-selling products and services from their existing bank, even though these products are offered by other financial institutions. Also, it is significant to study the perception and satisfaction of customers about cross-selling practices and the problems faced by them while or after buying cross-selling products and services. Knowledge in this connection can help the bank management to design products as per the needs and requirements of their customers and also helps them to redesign their existing strategies and formulate new strategies accordingly. This study also helps the policy makers to frame their policies related to cross-selling practices.

The success of cross-selling depends not only on the bank's strategies but also on the attitude and commitment of the bank employees as they are the implementers of cross-selling strategies. Hence, it is also necessary to assess cross-selling practices from the perspective of bank employees.

From the review of existing literatures, it is found that no systematic and scientific studies have been conducted so far addressing these key areas. Hence, the researcher proposes to fill the gap through the present study by formulating the following objectives.

1. To examine the extent of awareness level of customers about various cross-selling products and services.
2. To find out the factors that motivated the customers to buy cross-selling products and services from their existing bank.
3. To assess the perception of customers about cross-selling practices.
4. To measure the satisfaction of customers about cross-selling practices.
5. To analyse the perception of employees about cross-selling practices and to review the problems faced by the employees related to cross-selling practices.

The study is descriptive in nature based on both primary and secondary data. Primary data were collected from the customers who have availed at least any one of the selected cross-selling products and services and the bank employees who are engaged in cross-selling practices. Two sets of structured questionnaires were used to collect primary data; one questionnaire is for customers and another one for bank employees. Also, mailed questionnaires were used to collect data from the respondents. The secondary data required for the study were collected from the website of RBI and selected banks, RBI bulletins. Reports published in newspapers, journals/articles, books, theses and other websites and blogs are also used to collect secondary data.

Multi stage sampling technique was applied for the selection of customers. In the first stage of sampling, the entire state was divided into three geographical regions such as northern, central and southern region. Northern region consists of six districts namely Kasaragod, Kannur, Wayanad, Kozhikode, Malappuram and Palakkad. Central region covers four districts namely, Thrissur, Ernakulam, Alappuzha and Kottayam and Southern region covers four districts namely, Idukki, Pathanamthitta, Kollam and Thiruvananthapuram districts. The districts come under the each region are ranked separately according to the bank branch population in each districts and selected one district having highest rank from each region. Accordingly, Kozhikode from northern, Ernakulam from central and Thiruvananthapuram from southern region were selected. In the second stage, banks in the public and private sector are grouped separately and ranked them according to the volume of 'other income'. Two banks each from both sectors were selected on the basis of their rank position (banks having highest rank are selected) i.e., SBI and PNB from public sector and ICICI bank and HDFC bank from private sector. In the last stage, 120 customers (40 customers from each bank in each district) are selected from each bank using purposive sampling method, totaling to 480 customers.

Similarly, multi stage sampling technique was also used for selection of bank employees. In the first stage of sampling, the whole state was divided into three regions such as northern, central and southern region. Northern region consists of six

districts namely Kasaragod, Kannur, Wayanad, Kozhikode, Malappuram and Palakkad. Central region covers four districts namely, Thrissur, Ernakulam, Alappuzha and Kottayam and Southern region covers four districts namely, Idukki, Pathanamthitta, Kollam and Thiruvananthapuram districts. The districts come under the each region are ranked separately according to the bank branch population in each districts and selected one district having highest rank from each region. Accordingly, Kozhikode from northern, Ernakulam from central and Thiruvananthapuram from southern region were selected. In the second stage, banks in the public and private sector are grouped separately and ranked them according to the volume of 'other income'. Two banks each from both sectors were selected on the basis of their rank position (banks having highest rank are selected) i.e., SBI and PNB from public sector and ICICI bank and HDFC bank from private sector. In the last stage, 30 employees (10 employees from each bank in each district) who are engaged in cross-selling practices were selected from each bank by using purposive sampling method, totaling to 120 employees.

The collected data have been analysed by making use of suitable mathematical and statistical tools which includes Percentages, Averages and Standard Deviation, Independent Sample t- test, One way ANOVA, Weighted Average Score, Exploratory Factor Analysis (EFA) and Correlation.

The entire report of the study has been presented in seven chapters. The first chapter begins with a brief introduction of the study followed by significance of the study, scope of the study, statement of the problem, objectives, hypotheses, research methodology, operational definitions, variables used, tools for data analysis, limitations of the study and chapter scheme of the study. The second chapter deals with the detailed review of existing literatures in the area of research work and identification of research gap based on the assessment of previous studies. The third chapter gives a brief account of theoretical framework about cross-selling practices in Indian banking sector and a detailed explanation of the cross-selling practices of selected public and private sector banks and the cross-selling products and services of these banks. The fourth chapter presents the detailed analysis of cross-selling practices

from the perspective of customers. The fifth chapter covers the analysis of cross-selling practices from employees' perspective. The sixth chapter contains the summary of the study, major findings and conclusions. The last and seventh chapter presents the important recommendations and the scope for further research in the area.

### **6.3. Findings of the Study**

The analysis of data collected from the customers and employees have revealed some important findings which are summarized below.

#### **6.3.1. Assessment of Cross-selling Practices from Customers' Perspective**

The analysis of data collected from the customers revealed some valuable findings which includes findings related with the awareness of customers about cross-selling products and services, factors motivated the customers to buy cross-selling products and services from their existing bank, their perception about cross-selling practices and cross-selling benefits, their satisfaction about cross-selling practices and problems faced by them while or after buying cross-selling products and services. Moreover, product wise findings about life insurance, general insurance, mutual funds and credit cards are also given below.

#### **Demographic Profile of the Respondents**

- Demographic profile of the respondents shows that half of the respondents are from the public sector banks and the remaining are from the private sector banks.
- Majority of the respondents are male (77.1%).
- A major portion of the respondents are in age category of 31-40 years (41.7%) followed by less than 30 years (25.6%), 41-50 years (23.8%) and above 50 years (9%).
- The classification of respondents based on their educational qualifications shows that the majority of the respondents (47.9%) are graduates, followed by

postgraduates (21%), professionals (13.5%), plus two (11.5%), SSLC (5 %) and below SSLC (1%).

- Most of the respondents are private sector employees (35.4%) and retired people constitute the least i.e., 2.3%.
- It is found that the majority of the respondents (78.1%) are married and rest are unmarried.
- The largest group of the respondents (29.8%) are having monthly income between Rs.20,001-30,000. 23.3% have a monthly income between Rs. 30,001-40,000, 17.9% have a monthly income above Rs.50,000, 15% have a monthly income between Rs.10,001-20,000, 12.1% have a monthly income between Rs.40,001-50,000 and 1.9% have a monthly income up to Rs.10,000.

