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ADDIS ABABA UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMICS DEPARTMENT
OF PUBLIC ADMINISTRATION AND DEVELOPMENT
MANAGEMENT MASTERS IN PUBLIC MANAGEMENT AND
POLICY

**A Comparative Study of Cross-selling Practices in Public and Private Bank in
Ethiopia (Special Reference to Commercial Bank of Ethiopia and Dashen
Bank in Addis Ababa city)**

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June, 2017
Addis Ababa

Addis Ababa University
College of Business and Economic
Department of Public Administration and Development
Management Masters in Public Management and Policy
(Development Management Stream)

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**A Comparative Study of Cross- Selling Practice in Public and Private Bank in
Ethiopia(Special Reference Commercial Bank of Ethiopia and Dashen Bank
in Addis Ababa City)**

By

G/Tensay Hailu

**A Thesis Submitted In Partial Fulfillment of The Requirements For the
Degree of Master of Art In Public Management And Policy of the
Department of Public Administration And Development Management
College of Business And Economic**

Advisor: Frehiwot G/Hiwot (PhD)

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Declaration

I, G/Tensay Hailu H/Marian, hereby declare that this thesis is my original work and has not been presented for a degree many other university and all sources of materials used for the thesis has been duly acknowledged.

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List of abbreviation and acronyms

CBE Commercial bank of Ethiopian

DB Dashen Bank

CRM Customer relationship management

CS Cross selling

SPSS Statistical package for the social sciences

Abstract

This paper focuses on comparing the cross selling practices in public and private banks (Special reference Commercial bank of Ethiopia and Dashen bank in Addis Ababa city). Thus, the study tries to assess the status and ways cross selling has been put in to practice by selected Ethiopian public and private banks. In addition, this research considers different cross selling dimensions such as perceived benefit, initiatives, effectiveness, and hurdles. To achieve the objective of the study, primary data were collected through questionnaire from sample of 60 bank employees of Commercial bank of Ethiopia and 60 employees Dashen bank . These respondents were selected using simple random sampling technique. The data collected through questionnaire were analyzed using descriptive statistical analysis method and SPSS as a tool of data analysis. Interviews were also conducted with management bodies of the selected private and public banks in Addis Ababa city. The result of the study indicated that, there are several loopholes; such as, lack of training and incentives, aggressive cross selling. In addition to the above findings, the common challenge of the. The finding also suggests some initiatives which can be taken by the banks in order to enhance cross selling practices of the banks. The study also clearly revealed that the four cross selling dimensions are strongly related. Based on the findings of the study, the researcher forwards some recommendations as; continuous supervision on the quality of services, provision of training to employees, and incentives to employees help the banks to achieve their objectives. The study revealed that cross selling practices in public and private sector banks are some difference. Further, this study brought out the major cross selling challenges and issue forced by both banks. Finally some important strategies were suggested for the betterment of officer in public and private sector banks.

Key words: cross- selling, banking, retention customer,

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CHAPTER ONE

1.1. Background of the Study

We are now living in a competitive world and every organization faces a tough competition in the market to attract the customers. To support the sustainable growth and profitability of the banks by cross selling practices the banks products, marketing, acquiring and retaining customers, So that in order to retain the existing customers, banks can use the cross- selling strategy. Cross selling has been defined as “offering current customer additional products or services that can provide added value for them” (Jones et al, 2005). Cross selling has also gone by other names such as companion selling, suggestive selling, and complementary selling (Palonsky et al, 2000).

A successful cross- selling requires customer intimacy and detailed information on customer demographics and preferences. Once such information is available, firms can better leverage the data and identify cross – selling opportunities (Ansari and Mela 2003).As stated by Ngoba,(2004) in order to cross-sell successfully, customer loyalty must be developed. The influence of prior experience with the service provider does not always guarantee cross- buying. This means that competitive banks with similar services can easily target a customer and open the door to switching providers.

The Banking sector in Ethiopia has witnessed a significant transformation in the past 20 years. Unlike in the past, banks in Ethiopia now face the various challenges as any other business enterprises; they have to compete and have ensured maximization of shareholders wealth. The focus of marketing within the financial sector his shifted to managing relationship with customers. As cross- selling in banks is a relatively new phenomenon in Ethiopia, the researcher focuses on how it is practiced in public (Commercial bank of Ethiopia) and private (Dashen bank), To identify the problem during implementation of cross-selling in the banks basis of which the sample under selects in the area of sector and the various initiatives taken by banks would be useful. The study aims to identify the cross-selling practice on the public and private banks in relation with benefits both banks and customer.

