CROSS SELLING AND ITS IMPACT ON CUSTOMER SATISFACTION: A LITERATURE REVIEW

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ABSTRACT
The concept of cross selling is getting wide acceptance in the competitive era, every organization is focusing to retain its customers before the tenure of completion of first product or services, for which customer has to be satisfied with the existing product or services which demands the systematic strategies to be constructed. The strategy formulation has to be with keeping in view the need and requirement of product to the customer in the market. Cross selling gives the opportunity to present the new or existing additional product in front of the existing customer and try to get into more and more relationship with the customer, but before purchasing any additional product or services the customer should be satisfied with the existing product or services the customer is using. This research paper tries to look at studies which have assessed cross selling or customer satisfaction or on both the aspects- cross selling and customer satisfaction. This paper reviews the empirical developments, methodological developments and theories on cross selling and customer satisfaction.

Keywords: Cross selling, customer satisfaction, Banks.

INTRODUCTION
The product and services of banks relates either with the liabilities product or an assets product of the bank. The liabilities products are those products were the deposits are accepted and those deposits can be used by customer through various services of banks such as (ATMs) Automated teller machine, Electronic data capture machine (EDC), etc. If the person is opening a savings / current account with the bank it is liabilities product and were as any loan product such as (car loan, personal loan, two wheeler loan, etc.) are products of assets.
If the person opens an savings account and then after needs four wheeler loan the person may approach the same bank for which the customer has to be satisfied with the services of savings account. The satisfied customer will definitely continue the relationship with same bank and here lays the opportunity of cross selling.

**History Of Cross Selling**

The globalization and liberalization demanded opening of branches of multinational banks in various countries and due to which the competition amongst banks increased and banks started finding new avenues of revenue generation. Any new concept evolves the element of risk in business, but if smartly presented in front of customers will definitely turn to an avenue of income generation. The cross selling is one of the tools which gives opportunity in three ways. One while customer comes to the bank in requirement of core product of the bank and while serving the same, need of home loan may be discussed by customer which generates the opportunity of cross selling home loan as an additional product with core product. This helps to increase the avenue for revenue generation through cross selling that is while - servicing an account. Secondly, the selling of add on services -if one is availing the loan facility of bank, the requirement of giving the standing instructions may be felt and may generate the opportunity to sell a saving’s account with the same service which may facilitate with other add on services of saving’s account that is ATM facility, mobile banking, net banking, etc. Thirdly, selling as a solution -if customer requires to open an online trading account then a solution to open a Demat account along with the saving’s account can be approached so that customer may have the financial working under one roof and be connected to one single account. Cross selling turns to be the right tool for customer satisfaction, and loyalty of customer with the bank and way of additional revenue generation for banks. Thus, the concept of cross selling evolved and led to the generation of opportunities and threats. The following review of the literature discusses the issues involved with cross selling and customer satisfaction since its practice in banks across the globe.

**LITERATURE REVIEW**

**Cross Selling**

Anurag Kumar explored the necessity of cross-selling to accelerate the profit; cross-selling is operated in many large organisations. The cross-selling is applicable in banks and it can improve the profit of the bank. The paper also tells about the meaning, existence, types, scope, benefits, and limitations of cross selling. It describes that the “Cross-selling simply means the seller can increase the size of the customers’ order by offering other related items which may be used along with the product already purchased by customers.” The paper describes the scope in various sector such as Banking sector, insurance sector, Automobile sector, Electronic sector, Footwear and garment sector. The paper mentions the benefit in terms of cost reduction and various benefits to banks, customers and insurance company.

Miller Heiman in his Article explains cross selling to the customers who is in need of product and gives three steps that is identify cross sell opportunity, develop key characteristics, and compare and select key customers to pursue so that customers’ need can be satisfied.

W Michael Scott in the Article “Strategies for Cross-Selling Success” focuses on the potential of every bank to cross sell. To boost up the revenue of the bank cross selling can be used, were sales opportunity can be increased and training to staff may increase the number of product per customer for which staff can be rewarded.