#### **Banking Information of the Respondents**

- Most prominent group of sample respondents (41%) have 1-5 years of association with their banks. 29.8% respondents are having a relationship with their bank between 5-10 years. 16% respondents are having an association for more than 10 years and 13.1% of the respondents are transacting with their bank for a period of less than 1 year.
- A major portion of the respondents (67.3%) have savings account in their bank.
- Out of total respondents, only 17.9% of the customers have availed more than one cross-selling product from their banks. The rest of 82.1% of the customers have availed only one cross-selling product from their bank.

#### **Awareness of Customers about Cross-selling Products and Services**

- Customers of both the sectors are moderately aware about life insurance, general insurance, mutual funds and credit cards. But they are less aware about demat account (Mean value: Public 2.26, Private 2.60) and pension schemes (Mean value: Public 2.34, Private 2.28).



- Among the cross-selling products and services, the customers of both the sectors have more knowledge about credit cards.
- Overall, the customers of both public (3.0569) and private sector bank (3.2382) are having moderate level of awareness about cross-selling products and services.
- The results of sector-wise comparison reveals that there is significant difference between public and private sector bank customers regarding their awareness about cross-selling products and services such as life insurance, general insurance, mutual funds and demat account. In the case of credit card and pension schemes, there is no significant difference in the awareness level between the two sectors.
- The sector-wise comparison also shows that significant difference exist in the total awareness of public sector and private sector bank customers regarding cross-selling products and services. The customers of private sector banks are having more awareness about cross-selling products and services than the customers of public sector banks.
- There is significant difference between male and female respondents with regard to their awareness about cross-selling products and services. Male respondents have more awareness than female respondents.
- The age wise comparison of awareness level of respondents about cross-selling products and services reveals that there is significant difference in the awareness level of customers with regard to their age. The customers in the age category of above 50 years are less aware about cross-selling products and services as compared to customers in the age category of less than 30 years, 31-40 years and 41-50 years.
- Customers with different educational qualifications have significant difference in their awareness level about cross-selling products and services. Customers with educational qualifications below SSLC and SSLC are less

aware about cross-selling products and services as compared to customers with higher educational qualifications.

- There is significant difference in the awareness level of customers about cross-selling products and services with regard to their occupation. The awareness level of retired people differs with private sector employees and professionals.
- There is no statistically significant difference in the awareness level of customers about cross-selling products and services with regard to their marital status.
- Awareness level of customers about cross-selling products and services varies according to their income. The customers with lower income are less aware about cross-selling products and services as compared to the customers with higher income.
- The customers from different regions have different awareness level about cross-selling products and services. The result of multiple comparison shows that awareness level of customers from the north region significantly differs with customers from the south and central region. The mean difference clearly indicates that customers in the south and central regions are more aware about cross-selling products and services than those in the north.
- There exist significant difference in the awareness level of customers about cross-selling products and services based on the number of products availed by them. The mean difference makes it clear that customers who have availed more than one product know more about cross-selling products and services (3.6628) than those who have availed only one product (3.0351).

#### **Sources of Information about Cross-selling Products and Services**

- More than half of the respondents (52.9%) received information about cross-selling products and services through bank employees. The next important source of information is friends and relatives (16.7%).

### **Factors Motivated the Customers to Buy Cross-selling Products and Services from their Existing Bank.**

- Exploratory Factor Analysis (EFA) has extracted five factors which motivated the customers to buy cross-selling products and services from their existing bank. They are named as convenience, bank reputation and trust, service quality, perceived value and promotional factors. All these factors together explain 74.718 % of variance. The factors may be different for public sector and private sector banks. Hence, descriptive analysis is carried out to find out the factors motivated the customers to buy cross-selling products and services from their existing bank.

#### **Public Sector**

- Among the five factors indentified, the customers of public sector banks consider 'Bank Reputation and Trust' (mean value 3.8028) as the most influencing factor. The other factors are 'Convenience', 'Service Quality', 'Perceived Value' and 'Promotional Factors' with a mean value of 3.7042, 3.5486, 3.3889 and 3.3833 respectively.

#### **Private Sector**

- It is observed from the study that 'convenience' (3.8597) is the most influencing factor that motivated the customers to buy cross-selling products and services. It means that private sector banks provide convenient banking experience to their customers and hence this factor attracts them towards the bank. The customers of private sector banks also give priority to the quality of services rendered by their bank and therefore 'Service Quality' (3.8458) is the next important factor influenced them towards the bank. The other factors are 'Bank Reputation and Trust' (3.7069), 'Perceived Value' (3.5097) and 'Promotional Factors' (3.4542).

### **Perception of Customers about Cross-selling Practices**

- The customers of both public sector and private sector banks opined that cross buying from existing bank reduce paper formalities for availing new products or service. According to them, bank acts as a financial service super market and employees are highly interested in selling cross-selling products and services. They also have a favorable opinion about cross-buying as a way to maintain better relation with the bank.
- Even though customers perceive cross-selling practices as positively, banks sell customized products as per the customers' financial requirements, reduction in transaction cost and price are the least scored statements.
- From the mean score value, it is found that customers of both the sectors have positive perception about cross-selling practices (mean score above 3).
- From the sector-wise comparison made, it is found that there is significant difference between public and private sector bank customers regarding their perception about cross-selling practices. The overall mean score obtained in the case of public sector bank is 3.4821 and private sector bank is 3.6083. It clearly indicates that customers of private sector banks have comparatively better perception than the customers of public sector banks.
- The perception of customers about cross-selling practices does not differ with regard to their gender.
- There is significant difference in the perception of customers about cross-selling practices with regard to their age. The result of multiple comparison shows that the perception of age group above 50 years differs with the age group less than 30 years and 31-40 years.
- Educational qualifications of customers do not make any significant difference in their perception about cross-selling practices.

- There is no significant difference in the perception of customers about cross-selling practices with regard to their occupation.
- Perception of customers regarding cross-selling practices is not affected by their marital status.
- It is found that there exists significant difference in the perception of customers with regard to their income. The result of pair wise comparison discloses that customers having monthly income above Rs.50,000 have difference in their perception with customers having monthly income up to Rs.10,000, Rs.10,001-20,000 and Rs.20,001-30,000. Perception of customers with higher income is better than that of customers with lower incomes.
- Perception of customers about cross-selling practices does not differ significantly with regard to their region.
- There is a significant difference in the perception of customers about cross-selling practices with regard to the number of cross-selling products availed by the customers. The customers who have availed more than one product are having better perception about cross-selling practices than the customers who have availed only one cross-selling product.
- The correlation result reveals that there existed significant and positive correlation between the awareness level of customers about cross-selling products and services and their perception about cross-selling practices.