1.2. Background of the Study Organizations

The Commercial bank of Ethiopia is the largest commercial bank of Ethiopia as of June 2016, it had about 384.6 billion birr in assets and held approximately 63.5% deposits and about 38% of all banks loans in the country. The bank has around 26, 0000 employees, who staff its headquarters and its over 1100 branches positioned in the main cities and regional towns. Commercial bank of Ethiopia banking network branches has reached online over 1000 branches. The bank provides all the banking service ranging from local to foreign banking. Local banking services are deposit, money transfer and correspondent banking are among foreign banking service of the bank.it is also pioneer in the introducing automated teller machine (ATM),youth account, women's account, interest free banking ,mobile banking and internet banking services.

It was in the early 1990s that the Ethiopia government allowed the establishment of private banks in the country. This was done under the economic policy founded on market oriented values under the new government. As a result, there are now 16 private banks operating in the country and their total capital is valued at 43 billion birr at the end of June, 2016.

One of the private banks, Dashen bank Share Company was founded in 1995 and head quartered in Addis Ababa, Ethiopia. Dashen bank provides various commercial banking products and services in Ethiopia. The bank offers deposit products including current, saving, hybrid, saving plus, modified youth, student. interest plus, and salary accounts, and loan products, such as overdraft, term loan, letter of credit facility, advance on import bills, revolving overdraft, merchandise loans and letter of guarantee. It also provides money transfer services, foreign exchange permits, e-banking services and agency banking services.

The bank currently has 220 cash withdrawing ATMs, 29 agent banking partners, 260 branches ,4200 staff and the bank profit after tax has 727 million in the 2015/16 and total asset 28.5 billion in the 2015/16.In the process of carrying out this study, the researcher tried to answer the basic question of the research. The cross selling practices in public (commercial bank of Ethiopia) and private bank (Dashen), the challenge during implementation of cross selling and initiatives taken by the banks for effectiveness of cross selling have been discussed.

1.3. Statement of the problem

In recent years, the debate on cross – selling has emerged as a new concept for increasing sales effectiveness and become a priority for many banks (Jarror and neely, 2002). Cross-selling is based on the assumption that every sale or transaction as the beginning of a new sales opportunity (Sonnenbery, 1988), thus cross selling involves the opportunity for additional sales within one and the same service encounter. the key is to have a well-trained and motivated sales force who can talk to the customer (Jarror and neely, 2002).Lau et al (2004) Studied how data bases can be used for cross-selling. Emphasizing the future potential of data base-enabled cross-selling, the authors assert that the opportunity to promote a product or service while servicing a customer face to face at a branch is still very significant and most effective (Lau et al – 2004). However, despite these research contributions Mundt et al, (2006) argued that more research is urgently needed on cross-selling.

Now days, in Ethiopia the banking industry increases from time to time, as a consequence users have many choices to prefer and as a result of this they are focusing on the quality of service. In Ethiopia, many customers, voice concern about inefficiency and lack of quality in banking sector. To be competitive in the prosperous market, cross selling practice is the marketing tool. In our country many public and private sector banks are offering to their customers a variety of products and generating more business through cross selling. However for most of the public sector and private banks, in particular, this concept is still in its evolutionary stage. Therefore, the researcher would like to compare (assess) the ways cross selling practice by public and private banks of Ethiopia with a special reference of commercial bank of Ethiopia, and Dashen Bank in Addis Ababa Branches. The four common dimensions consider in this study are perceived benefits, initiatives, effectiveness and hurdles.

1.4. Research question

- How was the cross selling practices in the public and private banks?
- What are the challenges of cross selling practice in public and private banks?
- What are the initiatives taken by banks for improving effectiveness of cross- selling?

1.5. Objectives of the study

1.5.1. General objective

- To identify the existing cross- selling practices in public and private sector banks in Ethiopia.

1.5.2. Specific objective

- To compare cross- selling practice between public and private sector bank in Ethiopia
- To identify the initiatives taken by banks for improving effectiveness of cross-selling.
- To identify the challenges by the banks in cross- selling

1.6. The Significance of the Study

Bank invest large amount of money to expand customers base and resource mobilization from existing customer as well as to acquire new customers with the intention of achieving their profitability. But they need to apply proper cross-selling approaches. The study would contribute additional knowledge to the literature that already exist on cross- selling practice both public and private banks in Ethiopia. The study provides valuable information to the managers on the benefits of their customers as well as banks.

