

Cross Selling – A customer centric approach in Indian banks

*Mrs. Minal Shah, ¹Dr. Sanjay Guha, ²Dr. Urvashi Shrivastava

*Sr.Assistant.Professor, Department of Management, Bhilai Institute of Technology, Durg, (C.G.) India.

¹Professor & Head, Department of Management, Bhilai Institute of Technology, Durg, (C.G.) India.

²Associate Professor, Department of Management, Bhilai Institute of Technology, Durg (C.G.) India.

*28minalshah@gmail.com, ¹ sanguha@rediffmail.com, ² urvashi.bitdurg@gmail.com

Abstract

The globalization and liberalization necessitated opening of branches of commercial banks in various countries and induced the competition among banks to ace. The banks started finding new avenues of revenue generation. As any new concept evolves the element of risk in business, but if smartly presented in front of customers will definitely turn to as an avenue of customer retention. Thus, the concept of cross selling evolved and led to the generation of opportunities and threats.

The research focuses on various challenges of cross selling with different dimensions of the banks as to generate the business for bank and to maintain the relationship with their customer's. The banking industry is exploring new avenues to attract customers and amplify its loyalty and boost its business by existing and new customers.

Keywords: Customer Satisfaction, Cross Selling, Banks.

1. Introduction

Cross selling demands huge planning and monitoring the people involved at different levels. In banks the employees as well as external agencies like subsidiaries of banks generates business for banks. The employees are trained prior they are into cross selling activity and check points are monitored regularly and as required randomly.

In the present scenario banks work smartly to satisfy the customers by providing high service quality. In the arena of service quality intensifying care is required as per Parasuraman and Zeithaml the products cannot be seen or imperceptible, the similar nature of products are presented to customers, but those products are inseparable in basic designing and its ingestion by customers. The SERVQUAL instrument is used to check the service quality before presenting any product line to the customers. To understand customer's acceptability the service quality is analyzed as cross selling is connected with the service quality, if customers are happy with the preliminary services then they can approach for another product, for which firstly the customer should be satisfied with the first or basic product and then to be approached for the other product or services as needed by customers or need could be generated for the related services. The satisfied customers will be into the relationship with bank for longer time it may be life time also and then customer will prefer another product as customer is getting loyal towards the bank by connecting in maximum number of products or services by the same bank.

2. Review of Literature

Jatin Pandey and Sanjana Mutt studied on bank employees of public sector and private sector of Mysore. The questions were asked to 90 employees through questionnaire on the basis of four variables that are perceived benefits, initiatives, effectiveness, and hurdles of

cross-selling. The study resulted in identifying that the cross selling practices adopted in public sector and private sector banks are different were prior focuses on technological up gradation and sales is encouraged by aggressive cross selling which may lead to failure in retaining customers and the customers are furious were later demands for technological improvement.

Hoover's and Miller Heiman in this paper the survey The 2005 Miller Heiman sales effectiveness study: critical challenges and trends were five key trends that are Differentiate, Price, Access, ROI, and Sales Cycle that are challenging today's sales effectiveness have combined with Hoover's industry leading business information tools that are Think, Ask, and Validate have joined to give sales best practices to their customers.

Luis M.B.Cabral and Joao A.C.Santos (2001) explains the endurance of the banks depends on the variety of products serve by the bank to draw the range of customers and this prospect is explored by cross selling.

Jain, V, Gupta, S and Jain, S (2012) the research paper studied Customer's Perception on Service Quality of Indian private Banks of Moradabad region based on SERVQUAL model and found all dimensions of service quality to be equally important.

Mengi (2009) conducted a study to compare customers' perceptions of service quality of public and private banks of Jammu based on SERVQUAL scale and determined different dimensions of service quality. The study revealed the customers of public sector banks to be more satisfied with the services further the study suggested improvements across all the five dimensions of service quality of SERVQUAL that is tangibility, reliability, responsiveness, assurance and empathy.

Rohini and Mahadevappa (2006) studied service quality perception in five hospitals in Bangalore city on the basis of SERVQUAL model the study revealed existence of overall service quality gap between patient's perceptions and their expectations with the sample size of 40 management personnel.

Shekhar and Gupta (2008) The study explored customer perspective on the relationship with financial service providers and the quality of services provided, further the study focused on the customers motivation behind engaging themselves in formulating the relationships for marketing strategies.

The review of literature elucidate the customer expect few variations in certain products this distinct variations has to be accepted by the banks and can be added as new feature into existing product or completely new product. The satisfaction of customer is directly related with the availability of expected feature in the product and its use. Expectations of customer is conceptual in nature which imagines its requirements and compares to the actual consumption or subjective use of product, the quality factor of product constructs attitude of customers and positive attitude leads to customers loyalty towards the bank.