Girish P B in the Article mentions that every bank decides it’s logical relationship ratio to be in relationship with customer and by understanding the requirement of customer the cross sell can be approached, for which the employees can be trained and motivated to sell by rewarding the employees.

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 questions.
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 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.

Cheng –Min Chuang and Chih-Pin Lin argue commercial banking division as the major route for the effective cross selling within a financial holding company.

Singh Kanhaiya, Gupta Priya, Misra Richathe paper explored the requirement of the Cross Selling techniques in banking or non-banking financial institutions to generate revenue and retain customers.

Business Journal 1998. Found cross selling as a balancing act between the right technology, right knowledge and the right products to expand geographically and for product offerings.

Business Standard the latest entrants in the banking sector are focusing on retail liabilities, which in turn are used for cross-selling products to boost fee income. These are looking to grow their customer base by first offering a savings bank account and then cross-sell loan products.

Deloitte and Touche studied the difference of selling a product to new customer and existing customer as the odds of selling a product to a new customer is fifteen percent, whereas the odds of selling a product to an existing customer is fifty percent.

Butera 2000. Customer feels contented with the services provided as customer avails services with investing into the bank and this makes easier to cross sell an additional product or services which generates added revenue at an acquisition cost to be lower.

Amirrezvani 2006. Examined cross selling, and analysed to stay in touch with customers and not only to sell the product or services.

Wagner A. Kamakuraa, Michel Wedelb, Fernando de Rosad, Jose A fonsoMazzone. The study focuses on customer relation with bank the concept of cross selling increases the number of products or services a customer uses with the bank and Four different distribution data were used in study such as Bernoulli distribution, Binomial distribution, Poission distribution, and Normal distribution. First to rank satisfaction, Second to rank order ,third to know service usage frequency, and fourth for transactions volume. The study revealed increase in customer and vendor relationship and increase in the customer satisfaction ability.

Shibo Li, Baohong Sun and Ronald T.Wilcox. The study emphases on opportunities for companies to cross sell the products and services to existing customer base and when to target individual who is of more beneficial in the future. To collect the data large Midwestern bank was chosen and found improved projecting performance.

Wittmann, Georg. Studied influencing factors potential for SME customers for cross-selling and foresee the benefit of the possibility that SME to be offered with more appropriate financial services, which may lead to a win-win-situation between the banks and their customers and variables such as demographic, past purchase, and psychographic information were used and found the probability of purchase is estimated for each customer.
Ritter 1988 and 1993. Emphasis is on potential of customer and to offer the right product at right time. The author gives solutions through relationship banking. The communication can help to develop customer relationship. In the study identified perilous triumph causes of cross-selling financial services from a top management outlook and engrossed on American retail banking.

Gertner et al. 2000. Identified the emerging difficulties caused by implementing a cross-selling program for a US bank. The developing aspects were studied, which resulted on Cross-selling efforts.

Jarrar and Neely 2002 Reviewed marketing literature in the research field 'cross-selling financial services' it was highlighted that cross-selling can increase the market for financial services.

Schäfer and Caine et al. 2002. In the study they found the main success factors to support cross-selling.

Atuahene-Gima 1997, Schmitz 2013, Wieseke, Homburg, and Lee 2008. Advocated on the issue of essential product portfolio condition that supports the concept of cross-buying. The authors developed the model and tested on supervisory and compensation based controls. The positive and negative outcome of transactional leadership was studied.

Homburg and Schäfer 2001. Studied on the corporation’s strategy that focused on CRM system building customer centric enterprise structure and information systems which motivated the employees to agree to take cross-selling as the part of their job and creating a cross-selling ethos in the organization.

Boehm & Gensler 2005. Studied on the facet of e-banking portals, in the study they engrossed E-Banking to be more profitable than offline banking customer.