1.7. Scope of the Study (Delimitations)

The study was limited to bank employees indulging in cross selling practices in commercial bank of Ethiopia Commercial bank of Ethiopia and Dashen bank with special references in Addis

Ababa area branches. A total of 2 banks consider from public and private sectors. The researcher selected the banks after studying the background of the banks and compare by the profits, number of branch in Addis Ababa and total deposits. Cross selling practices are measure under different dimensions for this study, the relevant dimensions, that perceived benefits, the initiatives taken, the problem faced and the effectiveness of cross selling was compared.

1.8. Limitation of the study

In the process of undertaking this research, there were problems which create some difficulty to accomplish the study. Some of reasons were absence of managers for interview, shortage of secondary data on cross selling practice in Ethiopia and shortage of time for respondents to provide the necessary data.

1.9. Organization of the study

The study was containing six chapters. The first chapter is an introductory part which focused on background of the study, significance, objectives, research questions, delimitations, limitation of the study and organization of the paper, chapter two deals with different literatures on the cross selling area of the study and analytical framework, chapter three talks about research methodology, chapter four deals with data presentation, interpretation and analysis, the last chapter five contains conclusion and recommendation of the study.

CHAPTER TWO

2. Review of Related Literature

2.1. Cross Selling Overview

To return on assets was found to be associated with well-capitalized banks and lower cost to income ratios (Kosmidou, 2008). It became clear that banks would have to review their customer service strategies, as well as the way that income is generated from customers. To do this, bank would have to increase the income earning from existing customers by cross-selling more products to those customers (Deyoung and Rice, 2004). Cross selling is practice of promoting additional products and services to existing customers (Butera, 2000). There seems to be increased interest by banks in cross selling probably due to this many advantages cross selling for banks.

According to Kamakura, 1991, Cross selling means approaching the present customers of a company and encouraging them to increase their engagement with the company by purchasing one or many additional products. Its common knowledge that it is easier and cheaper to sell to existing customers than to attract new ones. It is one of the main tools for managers to strengthen the customer relationship (Kamakura et. Al, 1991). Cross selling- pertains to efforts to increase the number of products or services that a customer uses with in banks. Cross selling products and services to current customers has lower associated cost than acquiring new customers, because the firm already has some relationship with customer and another important benefit of cross – selling, not as immediately visible as the increase in customer switching costs, is that it allows the bank to learn more about the customers preferences and buying behavior, thereby increasing its ability to satisfy the customers’ needs more effectively than competitors(Wagner A. Kamakura et. al. 2002). Cross selling- starts with taking a larger view of the client organization looking at all the possible relationships involved, and where those relationships intersect with the number of relevant solution for that customer (Hoover’s and Miller, 2005).

Cross selling- is the practice of selling an additional product or service to an existing customer. It ranks as a top strategic priority for many industries including financial services, insurance, health care, accounting, telecommunications, airlines, and retailing. Despite the increasing investment in cross-selling programs, banks find that these million dollar marketing campaigns are not profitable due to cross selling campaigns while avoiding the targeting of customers (Rosen, 2004). Therefore, the success of cross selling strategies depends not only making new strategies but also on proper implementation of these strategies and banks ensuring excellent customers relationship.

2.1.1. Up Selling and Cross Selling

Up selling:- up selling means selling same product at a higher price to a customer (Anurag kumar, 2012). In other words up selling occurs when the customer goes to buy something and the seller sells the similar product but the costlier one. Up selling is the up gradation to a higher product but of the similar item. For example:-

- (a) Customer goes to buy HCL laptop but seller offers Apple laptop (which is more costly), it will be termed as up selling (Kubet. al, 2007).
- (b) Customer goes to buy 15 inch colour T.V of PHILIPS but seller offers 21 inch colour TV of the same company. On the other hand cross-selling is a technique of offering related products to a customer besides the basic or core product (Stephen Hertzberg, 2013).

