



An Analysis of Perception of Selected Public Sector and Private Sector Bankers on Cross Selling Activities

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Abstract:

'Cross selling' is the activity of selling additional product or services to the existing customers or clients. At present Indian banking sector is busy with the cross selling very intensively to generate additional incomes. In the present research paper, the researcher has made an attempt to analyse the perception of the bankers for cross selling activities are concern. The researcher has explored 7 different 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. To analyse the perception, the researcher has taken a sample of 450 bankers and used One Way Analysis of Variances to test the hypothesis. The researcher has found significant difference in accomplishment of objectives through cross selling between public and private sector banks. While for other factors there is no statistically significant difference found by the researcher.

Keywords: Bankers, Cross selling activities, Public sector, Private sector

1. Introduction

Indian banking industry is in the struggling period. The banks are struggling for generating additional revenue. In order to increase the revenue generation, banks have diversified into the non-banking activities. The banks, besides doing traditional banking activities, have adopted non-banking activities also. These non-banking activities are popularly known as 'cross selling'. The main function of the commercial bank is to accept deposits from the public and providing loans and advances to the public. The banks have now adopted selling insurance products, credit cards, debit cards, etc. The management of the banks pressurizes the bankers to sell such product more and more to generate additional revenue. The bankers are given targets for selling such products. The bankers are no longer only bankers but have become marketers in maximum cases. In this research paper, the researcher wants to analyse the perception of the bankers about the cross selling activities of the banks.

2. What is Cross Selling?

Cross selling is the activity of selling additional product or services to the existing customers or clients. It is defined as the action or practice of convincing the customers or clients to purchase the additional service or product. In the banking industry, the practices of cross selling can be seen widely now-a-days. It is often seen that the customer who want to make a fixed deposit of his money is otherwise convinced to purchase gold, credit cards, bonds, insurance, etc. This activity of selling the additional product is known as cross selling¹.

Cross selling is a marketing tactic where by the bank tries to increase its customer base by offering such additional products. With the help of cross selling, the bank reduces per customer cost and increases per customer revenue.

¹ Bhattacharya, B., N., (1999), "Marketing Approach to Promoting Banking Services", Vikalpa, Vol.14, No.2, PP.35-41

3. Review of Literature

The researcher has analysed following literature available on the cross selling activities:

Allen, F., Santomero, A., M., (2001), have discussed about the cross selling activities by the banks. The banks respond to increasing competition in the lending market by shifting from traditional lending activities to other activities. They evaluated that the revenue of the banks in the US were coming largely from the traditional activities in the early 90s, at the end of 90s they were largely from the non-traditional banking activities².

Berger, A., N., Mester, L., J., (2003), observed that during 90s the cost productivity in the banking industry worsened largely in the US and the profit productivity improved. They are of the view that this happened due to the fact that the US banks offered wider variety of financial products. As a result the revenue from non-interest income increased³.

Rekha, K., G., (2015), has studied the concept of cross selling based on customers of Kerala. She has collected the data from financial institutions and customers. 50 customers were selected. She has used appropriate statistical and mathematical tools like percentage, average, ratios and Chi-Square. The study concluded that the customers should be made aware of various financial products in order to prevent them being cheated by wrongful acts of financial institutions⁴.

4. Research Methodology

Following research Methodology is adopted for the present research work:

4.1 Title of the Present Research

Title of the present research paper is as follows:

“An Analysis of Perception of Selected Public Sector and Private Sector Bankers on Cross Selling Activities”

4.2 Scope of the Present Study

In this paper, the researcher tries to make the comparison of perceptions about cross selling activities in the private sector and public sector banks. The researcher has randomly selected 450 bankers, out of them 244 bankers are working the Public sector banks and 206 are working in the Private sector banks. These bankers are working in the banks located in the Saurashtra Region. Hence, the geographical scope of this research paper is the selected bankers of Saurashtra Region.

4.3 Population and Sample of the Study

Population for the present research work is all the bankers working in the public sector and private sector banks located in the Saurashtra Region. Out of all the bankers, the researcher has selected a random sample of 450 bankers out of them 244 bankers are working the Public sector banks and 206 are working in the Private sector banks. So, the sample for this research work is 450 bankers.

4.4 Method of Data Collection

The researcher has prepared a questionnaire including several questions related to testing of various perceptions about cross selling activities being done in the private sector and public sector banks. The researcher has used the method of questionnaire and scheduling for the collection of data about the bankers' perception about cross selling.