Verhoef&Donkers 2005 and Campbell 2003. Found greater potential for cross selling as customer may use added services as customer has higher frequency of transactions and also advocated E-banking due to high level of computerization which turns to be more cost effective.

Leeladhar 2005 Addressed on banking sector challenges and role enhancement and added to offer a bouquet of financial services including cross selling of financial services to meet customers requirement at one stop shop rather than providing traditional services as few banks have begun adopting CRM systems to fascinate new customers and also to retain existing customers.

Nielsin (Net Ratings) 2004 a global standard for Internet audience measurement reported online financial institutions to generate added income by increasing online customer relationship rather than a only financial product or services.

Kishori J Udeshi2004 In his report on Issues in Banking Regulation and Supervision explained cross selling a new aspect of assault of the secrecy and an zone where banks requires to use self-regulation as customers spending has been increased and data bases are shared with several product sellers.

Money Magazine Reviewed cross selling to be cost effective as the existing customer acquires five times lesser cost then to generate a new customer’s cost.

Johannsen and Deibert 2001 the study predicts increase in E-Banking and decrease in favorite banking channel that is relationship banking of SMEs.

Stehling and Moormann 2002, O’Donnell etal. 2002, Ibbotson and Moran, Hamilton 2003 Dandapani 2004 all this studies expect same role of internet banking in future for SME banking. German banks utilizes two levers. One offers self-services using internet to lower distribution cost and more time to relationships manager to build healthy relationships with customers. Additionally to strengthen cross selling as the sales attitude is less in SME segment.
Deighton et al. 1994 studied on German banks and defined cross selling to increase existing customers wallet share and encourage to buy it’s another product as per several studies cross selling is not successfully enforced in German banks. Hormozi and Giles 2004 clarified how Information system can be used to increase cross selling. Information system is based on data mining, and data mining is the process of mining valid and actionable information from large data basis which is indefinite and could be used in decision making processes.

Cabena et al. 1998 studies Mellon Bank were data mining is used to find likely customers interested in home equity from their deposits accounts.

Storey and Cohen 2002 focuses on using information systems to improve cross selling how a North American financial institution, Scotia Bank uses data mining operations in the retail banking as data mining can be used to improve retail banking were data is used from retail banking and by applying different methods of mining gives scope for improvement.

Bartmann and Rill 2005 studied on 400 retail banking by conducting an yearly evaluation. The study associated the notion of customer buying cycle that structure customer process of product or services procurement into four phases that is awareness, evaluation, purchase, and aftersales services.

Smarta Business Builder Describes cross selling as an Art. The customers appreciate and feel at ease if the cross selling is done at a nice spot within the significance and boundaries and gave 10 best ways to do it. The 10 best ways are Get prepared and then ask, position wise, gear up website, other people who bought this also bought, incentivise, bundle up, on product copy, expert recommendation, during the pitch, discounted second buy.

Adrian Miller At the sales training on cross sell and up sell taught that one needs to continuously ask some questions such as decision makers? Does customer have any benefit from product or services on other Locations, divisions or department? Customer relocation plans if any? The study focuses on queries to inquire, have conformation of data, and information to be collected that is there is something to learn on every single interaction.

Reut Schwartz-Hebron the founder of Key change institute explains to give training to the providers of services to have continuous discussions with the customer so that correct seeds can be planted as service providers who usually formulate customers for cross sell and up selling.

Dun and Bradstreet the largest global commercial database company editors in the article explains how to cross sell and up-sell. For increasing the wallet share of the customers, it could be done by providing best solution and not chasing behind the money of customers. The secret to cross selling and up selling is to collect the votes of customers for which one needs to express and that certainly not ends to maximise the customers.