#### **Perception of Customers about Cross-selling Benefits**

- From the mean score value, it is found that convenience, reduction in formalities and paper work and financial security are the highly positively perceived benefit by the customers of public and private sector banks.
- Despite positive perception about cross-selling benefits by the customers of both the sectors, some statements scored low values. Reduction in price and transaction cost, individual attention provided by the banks and additional

benefits received are the least scored benefits by the customers of public sector banks. Further, among the private sector banks, reduction in price and transaction cost and additional benefits are the least scored benefits.

- While evaluating the overall perception, it is found that the customers of public sector (3.3659) and private sector (3.4898) banks have positive perception about cross-selling benefits.
- There is significant difference between public and private sector bank customers regarding their perception about cross-selling benefits. Customers in the private sector banks have better perception than those in the public sector banks.
- There is no significant difference in the perception of customers about cross-selling benefits with regard to their gender.
- The age wise comparison of perception of customers about cross-selling benefits reveals that there is significant difference in the perception of customers about cross-selling benefits with regard to their age. The result of Tukey HSD post hoc test reveals that the perception of customers with the age group of above 50 years differs with the age group less than 30 years and 31-40 years. While evaluating the mean difference, it is found that customers with the age group of less than 30 years and 31-40 years have better perception about cross-selling benefits as compared to customers above 50 years old.
- The education wise comparison of perception of customers about cross-selling benefits shows that there is no significant difference in the perception of customers about cross-selling benefits with regard to their education.
- Occupation of the customers does not create any significant difference in their perception about cross-selling benefits.
- There is insignificant difference in the perception of customers about cross-selling benefits with regard to their marital status.

- It is found from the analysis that there is significant difference in the perception of customers about cross-selling benefits with regard to their income. The perception of customers having monthly income above Rs.50,000 have significant difference in their perception with customers having monthly income up to Rs.10,000, Rs.10,001-20,000 and Rs.20,001-30,000. Precisely, customers with higher incomes have better perception than the customers with lower incomes.
- There is no significant difference in the perception of customers about cross-selling benefits with regard to their region.
- There exists significant difference in the perception of customers about cross-selling benefits based on the number of products availed by them. The customers who availed more than one product have better perception about cross-selling benefits than those who availed only one product.

#### **Satisfaction of Customers about Cross-selling Practices**

- The customers of both public sector and private sector banks are satisfied with the cross-selling practices of their bank except the amount charged by the bank on various cross-selling products and services.
- From the mean score value, it is inferred that the customers of both public (3.4181) and private (3.5524) sectors are satisfied with the cross-selling practices of their banks, but at a moderate level.
- Based on the sector-wise comparison made, it is found that there is statistically significant difference between public and private sector bank customers regarding their satisfaction about cross-selling practices. The satisfaction is comparatively higher among the customers of private sector banks.
- Gender of the respondents does not cause a difference in their satisfaction about cross-selling practices.

- There is significant difference in the satisfaction of customers about cross-selling practices with regard to their age. The result of pair wise comparison reveals that satisfaction of age group above 50 years differs with the age group less than 30 years and 31-40 year. More precisely, customers with the age group less than 30 years and 31-40 years are more satisfied than the customers over 50 years of age.
- Educational qualification of respondents does not influence their satisfaction about cross-selling practices.
- No statistically significant difference found in the satisfaction of customers about cross-selling practices with regard to their occupation.
- There is no significant difference in the satisfaction of customers about cross-selling practices with regard to their marital status.
- The satisfaction of customers about cross-selling practices varies according to their income. The result of Tukey HSD post hoc test reveals that satisfaction of customers having monthly income above Rs.50,000 differs with customers having monthly income up to Rs.10,000, Rs.10,001-20,000 and Rs.20,001-30,000. Customers with higher incomes are more satisfied with the cross-selling practices as compared to customers with lower incomes.
- There is insignificant difference in the satisfaction of customers about cross-selling practices with regard to their region.
- There is a significant difference in the satisfaction of customers about cross-selling practices with regard to the number of cross-selling products availed by the customers. The customers who have availed more than one product are having higher satisfaction about cross-selling products and services than the customers who have availed only one cross-selling product.
- There is statistically positive relationship between the perception of customers about cross-selling practices and their satisfaction about cross-selling practices ( $r=0.854$ ).



### **Problems Faced by the Customers While or After Buying Cross-selling Products and Services**

- From the mean score value, it is found that that aggressive cross-selling effort from the side of bank causes frustration and irritation (Mean Value: Public 3.76; Private 3.70), higher amount charged by the banks on various cross-selling products and services (Mean Value: Public 3.60; Private 3.68) and existence of hidden charges (Mean value: Public 3.53, Private 3.49) are the important problems faced by the customers of both the sectors.
- Majority of the respondents of public sector banks (86.3%) and private sector banks (88.8%) expressed their willingness to continue in their present bank.
- Most of the respondents of public sector banks (72.9%) and private sector banks (80.4%) are interested to continue as a customer of their present bank.
- 72.9% of the public sector and 80.4 % of the private sector bank customers shows an interest to continue as a cross-selling customer of their present bank. Among them only 55.4% of public sector banks and 73.1% of the private sector banks expressed their interest to buy cross-selling products in the near future. The willingness is higher in the case of private sector banks as compared to public sector banks.
- It is found that, the majority of the respondents of public sector banks (75.8%) and private sector banks (86.3%) are interested to suggest their present bank to their friends and relatives.
- A total of 148 respondents out of 480 respondents availed life insurance policies from their banks, including 70 respondents from the public sector banks and 78 respondents from the private sector banks.
- Total of 131 respondents availed general insurance policies from their banks which include 64 respondents from the public sector banks and 67 respondents from the private sector banks.

- Out of the total 480 respondents, 70 and 71 respondents availed mutual funds from the public sector and private sector banks respectively.
- 172 respondents out of the total respondents availed credit cards from their banks i.e., 80 respondents from the public sector banks and 92 respondents from the private sector banks.

### **Product Wise Findings**

The summary of product wise findings is shown under four heads: life insurance, general insurance, mutual funds and credit cards.