Cross selling: - simply means that seller can increase the size of die customer's order by offering other related items which may be used along with die product already purchased by customers. For example, if the customer goes to buy mobile phones, seller may also offer mobile cover, ear phones, memory card etc. (Anurag kumar, 2012)

2.1.2. Scope Of Cross Selling

More and more business units are adapting the technique of cross selling and up selling, with a view to increase their profit margin.. This is the reason why the scope of these techniques is spreading day by day. Probably in every type of business activity these techniques are being used. According to Anurage kumer, (2012) the scope of cross selling study under the following heads:

Banking Sector:

After Liberalization, many multinational banking companies started opening their branches in different countries. This caused cut throat competition among banking companies reducing their profit level substantially Hence many banking companies started searching new ways to increase their profit margin. Cross selling proved to be a significant tool in this direction. Banks started offering various additional and relevant products to their existing customers such as credit / cards, insurance products, mutual fund plans, Gov., securities etc (Anurag kumar, 2012).our country bank poduct was current account, saving account,special saving account ,interst free banking,and e-payament products.

Insurance sector: -

With the entry of multinational companies, this sector too became more competitive. As a result many private sector insurance companies started joining the insurance sector malting the insurance business more competitive and lowering its profitability this necessitated the units engaged in insurance business to adopt the technique of cross selling to increase their profit margin (Anurag kumar, 2012).

Automobile Sector: -

In automobile sector, various automobile companies offer MP3 player, LCD display, central locking facility and other car accessories which make the purchasing of car more attractive.

Electronic Sector: -

In case of electronic sector, many computer /laptop dealers try to offer various types of software (Antivirus software, Kindly software, Games software, etc.), cordless mouse, cordless keyboard, pen drive, earphone, laptop cover, web camera, etc. to the customers along with their main product (computer or laptop). Similarly Refrigerator dealers may cross-sell stabilizers and mobile phone dealers may offer Memory Card, Sam Card, Mobile Cover, lamination facility, etc to their customers (Anurag kumer, 2012).

Footwear and Garment Sector:

Cross-selling is popular in these sectors also In case of footwear business; shoe dealers may offer socks, polish, laces, etc to their target customers. Similarly, in garment business if anybody

purchases a Pant or Jeans, dealer may offer him T-Shirt Half pant, Trousers, Under-garments, etc.

2.1.3. Cross-Selling from an Organizational Perspective

Organizations may have Product Centric or Customer centric approach. Banks trying to cross sell must transform from product-centric to customer-centric approach. This approach is also known as wealth management of the customer or one-stop shopping offers (Oliver Malms2012).Customer demands the financial services depending upon its growing financial maturity (Wilcox, 2005). Thus, According shibo,(2010) customer-centric orientation for cross-selling is the right product to the right customer at the right time using the right communication channel to ensure long term success. Innovation, intensification in new technologies escorts to increase in the customer expectations and there is a major shift from product centric approach to customer centric approach. Therefore, banks are striving hard for retaining the old customers then acquiring the new ones in the era of intense competition. And one of the main customer retention strategies is to cross sell more and more financial products to customers. Therefore, according to shibo, (2010) the optimal cross selling strategies about how to introduce the right product to the right customer at the right time using the right communication channel.

2.2. Cross- Selling In Banks

Cross-selling with reference to banks stands for being able to offer to the existing bank customers some additional banking products or services, This view point is also supported by Khurana (2010), who define cross selling as “the sale technique of selling a additional products to existing customers”. The basic purpose behind using the technique of cross-selling by banks is to expand banking business, to reduce the per customer cot of operations and to provide more satisfaction and value to the customer. For example, when a bank is in a position to sell to a deposit customer (say saving bank or term deposit), a loan product such as housing loan, credit card, personal loan or vice-versa, this results into additional business for banks also reducing the per customer cost and increasing the per customer earning. This is the reason why more and more banks are using the cross-selling strategies as marketing approach to expand their

footprints and to increase their customer base (Anurag kumar, 2012). An added value of cross-selling is the fact that buying additional services the bank create multiple relationships between the customer and his or her bank increasing the switching cost to another supplier, and therefore increasing the exit barriers. Cross –selling also reduces advertising cost and gives the banks a cost advantage (Liu and WU, 2008).

2.3. Cross-Selling As A Marketing Tool

Cross-selling is the practice of promoting additional products and services to existing customers in addition to the ones they have. Cross-selling has also been termed as encouraging a company's customers who have already bought its product “A” to also buy its product” B.” The new products marketed could also be products of group companies, or in the extreme case, those of other companies. While cross-selling helps banks increase their sales volumes, greater levels of customer satisfaction, loyalty (Levine, 1996), it also helps customers by providing them a one-stop solution. Customers prefer to have one-stop solutions due to increased time pressure and changed lifestyle. Thus, banks are able to provide customers greater convenience and added benefits, such as preferential pricing.