John F.Carroll May 2016 CEO of Insurance splash posted a write-up that covered 29 ideas to cross sell more insurance to current clients and expressed that more cross selling needs more to converse about the products so that the process is developed at both extremes and influence to come at mid for every customer. The 29 ideas are such as know the two types, develop an established cross-selling system, establish a tracking system, handle immediate needs first, designate a cross-selling leader, follow up for it, don’t raise the price too much today, everything we sell sheet, get x-dates, book of business audits, be a broken record, learn the policy-change triggers, practice cross selling, bump commissions for cross sales, take cross-sellers off the phones, ask cross sale related questions during quotes, sign off sheets and policy reviews, prepare them for your cross selling experience, learn the benefits of having only one agency, start by cross-selling renters coverage, get around do not call, cross sell other agents, clients, use partners, use social media, 74% of people who bought this also bought, sync the renewals, be patient and keep cross selling.
Evrim D. Gunes, O. Zeynep Aksin, E. Lerzan Ormeci, S. Hazal Ozden studied the negative reaction of customers due to failed sales efforts of cross selling and developed a modelling framework accomplished with Markov decision model, were three models were analysed, and the result highlighted modifying cross selling policies to a single customer.\(^\text{42}\)

Paas and Kuijlen (2001) identified that the customers should feel of gaining with every succeeding purchase although customer’s decision may change vigorously, and further gather cross selling prospects from previous acquisition of customer and for this research paper used database marketing techniques.\(^\text{43}\)

Shibo Li, Baohong Sun and Ronald T. Wilox (2005) explained the expected life cycle of customers and elaborates the increase of chances to cross sell another product or services. The research examined Midwestern bank’s purchase pattern and behavioural patterns of customer’s satisfaction by bank and presents structural multivariate probit model to study customer demand for multiple products. The objective of the study focused on predicting the most beneficial customer for future, and studied 20 financial products. The study explored demand of other services along with data on usual ordering which may return appreciated vision.\(^\text{44}\)

**Customer Satisfaction**

Berry, Parasuraman, and Zeithaml studied service quality, reason for customers switching from one bank to another and buying decision making.\(^\text{45}\)

Ananth A. Ramesh R and B. Prabaharan (2010) in the paper A Service Gap Analysis of Private Sector Banks is an Empirical Study of Customer Expectations with Perceptions. Study evaluates the Quality of Service in private sector banks (ICICI & CUB). They studied the gap between customer expectations and their perceptions. The selected private sector banks were ICICI and CUB. The study was based on SERVQUAL model with addition of accessibility factor. The gap analysis showed customer expectation and perception of service quality as the major empathy factor. The multi-regression analysis study resulted dimensions like Empathy Reliability-Assurance certainly influences the banking service quality.\(^\text{46}\)

Brahmbhatt, M and Panelia, D (2008) the research paper compares, examines and measures services provided by public banks, private banks and foreign banks the study advocated foreign banks for effective customer services and high satisfaction level of customer.\(^\text{47}\)

Hinson, R, Mohammed, A and Mensah, R (2006) studied determinants for banks of Ghana. The study revealed that all service quality dimensions contributed significantly but human element found to be highly predictive further the study concluded that the service quality dimensions contributed in predicting of service quality.\(^\text{48}\)

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.\(^\text{49}\)

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.\(^\text{50}\)

Rohini (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.\(^\text{51}\)

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.\(^\text{52}\)
Singh, SP and Khurana, S (2011) in their research paper identified, examined and found out gender wise customer’s expectations and perceptions to study service quality provided by private sector banks in Hissar district. Reichheld (1996) suggests that unsatisfied customers may choose not to defect, because they do not expect to receive better service elsewhere. Additionally, satisfied customers may look for other providers because they believe they might receive better service elsewhere. However, keeping customers is also dependent on a number of other factors.

Fornell (1992) in the study of Swedish consumers notes that although customer satisfaction and quality appear to be important for all firms, satisfaction is more important for loyalty in industries such as banks, insurance, mail order, and automobiles.