3. Objective of study

The objective of the study is "To assess the effectiveness of cross selling as a tool for increasing customer satisfaction". To know cross selling as a tool or opportunity to increase customer satisfaction can be thrived if the services quality is satisfied by bank.

4. Research Plan

Cross selling can be implemented if the customers are loyal and loyalty hungers for satisfaction. The satisfaction is directly related with the perceived quality. This is what develops the positive attitude towards the brand and loyalty.

The service quality is based on the factors such as ambience of bank, involvement of employees, the expectations and perceptions of customers, difficulties in transactions, and individual attention. The SERVQUAL instrument is a construct by which complete service quality related aspects are been covered and analysis the acceptability of the same.

The effectiveness of employees can be measured by analyzing 3 major factors that are duly training, motivating and increasing service quality and efforts of employees, inspecting of performance at certain intervals. The variables to measure the effectiveness of cross selling as tool covers:

- Tangibility
- Reliability
- Responsiveness
- Assurance
- Empathy
- Overall satisfaction.

The customer satisfaction means the real or perceived value that customer experiences. The satisfaction may include solution to a problem or need, felt satisfaction with post purchase service or consistency or compassion of services by the bank. The customer dissatisfaction may be due to delays in providing services or response.

4.1 Sample Plan

In all 270 respondents were approached, and valid accurately filled responses were 257 (customers) respondents. Amongst 257 respondents, 130 customer respondents were from (two) public sector banks and 127 customer respondents from (two) private sector banks.

In the present study SERVQUAL model developed by Zeithamal, Parsuraman and Berry (1988) is used. The main assumption of the model is service quality is multi dimensional concept and contribute to assessment of service quality in any set. The statements in the construct are one- dimensional and performance based. Five dimensions have positive power of satisfaction. The five dimensions are tangibility, reliability, responsiveness, assurance, and empathy with 22 statements. The study modifies the servqual model and considers six dimensions. The sixth dimension is overall satisfaction. This consists of 23 statements. The overall satisfaction is considered because it is an important determinant. The servqual dimensions answers various dimensions but, directly a question on overall bank satisfaction clarifies about the satisfaction levels of customer. In order to ascertain the perceptions of service quality the questionnaire is prepared on five point likert scale with 23 statements. The scale 1-5 represents '5' as strongly satisfied and '1' as strongly dissatisfied.

4.2 Data Analysis

SERVQUAL Analysis is presented dimension wise for all the six dimensions.

4.2.1 The perceptions of customers on banks Tangibility

(Table no.1) Descriptive Statistics

Sr.No.			Public Sector Bank	Private Sector Bank
			Mean	Mean
1	Tangibility	Your Bank has up to date Equipment	3.78	3.87
2		Your Bank's Physical facilities are visually appealing	3.44	3.45
3		Your Bank's employees are well dressed and appear neat	3.34	3.62
4		The Appearance of the physical facilities of your firm is in keeping with the type of services provided	3.46	3.47
		Total Mean Scores of Tangibles	14.02	14.41

Tangibility dimension

The data highlights the difference in the perceptions of the public sector banks and private sector banks with the respective customers on the tangibility dimension. The data reveals the private sector banks are exceeding the perceptions while comparing to public sector banks. Public sector banks with the mean of 14.02 are slightly at the lower side on perceptions of their customers on the dimension of service quality when compared to private sector banks. The factors such as - up to date equipment, banks physical facilities, well dressed and neat appearance, and the facilities used in banks are comparatively at the lower end as perceived by the banks customers.

4.2.2 Perceptions of customers on Reliability

(Table no.2) Descriptive Statistics

Sr .no			Public Sector Bank	Private Sector Bank
			Mean	Mean
1	Reliability	When your bank promises to do something by a certain time, it does so.	3.43	3.17
2		When you have problems, your bank is sympathetic and reassuring.	3.40	3.35
3		Your bank is dependable.	3.26	3.42
4		Your bank provides its services at the time it promises to do so.	3.56	3.54
5		Your bank keeps its records accurately.	3.97	3.82
		Total	17.62	17.30

Reliability Dimension

The reliability dimension reveals public sector banks at the higher end as compared to private sector banks in terms of doing the things as on promised time, helping when customer is in problem, providing the services as on promised time, and in keeping accurate records. While private sector banks over performs on the term of dependable (reliable) as compared to public sector banks.

4.2.3 Perceptions of customers on Responsiveness

(Table no.3) Descriptive Statistics

Sr .no			Public Sector Bank	Private Sector Bank
			Mean	Mean
1	Responsi veness	Your bank does not tell customers exactly when services will be performed.	2.82	3.19
2		You do not receive prompt service from your bank's employees.	2.97	3.09
3		Employees of your bank are not always willing to help customers.	2.92	2.98
4		Employees of your bank are too busy to respond to customer requests promptly.	3.09	3.10
		Total	11.80	12.36

Responsiveness Dimension

The mean of private sector bank is 12.36 which are higher than public sector bank 11.80 illustrates public sector bank are more responsive to perform the services than the private sector banks. The Factors such as bank does not tell customers exactly when services will be performed, do not receive prompt service by employees, not willing to help customers, and too busy to respond to customer request are favoring private sector banks as the mean score are at the higher end.