² Allen, F., Santomero, A., M., (2001), "What do financial intermediaries do?", Journal of Banking and Finance, 25, PP., 271-94

³ Berger, A., N., Mester, L., J., (2003), "Explaining the dramatic changes in performance of U.S. banks: technological change, deregulation and dynamic changes in competition", Journal of Financial Intermediation, 12, PP., 57-95

⁴ Rekha, K., G., (2015), "Cross Selling of Financial Products – A Study Based on Customers in Kerala", IJSR, Vol., 4, Issue, 3, PP., 2428-2430

5. Tools and Techniques of Analysis

The researcher has used ANOVA to find out the differences between the perceptions of public sector bankers and that of private sector bankers on cross selling.

6. Objectives of the Study

Following are the main objectives of the present research work:

1. To study the perception of the bankers about the cross selling activities.
2. To study the factors that creates the perception of the bankers about cross selling activities.
3. To study the differences in the perception of the private sector bankers and the public sector bankers.

7. Analysis and Interpretations

In order to analyse the bankers' perception about cross selling activities, the researcher has prepared a structured questionnaire. The cross selling activities of the banks may affect the accomplishment of the objectives of banks, work-life balance of the bankers, additional revenue generation for the bankers, personal ideology of the bankers, effects on the banks, ideology of the top level management and customer orientation. Such 7 factors are identified and the statements are further categorized into 7 factors. Bankers may have perception about these factors whether the cross selling activities affect these 7 factors or not. The categorization of the statements into the factors is presented through the following table.

F1	Accomplishment of Objectives:	S1	S4	S11	S12	S13	S14	S27	S28	S29	S30	S41
F2	Work Life Balance of Employees	S2	S6	S22	S38	S39						
F3	Additional Revenue Generation for Employees	S3	S25	S31								
F4	Additional Revenue Generation for Banks	S32	S35									
F5	Personal Ideology of Bankers	S5	S7	S16	S17	S26	S36					
F6	Effects on the Bank	S8	S21	S23	S24							
F7	Customer Orientation	S10	S15	S18	S20	S24	S33	S37				

The researcher has applied F-Test ANOVA to check the differences of the perception between the bankers of public sector and that of private sector. The statistics of the test is presented as follows:

Table : 1 A Table Showing Descriptive Statistics

Sector		N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum	
						Lower Bound	Upper Bound			
A1	Accomplishment of Objectives	PUBLIC SECTOR	244	183.11	128.468	8.224	166.91	199.31	2	449
		PRIVATE SECTOR	206	275.70	113.173	7.885	260.16	291.25	1	450
		Total	450	225.50	130.048	6.131	213.45	237.55	1	450
B1	Work Life Balance of Employees	PUBLIC SECTOR	244	1.41	.494	.032	1.35	1.48	1	2
		PRIVATE SECTOR	206	1.46	.500	.035	1.39	1.53	1	2
		Total	450	1.44	.496	.023	1.39	1.48	1	2
C1	Additional Revenue Generation for Employees	PUBLIC SECTOR	244	1.92	.911	.058	1.81	2.04	1	4
		PRIVATE SECTOR	206	1.88	.802	.056	1.77	1.99	1	4
		Total	450	1.90	.862	.041	1.82	1.98	1	4
D1	Additional Revenue Generation for Banks	PUBLIC SECTOR	244	1.38	.593	.038	1.31	1.46	1	4
		PRIVATE SECTOR	206	1.47	.614	.043	1.38	1.55	1	4
		Total	450	1.42	.604	.028	1.36	1.48	1	4
E1	Personal Ideology of Bankers	PUBLIC SECTOR	244	1.54	.604	.039	1.46	1.61	1	4
		PRIVATE SECTOR	206	1.57	.552	.038	1.50	1.65	1	3
		Total	450	1.55	.580	.027	1.50	1.61	1	4
F1	Effects on the Bank	PUBLIC SECTOR	244	2.17	1.264	.081	2.01	2.33	1	4
		PRIVATE SECTOR	206	2.10	1.175	.082	1.94	2.26	1	4
		Total	450	2.14	1.223	.058	2.02	2.25	1	4
G1	Customer Orientation	PUBLIC SECTOR	244	1.77	.747	.048	1.67	1.86	1	3
		PRIVATE SECTOR	206	1.76	.820	.057	1.64	1.87	1	3
		Total	450	1.76	.781	.037	1.69	1.83	1	3