#### **Life Insurance**

- The policy holders of public sector banks have moderate level of awareness about level of protection, pre policy medical examination and age limit with a mean value of 3.87, 3.86, and 3.80 respectively. But their knowledge about service charge and free look period and terms and conditions are found to be less (mean value below 3).
- In the case of private sector banks, the policy holders have moderate level of awareness about level of protection (3.95), pre policy medical examination (3.92), age limit (3.87) and terms and conditions (3.04). But they are less aware about service charge (2.56) and free look period (2.12).
- The main reasons for availing life insurance policies are due to the security ensured along with the policies. The other important reasons are life coverage and they considered life insurance policy as an investment policy.
- A major portion of the respondents (25.7%) availed term plan. 21.6% of the respondents availed credit protection plan and 18.9% of the respondents availed endowment plan. Only 5.4% and 4.7% of the respondents availed retirement plan and whole life insurance policies.
- Most of the respondents (31.8%) are continuing as life insurance customers for a period of less than 1 year.

### **General Insurance**

- The health insurance customers of both public sector and private sector banks have moderate level of awareness about the level of protection, pre policy medical examination, age limit, tie up with hospital and cashless facility. But they are less aware about terms and conditions (Mean Value: Public 2.65; Private 2.68) and service charge (Mean Value: Public 2.41; Private 2.52).
- The customers of general insurance other than health insurance in both the sectors have moderate level of awareness about level of protection. But they have less knowledge about terms and conditions and service charge.
- Security and risk coverage are the important reasons considered by the customers while availing general insurance policies.
- Out of 131 respondents, 56.5% of the respondents availed health insurance policies.
- Majority of the respondents have been associating with the bank as a general insurance customer for a period of less than one year.

### **Mutual Funds**

- The respondents of public sector banks are highly aware about NAV (4.13). They are moderately aware about various mutual fund schemes, lock in period and entry load/exit load.
- The respondents of private sector banks are highly aware about NAV (4.21) and lock in period (4.03). They are moderately aware about various mutual fund schemes and entry load/exit load.
- The respondents of both the sectors found to be less aware about switching facility and risk related to investment.

- The main reason for investing in mutual funds is due to the return ensured from the investment followed by the factor of savings. The other important reasons are safety and security.
- Out of 141 total respondents, majority i.e., 70.2% of the respondents preferred systematic investment plan (SIP) and the rest 29.8% of the respondents preferred one time investment. Among the 29.8% of the respondents, 31% of the respondents have invested between Rs 300,001- Rs 500,000 and 28.6% of the respondents have invested above Rs 500000 in one time investment.
- Out of 70.2 % of the respondents, 35.4% of the respondents have a monthly investment in SIP of Rs.1001-1500. 31.3%, 18.2% and 15.2% of the respondents have invested an amount of Rs.1500-3000, above Rs.3000 and up to Rs.1000 respectively.
- A major portion of the respondents (83.7%) preferred open ended scheme for investing in mutual funds.
- Most of the respondents (35.5%) have been associating with the bank as a mutual fund customer for a period of 1-3 years.

### **Credit Cards**

- The respondents of both public sector and private sector banks are highly aware about credit limit on the card, interest charged, minimum payment due and annual fee (Mean score above 4). They are moderately aware about fees and penalties and they are less aware about cash withdrawal limits.
- The main reason for buying credit cards by the customers is for getting credit facility. Convenient mode of payment, to avoid risk of carrying cash, EMI facility, etc. are the other important reasons for buying credit cards.
- It is found that, most of the respondents (39%) possessed platinum credit card.
- Majority of the respondents (43%) have a credit limit of up to Rs.50,000 on their credit card.

- Most of the respondents (62.2%) availed up to 20% of their credit limit.
- Majority of the respondents (32.6%) are continuing as a credit card holder for a period of 1-3 years.

### **6.3.2. Assessment of Cross-selling Practices from Employees' Perspective**

The analysis of data collected from the bank employees throws light to some major findings which include findings related with the perception of employees regarding initiatives taken by the banks for cross-selling and benefits of cross-selling practices to the banks, problems faced by them related to cross-selling practices and opinion of employees regarding measures taken for improving the performance of banks in cross-selling business. The summary of the findings are given below.

#### **Demographic Profile of Employees**

- Out of 120 sample respondents, 50% of the respondents are from the public sector and the remaining 50% of the respondents are from the private sector banks.
- Out of total respondents, 65.8% are male and the remaining 34.2% are females.
- The employees are maximum (38.3%) in the age category less than 30 years. 32.5% of the employees are within the age category of 31-40 years, 20% are in between 41-50 years and 9.2% of the employees are above 50 years of age.
- Education wise distribution of the sample shows that the majority of the respondents are (47.5%) graduates followed by postgraduates (35.8%), 8.3% are equally in plus two and professional level distributed among the respondents.
- Majority of the respondents (53.3%) are managers.
- It is found that more than half of the respondents (50.8%) have less than 5 years of experience in the banking field.

### **Reason for Entering into Cross-selling Practices**

- The study reveals that employees of both public sector and private sector banks opined that the most important reason for entering into cross-selling practices is to enhance profitability with weighted average score of 12.18 in the case of former and 13.21 in the case of latter. Retention of existing customers is ranked as the second important reason in both the cases followed by the reasons to improve customer satisfaction and to improve customer loyalty. In both the cases, least important rank is given to optimum utilization of existing man powers, their skills and capabilities with weighted average score of 4.71 and 4.11 in the case of public sector and private sector banks respectively.

### **Perception of Employees Regarding Initiatives Taken for Cross-selling**

- From the mean score value, it is found that employees of both public sector and private sector banks have a positive perception regarding initiatives taken by the banks for cross-selling as the mean value of all the statements are above three.
- From the sector-wise comparison made, it is found that significant difference exists between the two sectors in their perception regarding initiatives taken for cross-selling by the banks. While analyzing the mean score value, it is found that perception of private sector bank employees are comparatively better than the public sector bank employees.

### **Perception of Employees Regarding Benefits of Cross-selling Practices to the Banks**

- The mean score of all the variables related to cross-selling benefits are above three, which demonstrates that the employees of both the sectors have a positive perception regarding the benefits of cross-selling practices to the banks.

- There is significant difference in the perception of public sector and private sector bank employees about the benefits of cross-selling practices to the banks. The perception is better among the employees of private sector banks than the public sector banks.