4.2.4 Perceptions of customers on Assurance

(Table no.4) Descriptive Statistics

Sr .no			Public Sector Bank	Private Sector Bank
			Mean	Mean
1	Assurance	You can trust the employees of your bank.	3.56	3.41
2		You feel safe in your transaction with your bank's employees.	3.81	3.78
3		Employees of your banks are polite.	3.40	3.45
4		Employees get adequate support from your bank to do their jobs well.	3.51	3.63
		Total	14.28	14.27

Assurance Dimension

The mean score of public sector banks are 14.28 and private sector banks are 14.27 which are close to each other. The mean score analysis shows that public sector banks are exceeding the overall assurance perception of their customers. The factor wise analysis demonstrates public sector banks are exceeding the perception of customers in terms of trust of the employees, feel safe in transactions, and support of bank to employees where as private sector banks are exceeding in politeness as perceived by respective customer.

4.2.5 Perceptions of customers on Empathy

(Table no.5) Descriptive Statistics

Sr.no			Public Sector Bank	Private Sector Bank
			Mean	Mean
1	Empathy	Your bank does not give you individual attention.	2.76	3.02
2		Employees of your bank do not give you personal attention.	2.88	3.00
3		Employees of your bank do not know what your needs are.	3.19	2.80
4		Your bank doesn't have best interests at heart.	2.92	2.90
5		Your bank doesn't have operating hours convenient to all its customers.	3.15	2.99
		Total	14.90	14.71

Empathy Dimension

The mean score of public sector banks are 14.90 which are higher than private sector banks 14.71. This shows gap in perception of banks customers. The private sector banks scores high and are consistent for factors such as bank does not give individual attention and employees do not give individual attention and public sector banks exceed in not knowing the needs, bank does not have best interest at heart, and does not have convenient operating hours as perceived by individual customers of the banks.

4.2.6 Perceptions of customers on Overall

(Table no.6) Descriptive Statistics

Sr.no.			Public Sector Bank	Private Sector Bank
			Mean	Mean
1	Overall	Are you satisfied with the services of bank	3.56	3.58
		Total	3.56	3.58

Overall Dimension

The overall performance dimension reveals score of public sector bank as 3.56 and private sector bank as 3.58. Which illustrates both public sector banks and private sector banks customer are rating closer in terms of overall performance that is satisfaction with the services

of bank as perceived by their customers, yet the mean score of private sector banks are at higher side and reveals satisfaction at higher side.

Findings

To get insight by the customers about the satisfaction level for the basic services the service quality was measured. Cross selling can be practiced only on the satisfied customers and the study has revealed the following as under:

(Table no.7) Descriptive Statistics

Sr.no.	SERVQUAL Dimension	Public Sector Banks	Private Sector Bank
		Mean	Mean
1.	Tangibility	14.02	14.41
2.	Reliability	17.62	17.30
3.	Responsiveness	11.80	12.36
4.	Assurance	14.28	14.27
5.	Empathy	14.90	14.71
6.	Overall performance	3.56	3.58
	Total of Overall Service Quality	76.19	76.64

Overall SERVQUAL dimension

The mean score of public sector banks are 76.19 and private sector banks are 76.64 reveals significant difference in the quality of services delivered as perceived by the respective customers. This illustrates service quality and overall satisfaction of private sector banks customers are perceived at the higher range than public sector banks customers.

This reveals that customers of both public sector banks and private sector banks are satisfied with the service quality and allows presenting more products and services to customers. That is cross selling the products and cross selling can be a tool for increasing customer satisfaction. The parameters are explained below:

- a. The tangibility of private sector banks is more than the public sector banks and this shows the private sector bank customer's are more satisfied in terms of tangibility. In the growing competition the appealing factors plays an important role. The appealing factors fascinate the customer in terms of desirability, worth, and goodness. The appealing factors act as an add-on to the felt value to a customer. The felt value binds fundamental part of the lives and thus, is attracting the customers the most.
- b. The reliability explicitly is at higher side of public sector banks. When asked by the customers of private sector banks and public sector banks as the above table divulge. The reliability means doing the things on the said time. The particular timing is does maintained by the public sector banks in terms of promises, solving the problems and keeping the records.
- c. The responsiveness factor was negatively asked to the customers. The variables covered are as follows:
 - Not telling customers when services will be performed,
 - Not receiving prompt service from the respective bank employees,
 - Employees are not willing to help the customers,
 - Employees are too busy to respond.