With increasing competition and reducing effectiveness of traditional marketing campaigns, cross-selling has emerged as a significant alternative to traditional communication methods. The resulting multiple relationships create exit barriers and reduce the cost of acquiring new customer is customers buy additional service/products, the number of Contact points increase leading to higher switching costs for the customers. Selling additional services to existing customers also reduces bank's cost of advertising for customer acquisition and leads to a pricing advantage over competitors.

Banks have to develop individual relationships with customers; this helps in providing customized products and a marketing mix to suit individual needs. Successful cross-selling depends on optimum contact management as they may jeopardize the efforts by excessive and repetitive contacts with a customer. It also requires a capacity to capture and hold customer's

information in an accessible form. Demographic data, such as income, education, financial status and age, may provide banks useful information about the probability of purchasing another product from the same bank.

People See and hear bank advertising on television, radio, newspapers and magazines every day. However, does anyone know how much additional revenue those advertising activities actually bring in? The traditional above- the- line advertising is commonly known to be effective in image building and acquisition when there is no other channel for reaching new customers .On the other hand data base marketing uses the economic “foot prints” left in the data bases to in for the current situation about customers and hence make use of it to achieve the five main goals of banks marketing (Lauet, 2004): Cross -selling, Retention, increase utilization, Acquisition and, Cost service quality. Compared with advertising data base marketing is a more targeted approach that requires fewer resources, and the result can be relatively easier to measure (Lauetal, 2004). According to, Doyle,2002 relates how database software can potentially be utilized to answer the fundamental business problem of how limited resources can be allocated to exploit cross selling opportunities that meet overall product sales goals.

2.4. Banking on Customer Relations

One of the main customers relationship management tools for forging stronger relationships with customers is cross selling (Kamakura, 1991).Nowadays Retail banks are facing the pressure of improving the quality of service, along with Cost reduction to remain competitive in a tremendous volatile and uncertain market.in retail banking cross selling can also deepen a customers’ relationship with the institution and provide for a loyal customer base. A customer would enter banks multiple banking products provide the opportunity for the bank to further entrench the customer-relationship. Improving customer service is essential for banks in the current economic and market scenario, where product and price no longer provide a clear competitive base(Wilcox,2005) .The pivotal role in delivering superior customer service is of distribution channels as customer relations begin and end with these channels.

Along with providing the conventional banking services, banks have started offering a bouquet of financial services to their customers, together with cross selling of financial products. The main aim is to offer a one-stop shop for wide-ranging customer' financial needs. For this reason many banks have started deploying customer relationship management systems not only to retain the existing customers but also to attract new customers. For example, Banks not only sell core banking products (saving a/c, current a/c) , but also sell additional products such as credit cards, insurance products, mutual fund plans , government securities. By selling these additional products they reduce per customer cost and increase per the customer earning (Kamakura, 2008).

According to Rosenberg and Spiel, 1984 Claims that it is between five to ten times as expensive to win a new customer that it is to retain an existing one therefore, Dibb, 2001, believes that the banks should have to develop individual personal relationships with customers in order to help to provide customized products and to identify their customers individual needs. Successful cross selling depends on optimum contact management (Dibb, 2001).The relation could be put at risk if the efforts for contacts with the customer are excessive and repetitive. Bank representatives must be patient and pay attention to the tiniest of details, especially in the starting phase of relationship building (Sisk, 2007).According to Kamakura,(2008),cross selling can also potentially weaken the bank relationship with the customer, because, frequent attempts to cross sell can render the customer non responsive or even motivated to switch to a competitor.so that, in order to effective cross selling its products/services ,the marketer must use the right customer at the right time.

2.5. Sustainability in Revenue Growth of Banks

As banks struggle to increase revenue per customer, and sustain the growth in revenue, successful cross-sell strategies became more and more critical. Banks undergo a risk of thin spreads between the rate they pay for deposits and what they earn on loans, as well as rising regulatory restrictions on the fees they charge. But there is one significant prospect to grow operating revenue through effective cross-selling.

Cross-selling remains a largely untapped revenue source in most banks (Jay Freeman, 2013). Many banks have made a disciplined effort to do cross-selling well -- or even to do it at all. Banks generate revenue through interest rate spread or through fee income. The only sustainable way to increase revenue is by adding new customers or by deepening relationships with existing customers. Attracting new customers is difficult, especially in markets that are stagnant or shrinking (Jay Freeman, 2013). That leaves one clear opportunity for growth: sell more to the customers the bank already *has stered relation*. As the pace of sales increases, the revenue opportunity gap closes and the bank's revenue rises. (Jay Freeman, 2013).