### **Problems Faced by the Employees Related with Cross-selling Practices**

- The employees of both the sectors are facing various issues related to cross-selling practices. Unwanted pressure from top management, increased work load, difficult to achieve high cross-selling target, insufficient knowledge among employees about the cross-selling products and inadequacy of favourable response from customers are the major problems related with cross-selling practices among public sector bank employees.
- Difficult to achieve high cross-selling target, inadequacy of favourable response from customers, unwanted pressure from top management, lack of incentives to employees and increase in customer complaints due to aggressive cross-selling efforts are the major problems faced by the employees of private sector banks related to cross-selling practices.
- There is significant difference in the opinion of employees of public sector and private sector banks on problems relating to cross-selling practices. The overall mean score obtained in the case of public sector bank is 3.6633 and private sector bank is 3.2250. It discloses that problems faced by the employees of public sector banks are comparatively higher than the private sector banks.
- Experience of employees does not create any difference in their opinion about problems related to cross-selling practices.

### **Measures Taken for Improving Performance of Banks in Cross-selling Practices**

- A well maintained customer database, customized products and services, properly trained employees with knowledge in diversified products and offering right product at the right time to the right customer are the major recommendations made by the employees for the betterment of cross-selling practices. They also opined that don't overburden the customer with the product they don't prefer and ensure that employees' performances are monitored on a regular basis and they are rewarded accordingly. Hence, banks should consider all these factors for improving performance of banks in cross-selling practices.

### **6.4. Conclusion**

In the fiercely competitive environment, retention of existing customers as well as finding new ways to generate more income has become paramount for the banks to gain a competitive edge in the market. Hence, banks come up with several innovative strategies to solve these problems and cross-selling is one of the effective strategies widely used by the banks in this direction. The concept of cross-selling is new to Indian banks as compared to other nations. It is appeared in the Indian banking scene from the year 2000 onwards. So the cross-selling practices are at embryonic stage in India. However, almost all Indian banks are increasingly implementing cross-selling strategies in their branches.

The present study assessed cross-selling practices of public and private sector banks in Kerala from the perspective of customers and employees. The assessment of cross-selling practices from the perspective of customers reveals that customers of public sector and private sector banks have moderate level of awareness about cross-selling products such as life insurance, general insurance, mutual funds and credit cards. But they are less aware about demat account and pension schemes. Overall, the customers of both the sectors have moderate level of awareness about cross-selling products and services and the awareness is higher among the customers of private sector banks. Customers of public sector banks considered bank reputation and trust



as the main factor that influenced them for buying cross-selling products and services. Convenience is the most influencing factor motivated the customers of private sector banks to buy cross-selling products and services from their existing bank. The customers of both the sectors have a positive perception about cross-selling practices and the perception is comparatively better among the customers of private sector banks. Convenience, reduction in formalities and paper work and financial security are the major benefit perceived by the customers of both the sectors. The customers of public sector and private sector banks are moderately satisfied with the cross-selling practices of their bank. But they are dissatisfied with the amount charged by the bank on various cross-selling products and services. The overall satisfaction is comparatively higher among the customers of private sector banks. Aggressive cross-selling effort from the side of bank causes frustration and irritation, higher amount charged by the banks on various cross-selling products and services and existence of hidden charges are the major problems encountered by the customers of both the sectors. The willingness of the customers to buy cross-selling products and services in near future is comparatively lower among the customers of public sector banks. Hence, banks need to analyse why customers are less likely to avail these products and services in the future and take measures to address these issues.

The assessment of cross-selling practices from the perspective of employees reveals that employees of both public and private sector banks have a positive perception about cross-selling practices. The employees in the private sector banks have better perception than those in the public sector banks. Unwanted pressure from top management, increased workload, difficult to achieve high cross-selling target, insufficient knowledge among employees about the cross-selling products and inadequacy of favourable response from customers are the major problems faced by the employees of public sector banks related to cross-selling practices. Difficult to achieve high cross-selling target, inadequacy of favourable response from customers, unwanted pressure from top management, lack of incentives to employees and increase in customer complaints due to aggressive cross-selling efforts are the major problems related with cross-selling practices among private sector bank employees.

From the study, it is found that private sector banks have performed better than public sector banks in cross-selling business.

The success of cross-selling practices not only depends on well defined strategies, but also on the attitude and commitment of bank employees, genuine requirements of customers and the ability of the strategies to generate customer satisfaction. Hence, banks may create awareness among customers about various cross-selling products and services and educate them about the benefits of each cross-selling products and services. Also, banks should offer right product at the right time to the right customers, which will increase the buying tendency. At the same time, banks may provide regular training on cross-selling products and services. The banks may take necessary measures to control the work load of employees and also organize recreational activities and other stress relief programs to improve the productivity of the employees. All these will create a positive impact on customer satisfaction, retention and profitability of the banks which ultimately improve the financial performance of banks. Thus, in today's competitive world, implementation of cross-selling practices are the need of the hour in the banking sector at present and in future, which is beneficial to both bank and customers.

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Chapter VII

**RECOMMENDATIONS AND SCOPE  
FOR FURTHER RESEARCH**

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## **7.1. Introduction**

This chapter presents the important recommendations to improve the performance of banks in cross-selling business and also shows some areas for further research.

## **7.2. Recommendations**

Based on the analysis and findings of the study, following recommendations are made to improve the performance of banks in cross-selling business.

- Customers of both the sectors have moderate level of awareness about cross-selling products and services. Particularly, they are less aware about demat account and pension schemes. So it is suggested that banks may undertake proper measures to educate the customers about various cross-selling products and services and its benefits.
- The banks may undertake awareness programs among common people about cross-selling products and services offered by them through multiple communication channels such as print medias, emails, advertisements, press release, social medias.
- The study found that bank employees are only the main source of awareness among the public and private sector bank customers. So, the bank can concentrate on other communication channels like bank website, email, telephone, brochures, advertisements medias and bank premises to enhance awareness among existing and new customers.

- From the study, it is found that customers of public sector bank considered ‘Bank reputation and trust’ as the main factor influenced them while buying cross-selling products and services. Hence, public sector banks need to maintain their reputation and put more and more effort to improve the trust between bank and customers through transparency and full disclosure of the details of cross-selling products and services, reliability in service delivery, delivery of the promise made, after sale service etc. Also, the marketing team of the banks need to work to develop a positive image of the bank and establish a good reputation for the bank. The customers of private sector banks considered ‘convenience’ as the main factor motivated them to buy cross-selling products and services from their existing bank. Hence, banks have to focus on providing easy access to its customers which help to enhance their customer experience and will encourage them to buy more from the banks. ‘Promotional factor’ is the least influenced factor among the customers of both the sectors. Hence, banks must provide special attention to promote cross-selling products and services among the existing and new customers.
- Customer data base is an efficient tool to understand the need and requirements of customers. Hence, banks may create and update data base regularly and apply data mining technique to understand the potentials of customers and offer them tailor made products and services according to the financial position and needs and requirements of their customers. The success of cross-selling practices greatly depends on the genuine requirements of the customers.
- Aggressive cross-selling makes customers frustrated and irritated. This is one of the major problems faced by the customers. The aggressive effort from the side of bank which may lead to increase in customer complaints and may leads to customer attrition. Therefore banks need to redesign their existing strategies and develop new strategies for marketing these products.