Ioanna (2002) proposed that service quality is an imperative element impacting customers’ satisfaction level in the banking industry. To successfully compete in today’s competitive marketplace, banks must focus on understanding the needs, attitudes, satisfactions and behavioural patterns of the market. Consumers evaluate a number of criteria when choosing a bank.

Kaynak and Kucukemiroglu's (1992) studied on Hong Kong banking market discovered that customers choose their banks because of convenience, long association, recommendations of friends and relatives, and accessibility to credit.

Dr. K. Ravichandran, S.Prabhakaran, and Kumar Arun studied on Bayesian Structural Regression (BSR), is a paradigm for modeling service quality of banking services using the Servqual model. This study used adaptive structural methods to model the servqual items. These methods are based on conjugate Bayesian theory discussed by Dempster (1969) and made operational by Chen(1979) using the EM method Dempster, Laird and Rubin (1977). The Bayesian approach provides a mechanism for incorporating prior structural information in to covariate estimation. This information can be either vague or specific and is used only to the extent that it reflects worthwhile information and about the interrelationships among the variables as possible.

Vigg Silky, Mathur Gramma and HolaniUmesh 2007 The research stated that Innovative services, Network, Access, Technicalities, Behavior, Comfort and Image are some of the factors responsible for customer satisfaction. Results have also revealed that there is no significant difference in the customer satisfaction of public and private sector banks.

HummayounNaem, AsmaAkram and Iqbal Saif 2009 This comparative research investigates the impact of service quality on customer satisfaction in the Pakistani banking sector. Results of the analysis indicated that service quality was proved to be a strong predictor of customer satisfaction in case of the foreign bank as compared with the public sector bank. The study concluded that service quality, if managed effectively, can contribute significantly towards customer satisfaction.

Uma Sankar Mishra, BibhutiBhusan Mishra, SarojKantaBiswal and BidhuBhusan Mishra 2010 The study concluded that the major reasons for dissatisfaction with public sector banks is the rigid policy, while for the private banks it is mostly service related factors like service charges, interest rates on loans & term deposit and matching to customer’s attitude.

Ushad Subadar Agathee 2010 The research paper advocated that there are increasing urgent needs for bankers to meet customer expectations for faster and better service with the number of bank branches growing across the island leading to more price competition. The study also showed that those falling in the highest income groups are more likely to be unsatisfied with the banks’ services. It highlighted the need for bankers to gear customer service and quality improvement efforts towards components of reliability and responsiveness.

Kajal Chaudhary and Monika Sharma 2011 The study attempted to analyze how efficiently Public and Private sector banks have been managing NPA. The study recommended that the bank staff involved...
in sanctioning the advances should be trained about the proper documentation and charge of securities and motivated to take measures in preventing advances turning into NPA. Public banks must pay attention on their functioning to compete private banks.

Surabhi Singh and Renu Arora 2011 Research results indicate that the customers of nationalized banks were not satisfied with the employee behavior, ambience and infrastructure, while respondents of private and foreign banks were not satisfied with high charges, accessibility and communication. The study suggested that training on stress management and public dealing should be imparted to the employees of nationalized banks.

CONCLUSION

Cross selling proves to be beneficial for both banks and the customers, as banks revenue may be increased and selling cost may be reduced by selling the additional product to the existing customers and helps in creation of brand value of the bank. As proved and studied by many researchers on the other side customer financial needs are fulfilled under one roof that saves the time, expenditure towards researching before investing in any other product of other financial service providers as the existing bank is ready to serve another product as and when need is felt by customer, which leads to customer satisfaction.

A thorough review of work done by eminent authors in the field of banking brings about a relationship between customer satisfaction and cross selling, that is there is “Impact of Cross Selling on Customer Satisfaction” If cross selling is strategically implemented in the banks, the data base may find out the customers who are loyal with the bank since years and these types of customers may be focused on priority and accordingly the various requirements of customers may be known by going more closer to the customers and the product and services may be designed to fit the requirements of individual customers.

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