2.6. Customer Retention

In many industries, cross selling has become a common sales and marketing practice, through debate continues about this frequency used customer retention strategy that promises such high return investments (Lavelle and scheld, 2006). Banking industry statistics states that the cost of acquiring new banking customers is significantly larger to the banks as compared to retaining existing ones. This viewpoint carries even more authenticity when this fact is taken into the consideration that banks spend a considerable amount of their marketing budget on an “acquisition cost” per customer. Industry experts claim banks struggle with recovering acquisition costs as it is, and a high customer defection rate makes that recovery even more taxing. Reich hold and Sasser, 1990 adopt strategies for effective bank customer retention and one of the important strategies is Cross Selling. Especially in the banking industry, by increasing the number of products or services availed by the customer, the bank can significantly reduce the tendency of the customer to shift to a new bank (Rosenberg, 1984). Therefore, one of the more common strategies for customer retention is the practice of cross selling.

2.7. Dimension of cross selling

2.7.1. Benefits from Cross-Selling In Banks

The current level of completion makes the acquisition of new customers a very challenging task. Cross selling is one of those advantageous marketing methods, which makes it possible.

Cross selling exists almost in every type of banks in general and in private banks in particular. Cross-selling is several beneficial not only for banks but also for its customers. I can study the benefits from cross selling under die following headings (MR. Anurag Kumar, 2012):

(A) BENEFITS TO BANKS

Cross-selling is beneficial for banks in many ways-

1. Under cross -selling existing customers are approached and cost of approaching existing customer is much less than acquiring new customers. It reduces per customer cost and increases per customer earning (cost reduction in customer acquisition).cross-selling to existing customers could reduce the spending on attraction new customers (Deighton, 1996).
2. Benefits of economies are available which reduces the cost further and increases the profits(increased profitability).Bank would have to increase the income earning from existing customers by cross- selling more products to these customers(De young and Rice,2004).
3. It according to Anurage kumer, (2012) cross selling helps in building the brand value, if the loyalty of customer can be ensured for the brand. In that case the likelihood of shifting the business dealings by the customer to another bank is reduced substantially (Leveraging on existing brand equity or building brand value).
4. Protecting market share.
5. Improvement in customer retention. (Coyles and Gokey, 2002).
6. Reduction of advertising expenditure or Reduce over heads cost (Anurag kumar, 2012).
7. Economics of scope as common infrastructure can be used for selling more products or benefits of economies (Anurag kumar, 2012).
8. Banks have been using cross sell as a marketing approach to expand their foot print and also to increase their customer base (Anurag kumar, 2012).

(B) BENEFITS TO CUSTOMERS

Bank customers too are benefited from cross selling in the following ways:

1. The major benefit to the customers from cross selling is that they get all their financial needs fulfilled at one place (one-stop-solution) and save time. For example a bank.

Customer can fulfill his banking, insurance and mutual fund needs from the same bank (Hochet al. 1999).

2. Customers get the opportunity to opt any other bank which proves to be more trustworthy for them (Anurag kumar, 2012).
3. Cross selling helps in building a good relationship between customers and employees because both bank and bank customers are well acquainted with each other (Anurag kumar, 2012).
4. Reduction in transactional risks.
5. Reduced cost of transaction (Kumar.et al, 2008).
6. Additional benefits, for example, preferential pricing.
7. Customer satisfaction
8. Reduced formalities and paper work, as customers do not need to prove credentials for every new product bought (Anurag kumar, 2012).
9. Cross selling to existing customers could reduce the spending on attracting new customers. It also reduces the risk and liability exposure based on the bank knowledge of customers (Blatten Berge and Deighton, 1996).

2.7.2. Effectiveness of cross selling

Majority of existing of literature on the topic focuses on the products that can be sold together. Some considered the customer life value for cross-selling effectiveness (Fader, 2005). According to shibo Liet .al, 2009, studied how data bases can be used for cross selling, a good data neecessary for effective cross selling, Emphasizing the future potential data base enabled cross selling, the authors assert that the opportunity to promote a product of service while serving a customer face-to-face at a branch is still very significant and most effective (Lau et al 2004).

Cross selling as a strategic focus is a major focus area for many banks. The association between Life time and profitability has found considerable support in marketing, supporting the point of view that selling products with a holistic view is the utmost importance (Reinartz and Kunar, 2000).therefor, in order to effective cross selling, know your customers before cross selling and

make sure that the offered additional product item complement the original product or better create additional value with it.