- Existence of hidden charges is another problem faced by the customers. Hence, bank should disclose complete information about the products and inform them before buying.
- The study found that customers are not satisfied with the amount charged by the bank on various cross-selling products and services. Hence it is suggested that bank should take necessary restructuring by way of reducing the charges and removing unnecessary charges and offer products at competitive rates.
- It is suggested to fix a reasonable charges on credit cards and avoid charges levied on cash withdrawal using credit cards.
- Even though the customers of both the sectors are satisfied with the cross-selling practices, their willingness to buy cross-selling products and services in near future is low. Hence, banks need to analyse why the tendency of customers to avail cross-selling products and services in future is relatively low and take measures to tackle the issues.
- Higher cross-selling target fixed by the bank and unwanted pressure from top management are the serious problem faced by the bank employees. In order to achieve these targets, employees are sometimes forced to miss-sell the products. RBI and government must take initiatives to monitor and control cross-selling practices of banks and take actions against miss-selling if any.
- The banks may set up a team of senior level managers with the responsibility of evaluating the performance of banks in cross-selling business and the effect of cross-selling business on the performance of bank, customer satisfaction and retention.
- The banks can appoint dedicated staff with relevant qualification and right soft skill such as positive attitude, good communication skill, concern for customers etc. to market cross-selling products and services.
- The employees are lacking sufficient knowledge about the cross-selling products and services which is a problem that need to be solved by providing

regular training on these products and services. So that they can answer to any queries of customers and provide them products based on their requirements.

- Bank employees should not be overburden with cross-selling works. Bank must take necessary measures to control the work load of employees and arrange recreational activities and other stress relief programs, so that productivity of the employees can be improved without tiring them.
- Inadequacy of favourable response from customers is another issue faced by the employees, the same can be overcome by designing and providing products and services considering the needs and requirements of customers.

### **7.3. Scope for Further Research**

- Performance evaluation of cross-selling business of public sector and private sector banks in India.
- Comparative study of cross-selling practices of Indian banks and foreign banks.
- Cost- Benefit Analysis of cross-selling business of banks in India.
- Cross-selling practices and job satisfaction among the bank employees.



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# APPENDIX

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## Appendix I

### QUESTIONNAIRE FOR CUSTOMERS

Dear Respondent,

At present, Banks started to sell additional products like life insurance, general insurance, mutual funds, credit cards, etc. to their existing customers along with their basic banking products, which is termed as cross-selling. This survey is being conducted to know your awareness level about cross-selling products and services, perception and satisfaction about cross selling practices and problems related to cross-selling practices.

I Shana Shimin P., Research Scholar, Department of Commerce and Management Studies, PSMO College, Tirurangadi, affiliated to University of Calicut, doing PhD on the topic “**Cross Selling Practices of Public and Private Sector Banks in Kerala**”, under the supervision of Dr. P.M. Habeeburahiman, Research supervisor, PSMO college, Tirurangadi. Kindly spare a few minutes to fill this questionnaire. I assure that information provided will be kept confidential and will be used for academic purpose only.

#### Personal Information

1. Gender :  Male  Female
2. Age :  Less than 30  31-40  
 41-50  Above 50
3. Educational Qualification :  Below SSLC  SSLC  
 Plus Two  Graduate  
 Postgraduate  Professional
4. Occupation :  Govt. employee  
 Private Sector employee  
 Business  
 Professional  
 Self-employed  
 NRI  
 Retired
5. Marital Status :  Married  Unmarried
6. Monthly Income :  Up to 10,000  10,001-20,000  
 20,001-30,000  30,001- 40,000  
 40,001-50,000  Above 50,000
7. Region :  South  Central  
 North

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### Banking Information

1. Tick the bank from which you have taken cross-selling product :
  - SBI
  - PNB
  - ICICI Bank
  - HDFC Bank
2. How long you have been transacting with the bank:
  - Less than 1 year
  - 1-5 years
  - 5-10 years
  - More than 10 years
3. Which type of account do you hold:
  - Savings Account
  - Current Account
  - Term deposit Account
  - Salary Account
  - Loan account
4. Tick the number of cross-selling products you availed:
  - Only one product
  - More than one product
5. Rate your level of awareness on the following cross-selling products and services offered by your bank. (tick the relevant column)

<b>Cross-selling Products and Services</b>	<b>Extremely Aware</b>	<b>Very Aware</b>	<b>Moderately Aware</b>	<b>Slightly Aware</b>	<b>Not at all Aware</b>
Life insurance					
General insurance					
Mutual funds					
Credit cards					
Demat account					
Pension schemes					



6. How did you come aware of cross-selling products and services?

- Bank employees  
 Bank brochures  
 Bank website  
 Direct mail  
 Friends and relatives  
 Advertisement  
 Academic literature

7. Rate the following factors which motivated you to buy cross-selling product and services from the bank. Please put a tick mark on the appropriate column.

Sl No	Statements	Strongly agree	Agree	Neither agree Nor Disagree	Disagree	Strongly disagree
1	I prefer nearby banks to my home or office for cross buy financial products					
2	Paper formalities are less while buying additional products as the bank maintains record file regarding each customer					
3	The bank is highly reputed bank in the banking industry					
4	I am already satisfied with the bank services					
5	Bank employees suggested me to buy additional products					
6	The bank can satisfy majority of my needs by offering various financial service under one roof					
7	It makes me convenient in availing various services from a single service provider					
8	Expertise services are rendered by the bank					
9	I have trust and confidence in the bank and bank employees					

10	I bought additional products as per my friends and relatives suggestion					
11	The bank offer the cross-selling products of various companies that I trust					
12	The bank meet the expected level of each customer					
13	High standard and customized products at reduced price is available in the bank					
14	Quality of service rendered by the bank is satisfactory					

8. Rate your opinion on the following statements related with cross-selling practices (tick the relevant column)

Sl No	Statements	Strongly agree	Agree	Neither agree Nor Disagree	Disagree	Strongly disagree
1	Cross Buying from existing bank helps to maintain better relation with bank					
2	Cross Buying from existing bank helps to reduce transaction cost					
3	Cross Buying from existing bank helps to reduce price of the product					
4	Cross Buying from existing bank helps to reduce paper formalities					
5	Bank employees are highly interested to cross sell various products					
6	Bank sell customized products as per the financial requirements of customers					
7	Bank act as a financial service super market					

9. Rate your level of agreement with the following benefits you perceived while buying cross-selling products and services from the bank (tick the relevant column).