The responsiveness variable is evaluated higher than private sector banks and promotes public sector banks in terms of responsiveness. Responsiveness is the boundary spanner that gives role clarity and serving the customer. Thus, the study reveals the employees of public sector banks thus create value in terms of responsiveness.

- d. The assurance is scored nearly equal in both the banks. The public sector banks are more preferred by customers than compared to private sector banks. Assurance is delivering maximum value to the end users and is an ultimate goal of every bank.
- e. The empathy factor was negatively inquired. The empathy factor revealed successful content marketing. The content marketing is always about creating a connection with the customer. The private sector banks customers are content with the empathy related services.
- f. The overall satisfaction when directly asked. It straight away portrays the private sector banks customers as more satisfied than public sector banks customers.

It is revealed that the value is generated in customers through every dimensions of SERVQUAL analysis. The tangibility expresses the increased felt value as it appeals the customers. The reliability factor reveals, banks feel customers time to be valuable. The responsiveness increases the punctuality value. The assurance adds to the user value. The content value is boost by empathy factor. The maximum the value experienced by the customer the greater the customer will be satisfied.

5. Conclusion

The parameters of SERVQUAL analysis reveals public sector banks performance is less in terms of variables such as tangibility, assurance, empathy, and overall satisfaction and position high in reliability and responsiveness.

The parameters of SERVQUAL reveals private sector banks are attaining less in variables such as reliability and responsiveness, and perform high in variables tangibility, assurance, empathy, and overall satisfaction.

It is found that there exists association between customer's perception and satisfaction. With the understanding of service procurements, banks will be able to manage cross selling as a tool for increasing customer satisfaction.

The banking sector is getting challenging and is demanding well developed technology. To enhance the satisfaction of customers the banks are looking for better services.

The banks can give more attention to change its outlook as, the banks must lookout the cross selling strategy from the product centric approach rather than customer centric approach.

6. References

1. Cabral, Luis M.B. and Santos, Joao A.C.(2001) Cross selling and banking efficiency SSRN id 289442, May 2001
2. Hoover's., and Miller Heiman. (2005), Hoover's White paper series Hoover's/ Miller Heiman: Cross selling and Up selling Copyright (c) 2005 Hoover's, Inc. 5800 Airport Boulevard, Austin, TX 78752 866-541-3770
3. Jain, V., Gupta, S., and Jain, S. (2012), "Customer Perception on Service Quality in Banking Sector: with Special Reference to Indian Private Banks in Moradabad Region", International Journal of Research in Finance & Marketing, Vol. 2, No.2, pp. 597-610.
4. Mengi, P. (2009), Customer satisfaction with service quality: An empirical study of public and private sector banks. The IUP Journal of Management Research, 8(9), 7-17.
5. Pandey, J., & Mutt, S. (2012) A comparative study on cross selling practices in public sector and private sector banks of Mysore. Abhinav- National Monthly Refereed Journal of Research in Commerce & Management, 1(6), 1-14. ISSN 2277-1166.
6. Rohini, R., and Mahadevappa, B. (2006). Service quality in Bangalore hospitals - An empirical study. Journal of Services Research, 6(1), April – September, PP.59-83.
7. Shah, M., Guha, S., and Shrivastava, U. (2013), A Study of Customer Satisfaction towards Service Provided by Employees of Public Banks using SERVQUAL Model with reference to Durg- Bhilai region, IJMSSR, ISSN 2319-4421, Vol.2(8).
8. Shah, M., Guha, S., and Shrivastava, U. (2014), Cross selling – Opportunities and challenges. International Journal of Trends in Marketing Management ISSN-0976–9722 Volume 3 issue 10 Oct 2014.
9. Shah, M., Guha, S., and Shrivastava, U. (2016), Cross Selling and its Impact on Customer Satisfaction: A Literature Review Abhinav International Monthly Refereed Journal of Research in Management and Technology. ISSN- 2320-0073 vol. 5, Issue 8, pp 11-22 in August 2016.
10. Shah, M., Guha, S., and Shrivastava, U. (2016), Cross selling: A Tool for Customer Satisfaction, Research Journal of Management sciences. ISSN 2319-1171.vol.6 (8), pp 21-23 August 2017.
11. Shah, M., Guha, S., and Shrivastava, U. (2016), Measuring the Impact of Service Quality on Customer Satisfaction- A Comparison between SBI and AXIS Bank International Science Community Association, Research Journal of Management sciences. ISSN-2319-1171 vol. 5(8), pg no. 1-8 in August 2016.
12. Shekhar, V., & Gupta, N. (2008). Customers' Perspectives on Relationship Marketing in Financial Service Industry. The Icfai Journal of Management Research, 7(9), 68-79.