2.7.2.1. Cross-Selling Incentives

While many individuals may be intrinsically motivated to perform, the impact of financial incentives cannot be understated (Robbins 2003). Much of sales research on compensation has focused on the issue of whether to use a salary or commission-based plan (John and Weitz 1989). The general conclusion has been that incentive compensation has been linked more often to extrinsic rewards like money, recognition, promotion (Weitz et al. 1986), as opposed to intrinsic rewards such as finding the work and selling interesting and rewarding. However, it has also been found to be a matter of perception. When incentives are perceived as an indication of one's competence or superior performance (as opposed to the perception of behavior control), incentive rewards can enhance intrinsic interest (Ryan et al. 1983), and by extension, motivation. Cross-selling incentives are defined as financial rewards tied directly to the successful implementation of the cross-selling initiative.

2.7.3. Initiatives of cross selling

Jarrar and Neely (2002) studied factors determining a successful cross selling system at a UK bank, concluding that IT-enabled cross selling is very complicated and still in its infancy. According to them, the key is to have a well trained and motivated sales force who can talk to the customer (Jarrar and Neely, 2002). Cross selling as a practice may have begun as a motivational technique for employees.

Employers generally value highly committed employees because of favorable outcomes such as better performance, lower absenteeism, and a lower likelihood of leaving (Mowday et al, 1982). Meanwhile, employees would prefer that their organization be committed to them as well. Social exchange theory views employment as the exchange of the employee's effort and loyalty for the employer's benefits and social rewards (Etzioni, 1961). "To the extent that both the employee

and the employer apply the reciprocity norm to their relationship, favorable treatment received by either party is reciprocated, leading to beneficial outcomes for both" (Rhoades and Eisenberger 2002,). In effect, if the employee perceives a commitment on the part of the organization, there will then be a felt obligation to be likewise committed, resulting in favorable outcomes for the organization such as improved job performance, loyalty and the like. This reciprocity results in an employee feeling a stronger identification to the goals of the organization, particularly important when in the midst of organizational change (e.g., executing a cross-selling initiative among an existing sales force).the degree to which cross selling is considered to be a group norm can have an impact on whether or not an individual adopts the initiative as personally important. Particularly in banking, this sales culture is important in the implementation of cross selling initiative. According to Nathanson, 1988, if the group is committed to the cross selling initiatives, cross selling becomes the norm (has always been done).

Among the many antecedents to perceived organizational support noted in the organizational literature are pay and supervisor support (Rhoades and Eisenberger 2002). In their investigation of the antecedents to boundary-spanner organizational support, Johlke et al. (2002) found the quality of task-related training to be one element associated with perceived organizational support. In a survey of retail and wholesale banks, Ferrell et al. (1984) found sales training, rewards/incentives for selling, sales management, and support of sales program to be the most cited priorities for increasing selling effectiveness. Meanwhile, they found that the following were among the biggest problems in developing an effective selling program: lack of management commitment, contact personnel do not have the right orientation/attitude, insufficient time to sell, poor sales management, inadequate training, and inadequate incentives.

2.7.3.1. Cross-Selling Training

Training has been said to impact behavior via two routes: through a direct improvement in work-related skills, which can translate to improved performance when coupled with motivation, and through an increase in an individual's self-efficacy (Robbins 2003). Training has been linked to increased self-efficacy in the literature in numerous additional instances as well (Axtell and

Parker 2003). With this improved skill and increased self- efficacy (which is likely to be increased further via skills gained), individuals are more likely to feel that their effort will lead to greater performance, leading to increased motivation to perform.

One of the "overt means firms may use to indicate their support for and valuation of employees is in the quality of the training it provides them" (Johlke et al, 2002). Job training has also been likened to a discretionary practice that communicates an investment in the employee, leading to an increase in perceived organizational support (Wayne et al. 1997), Furthering this perspective, Tansuhaj et al, (1991) included training as an aspect of internal marketing, leading to job performance via employee attitudes, in their model of services marketing management. For the present study, cross-selling training is defined simply as training efforts devoted specifically to cross-selling. Unless the sales person is highly skilled, we will not try to cross sell.

Along with coaching and motivation, lack of training has been cited as one of the key issues that can sabotage cross-selling efforts (Rosen 2004). Likewise, a lack of product knowledge, an inherent result of insufficient training, has also been identified as a barrier to cross-selling effectiveness (Kane 2005). It is clear that the importance of training to cross- selling efforts can be witnessed among the organizations that seek to implement or improve their cross-selling initiatives.