Sl No	Statements	Strongly agree	Agree	Neither agree Nor Disagree	Disagree	Strongly disagree
1	Convenience					
2	Tailor made products to meet varied customer need					
3	Individual attention to each customer					
4	Reduction in transaction cost					
5	Product at reduced price					
6	Reduction in formalities and paperwork as customer already familiar with the bank and need not to prove credential for every new purchase					
7	Additional benefits(eg: special discounts, offers, preferential pricing etc.					
8	Services of skilled and trained employees					
9	Expert advice of the bank employee in taking financial decision					
10	Innovative and wide product ranges to meet customers' needs					
11	Financial security is ensured as personal and financial information of customer is maintained in one hand					

10. Rate your level of satisfaction on the following statements related with cross-selling practices (tick the relevant column).

Sl No	Statements	Strongly agree	Agree	Neither agree Nor Disagree	Disagree	Strongly disagree
1	Knowledge of the employees regarding various cross-selling products and services					
2	Availability of the concerned staff at the right time					
3	Sales culture of the bank employees					
4	Services of trained staff					
5	Professional and advisory service provided by the bank employees					
6	After sale service provided by the bank					
7	Speedy and prompt customer service					
8	Information provided by the employees regarding cross-selling products and services					
9	Attitude of the staff in resolving customer problem					
10	Advertisement and awareness campaign on various cross-selling products					
11	Banks innovativeness in introducing new products					
12	Amount charged by the bank on various cross-selling products and services					

11. Rate your level of agreement with the following problems faced by you while or after buying cross-selling products and services from the bank (tick the relevant column)

Sl No	Statements	Strongly agree	Agree	Neither agree Nor Disagree	Disagree	Strongly disagree
1	Lack of knowledge of the employee regarding various cross-selling products and services					
2	Lack of trained staff to clear various doubts and clarification regarding the products					
3	More formalities for getting an additional products					
4	High amount are charged on cross-selling products and services					
5	Existence of hidden charges					
6	Unattractive product					
7	Lack of guidance about product features					
8	Limited time for individual interaction					
9	Poor advisory assistance					
10	Negative attitude of the bank employees towards cross-selling					
11	Aggressive cross-selling makes customers frustrated and irritated					
12	Frequent transfer of the bank employees					
13	Lack of promotional effort from bank employees					
14	Bank employees' resistance to change and adapt new culture					

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12. Would you like to continue as a customer of your present bank?

Yes

No

13. Would you like to continue as a cross-selling customer of your present bank?

Yes

No

If yes, would you like to buy cross-selling products and services from your present bank in the near future?

Yes

No

14. Would you suggest your present bank to your friends and relatives?

Yes

No

15. Which of the following cross-selling product that you have purchased from the bank (please tick the relevant column)

Life insurance

General insurance

Mutual funds

Credit cards

If answer is **life insurance**, then answer **part A**. If answer is **General insurance**, then answer **part B**. If answer is **Mutual fund**, then answer **part C**. If answer is **credit card**, then answer **part D**.

**PART A for Life Insurance Customers**

1. Rate your awareness level related with the attributes of life insurance policy (tick the relevant column).

<b>Particulars</b>	<b>Extremely Aware</b>	<b>Very Aware</b>	<b>Moderately aware</b>	<b>Slightly aware</b>	<b>Not at all aware</b>
Pre policy medical examination					
Age limit					
Service charge					
Level of protection					
Free look period					
Terms and conditions					

2. Please tick the below listed reasons for taking life insurance policy based on their importance (tick the relevant column).

	<b>Very Important</b>	<b>Moderately important</b>	<b>Neutral</b>	<b>Slightly Important</b>	<b>Not at all Important</b>
Life coverage					
Investment					
Security					
Tax advantage					
Liquidity					
Annuity benefit					
Easy access to claim settlement					
Tied with another product					

3. Which type of life insurance policy you have taken?
- Whole life insurance
- Term plan
- Unit linked insurance plan (ULIP)
- Endowment plan
- Credit protection plan
- Money back policy
- Child's plan
- Retirement plan
4. Mention how long you have been transacting with the bank as a life insurance customer
- Less than 1 year
- 1-3 years
- 3-5 years
- More than 5 years

**PART A for General Insurance Customers**

1. Rate your awareness level related with the attributes of general insurance policy (tick the relevant column).

Particulars	Extremely Aware	Very Aware	Moderately aware	Slightly aware	Not at all aware
<b>Health Insurance</b>					
Pre policy medical examination					
Age limit					
Service charge					
Level of protection					
Tie up with hospital					
Cashless facility					
Terms and conditions					
<b>Other General Insurance</b>					
Service charge					
Level of protection					
Terms and conditions					



2. Please tick the below listed reasons for taking general insurance policy based on their importance (tick the relevant column).

	Very Important	Moderately important	Neutral	Slightly Important	Not at all Important
Security					
Tied with another product					
Easy access to claim settlement					
Risk coverage					

3. Which type of general insurance policy you have taken?

- Health insurance  
 Vehicle insurance  
 Home insurance  
 Personal accident insurance  
 Property Insurance

4. Mention how long you have been transacting with the bank as a general insurance customer

- Less than 1 year  
 1-3 years

### **PART C for Mutual Fund Investors**

1. Rate your awareness level related with the attributes of mutual funds (tick the relevant column).

Particulars	Extremely Aware	Very Aware	Moderately aware	Slightly aware	Not at all aware
Risk related to investment					
Various mutual fund scheme					
NAV					
Lock in period					
Switching facility					
Entry load/exit load					

2. Please tick the below listed reasons for making investment in mutual funds based on their importance (tick the relevant column).

	Very Important	Moderately important	Neutral	Slightly Important	Not at all Important
Savings					
Tax advantage					
Diversification					
Return					
Safety and security					

3. Which is the preferred mode for making investment in mutual fund

- a) One time investment
- b) Systematic Investment Plan (SIP)

If 'a' amount invested in mutual fund .....