Table : 2 A Table Showing ANOVA

			Sum of Squares		Mean Square	F	Sig.	Status of Null Hypothesis
A2	Accomplishment of Objectives	Between Groups	957556.776	1	957556.776	64.644	.000	Rejected
		Within Groups	6636155.724	448	14812.848			
		Total	7593712.500	449				
B2	Work Life Balance of Employees	Between Groups	.249	1	.249	1.011	.315	Accepted
		Within Groups	110.382	448	.246			
		Total	110.631	449				
C2	Additional Revenue Generation for Employees	Between Groups	.211	1	.211	.284	.594	Accepted
		Within Groups	333.487	448	.744			
		Total	333.698	449				
D2	Additional Revenue Generation for Banks	Between Groups	.805	1	.805	2.214	.137	Accepted
		Within Groups	162.815	448	.363			
		Total	163.620	449				
E2	Personal Ideology of Bankers	Between Groups	.144	1	.144	.428	.513	Accepted
		Within Groups	151.076	448	.337			
		Total	151.220	449				
F2	Effects on the Bank	Between Groups	.488	1	.488	.326	.568	Accepted
		Within Groups	670.970	448	1.498			
		Total	671.458	449				
G2	Customer Orientation	Between Groups	.009	1	.009	.015	.902	Accepted
		Within Groups	273.549	448	.611			
		Total	273.558	449				

8. Interpretation

- 1. Null Hypothesis (H_0):** There is no significant difference in the accomplishment of objectives through cross selling activities in public and private sector banks.
According to the prescribed statistics, the null hypothesis is rejected because the significant value is 0.000 which is less than 0.05. It means that there is significant difference in the accomplishment of objectives of the banks between public sector and private sector banks.
- 2. Null Hypothesis (H_0):** There is no significant difference in the work life balance between public sector and private sector banks due to cross selling.
The cross selling activities of the banks may affect the work life balance of the employees. This hypothesis is accepted. It means that there is no significant difference in the perception of the bankers of public sector and private sector banks that the cross selling activities affect the work life balance of the employees.
- 3. Null Hypothesis (H_0):** There is no significant difference in the additional revenue generation for employees of the public sector and private sector banks due to cross selling.
This hypothesis is accepted because the significant value is 0.594 which is greater than the standard value of 0.05. This means that there is no significant difference in the additional revenue generation for the employees of public sector and private sector banks due to cross selling.
- 4. Null Hypothesis (H_0):** There is no significant difference in the additional revenue generation for banks of the public sector and private sector due to cross selling.
This hypothesis is also accepted because the statistics show that the significant value is 0.137 which is greater than the prescribed standard of 0.05. It means that there is no significant difference in the perception of the public sector and private sector bankers that the cross selling activities are helpful in increasing the additional revenue generation for the banks.
- 5. Null Hypothesis (H_0):** There is no significant difference in the personal ideology of bankers on cross selling between public sector and private sector banks.
This hypothesis is also accepted because the significant value is 0.513 which is greater than 0.05. This shows that there is no significant difference in the ideology of the bankers about the cross selling activities.
- 6. Null Hypothesis (H_0):** There is no significant difference in the effects on the banks between public sector and private sector banks due to cross selling.
The null hypothesis is accepted because the significant value is 0.568. This means that there is no significant difference in the perception of public sector banks and private sector banks that the cross selling activities create effects on the banks.
- 7. Null Hypothesis (H_0):** There is no significant difference in the customer orientation due cross selling between public sector and private sector banks.
The statistics shows that the significant value is 0.902 which is greater than 0.05, hence the null hypothesis is accepted. It means that there is no significant difference in the perception of the public sector bankers and private sector bankers that the cross selling activities affect the customer orientation of the banks.

9. Conclusion

The banks have adopted cross selling activities in order to increase the business and revenue. The cross selling activities involve the non-banking activities in which the banks try to sell the credit cards, debit cards, insurance products, etc. These cross selling activities help the banks in increasing the revenue but at the same time it pressurizes the employees to perform the marketing function which does not fit to their job profile. This creates the positive or negative perception of the banker on the cross selling. The cross selling activities of the banks may affect the accomplishment of the objectives of banks, work-life balance of the bankers, additional revenue generation for the bankers, personal ideology of the bankers, effects on the banks, ideology of the top level management and customer orientation. The researcher has analysed the bankers' perception on these factors.

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