If 'b' amount invested in a Month

- Below 1000
- 1000-1500
- 1500-3000
- more than 3000

4. Tick the mutual fund scheme you preferred

- Open ended scheme
- Close ended scheme
- Interval

5. Mention how long you have been transacting with the bank as a mutual fund investor

- Less than 1 year
- 1-3 years
- 3-5 years
- More than 5 years

**PART C for Credit Card Customers**

1. Rate your awareness level related with the attributes of credit cards (tick the relevant column).

<b>Particulars</b>	<b>Extremely Aware</b>	<b>Very Aware</b>	<b>Moderately aware</b>	<b>Slightly aware</b>	<b>Not at all aware</b>
Interest charged					
Annual fee					
Fees and penalties					
Credit limit on the card					
Cash withdrawal limit					
Minimum payment due					

2. Please tick the below listed reasons for availing credit card based on their importance (tick the relevant column).

	<b>Very Important</b>	<b>Moderately important</b>	<b>Neutral</b>	<b>Slightly Important</b>	<b>Not at all Important</b>
Convenient mode of payment					
To avoid risk of carrying cash					
To get credit facility					
Global acceptance of the card					
EMI Facility					
Incentives related to card					
ATM facility for withdrawing money					
Prestige					
Convenient revolving overdraft facility					

3. Tick the type of credit card you possess

- Gold credit card  
 Silver credit card

- 
- Platinum credit card
  - Classic credit card
  - Travel credit card
  - Credit card for women
4. Mention the credit limit on your card: .....
5. Mention the average amount of credit availed per month
- Up to 20%
  - 21% -40%
  - 41%-60%
  - 61% -80%
  - 81% and above
6. Mention how long you have been transacting with the bank as a credit card customer
- Less than 1 year
  - 1-3 years
  - 3-5 years
  - More than 5 years

QUESTIONNAIRE FOR EMPLOYEES

Dear Respondent,

I Shana Shimin P., Research Scholar, Department of Commerce and Management Studies, PSMO College, Tirurangadi, affiliated to University of Calicut, doing PhD on the topic “**Cross Selling Practices of Public and Private Sector Banks in Kerala**”, under the supervision of Dr. P.M. Habeeburahiman, Research supervisor, PSMO college, Tirurangadi. Kindly spare a few minutes to fill this questionnaire. I assure that information provided will be kept confidential and will be used for academic purpose only.

**Basic Information**

- 1. Name of the Bank :  SBI  
 PNB  
 ICICI Bank  
 HDFC Bank
- 2. Gender :  Male  
 Female
- 3. Age :  Less than 30  
 31-40  
 41-50  
 Above 50
- 4. Educational Qualification :  SSLC  
 Plus Two  
 Graduate  
 Post Graduate  
 Professional
- 5. Designation : .....
- 6. Length of service : .....

## Survey Data

- Please rank the below mentioned reason for enter into cross-selling practices by the banks based on the level of importance.

SI No	Reason for enter into Cross-selling practices	Rank
1	To enhance profitability	
2	Retention of existing customers	
3	To improve customer loyalty	
4	To improve customer satisfaction	
5	To enhance reputation of the bank	
6	To acquire the benefits of diversification	
7	Optimum utilization of existing man powers, their skills and capabilities	

- Indicate your level of agreement with the following cross-selling initiatives taken by your bank (tick the relevant column)

SI No	Statements	Strongly Agree	Agree	Neither Agree Nor Disagree	Disagree	Strongly Disagree
1	Special training provided to employees before they are entrusted with the responsibility of cross- selling					
2	Bank gives importance to cross-selling together with other traditional banking practices					
3	Customers are assisted with professional and expert advisory services					
4	Integrated CRM packages and database are used to identify cross- selling opportunities and potential customers to reap out the market revenue					

5	Regular advertisement on various products and services to make customers aware about the products					
6	Suggested only relevant product to the customer based on their needs					
7	Product bundling					

3. Indicate your level of agreement with the following benefits for the banks through cross-selling practices (tick the relevant column)

Sl No	Statements	Strongly Agree	Agree	Neither Agree Nor Disagree	Disagree	Strongly Disagree
1	Cross-selling increase profitability of the bank					
2	Cross-selling helps to increase return on asset					
3	Cross-selling increase business per employee					
4	Cross-selling increase profit per employee					
5	Cross-selling helps to sell products at reduced price					
6	Cross-selling reduce communication and distribution cost					
7	Cross-selling reduce cost of customer acquisition					
8	Cross-selling helps to reduce the risk of non-performing asset					
9	Cross-selling increase customer base of the bank					
10	Cross-selling improve customer satisfaction					

11	Cross-selling improve customer loyalty					
12	Cross-selling helps to strengthen customer relation					
13	Cross-selling helps in customer retention					
14	Cross-selling helps in utilizing potentials and skills of existing man powers					
15	Cross-selling helps in optimum utilization of existing infrastructure					
16	Cross-selling helps to motivate employees as they are rewarded with monetary and non-monetary incentives					
17	Cross-selling helps to strengthen bank reputation					
18	Cross-selling helps in protecting market share					

4. Indicate your level of agreement with the following problems faced by the employees related with cross-selling practices(tick the relevant column)

Sl No	Statements	Strongly Agree	Agree	Neither Agree Nor Disagree	Disagree	Strongly Disagree
1	Lack of incentives to employees					
2	Inadequacy of proper training for selling cross-selling products					
3	Increased workload makes cross-selling a burden					
4	Inadequacy of favorable response from customers					



5	Increase in customer complaints due to aggressive cross-selling effort					
6	Effort in cross-selling is not considered for performance appraisal					
7	Lack of motivation					
8	Insufficient knowledge among employees about the cross-selling products					
9	Unwanted pressure from top management					
10	Difficult to achieve high cross-selling target					

5. Please indicate your opinion based on your experience for improving cross-selling practices by placing a tick mark in the relevant column

Sl No	Statements	Strongly Agree	Agree	Neither Agree Nor Disagree	Disagree	Strongly Disagree
1	A robust customer database should be maintained for successful cross-selling					
2	Ensure that employees are properly trained and well occupied with the knowledge in diversified products					
3	Offer right product at the right time to the right customer					
4	Selection of target customer is inevitable practice for successful cross-selling					
5	Ensure that employees' performances are monitored on a regular basis and they are rewarded accordingly					

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6	Don't overburden the customer with the product they don't prefer					
7	Products and services should be customized based on their needs and requirements					

Any other suggestions:

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Thank You