2.7.4. Challenge cross selling and Practical Relevance

When sales span across business units, the sales processes must be realigned and adjusted, which usually creates high costs - the primary reason companies often do not fully embrace the concept of cross-selling. Accordingly, there is always an optimum placed on customer value and customer handling costs (Blattberg and Deighton, 1997). To reduce initial costs and realize a cross-selling strategy, banks make frequent use of customer relationship management (CRM) systems (Mundt et al., 2006), which help them calculate, forecast, and model a customer's lifetime value to plan for future sales and customer sales potential. Customer value generally depends on monetary (e.g., revenue potential) and nonmonetary (e.g., loyalty potential) determinants (Kub et al, 2007).Cross selling has become a necessity, for many banks and

financial institutions, Everybody wants to do it, spends a lot of time and energy planning to do it, but at the end of the day, the results fail far short of the goal due to organizations usually focus on core processes, not customer needs, which creates great potential for conflict.

Cross-selling is an option, not a necessity, for most companies (Gulati, 2007). Therefore, when companies choose to implement a cross-selling strategy, they invariably face high risks and potential costs, due to uncertainty and changing market conditions (Duclos et al, 2008). By focusing on the effectiveness of cross-selling realization, research can identify its implications and ways to reduce its costs and risks. To leverage performance potential (e.g., of cross-selling), effectiveness likely plays a stronger role than efficiency, because implementing a sales process successfully (effectiveness) without considering its potential risks or costs (efficiency) is not realistic (Reinecke, 2004). Effectiveness should come first for cross-selling realization, because companies need to know how to realize cross-selling potential before they can make it efficient. Moreover, because efficiency is a strong prerequisite before managers will even consider cross-selling realization, knowing how to achieve it effectively reduces their concerns and fears.

2.7.4.1. Incentives and Remuneration of Cross- Selling Activities

Through financial rewards, sales people are encouraged to accomplish maximum output. Companies that have customer-oriented selling teams usually use complex remuneration systems. They calculate different variables for their desired commission (e.g., sales targets, break-even targets) up until profit-sharing in any kind of way (Johnston and Marshall, 2006). The difficulty with cross-selling is that on top, many customers expect intensive customer care after a purchase. But this component is neglected very strongly in cross-selling, because it often fails with the assignment of responsibilities. Research results prove that it makes sense to look at customer teams as individual profit centers and also to define organizational responsibilities according to them (Gulati, 2007).

2.7.4.2. Prioritize Cross-Selling Initiatives

Banks struggle with the difficulties of realizing customer potential which retention strategies like cross-selling bring about. It was shown that there are tremendous growth opportunities within the realization of cross-selling potential, which make a strong and continuous market practice possible. To do so, however, challenges need to be mastered, which banks prioritize differently. This article contributes to the topic of cross-selling with a market-oriented way of looking at cross-selling problems and generates a structured view on the realization of cross-selling potential. The recommendations should be an aid for managers in prioritizing cross-selling initiatives. Lastly, the organizational alignment to the customer is a long-term process, which presents promising and sustainable chances for growth, and should be implemented by every bank. The degree to which cross selling is considered to be group norm can have an impact on whether or not an individual adopts the initiative as personally important, particularly in banking, this sales culture is important in the implementation of cross- selling initiative. If the group is committed to the cross-selling initiatives, cross selling becomes the norm (Nathanson and Holston, 1988).

2.7.4.3. Cross-Selling Motivation/employees engagement

Salespeople having a strong motivation for cross-selling activities engage in - many different adjacent sales opportunities (e.g., cross-divisional opportunities, multiple product opportunities, long-term relationship opportunities for their own division, service opportunities and solution opportunities) and thereby get a broader and profound sense of cross-functional involvement and belonging. Therefore, salespeople with a high level of cross-selling motivation by definition contribute to a higher level of cross-functional orientation than others. As working cross-functionally does not typically occur in the every-day business practices of a salesperson, we assume that a high cross-selling motivation aids in overcoming inertia towards the perceived additional effort related for cross-functional tasks. Hence, employees with a high degree of cross-selling motivation are assumed to be very motivated in terms of their sales endeavors especially with respect to adjacent sales opportunities. These individuals are assumed to expend

more effort towards the acquisition of personal cross-selling-specific skills and knowledge. This in turn makes salespeople with a high degree of cross-selling motivation more adaptive (Schmitz, 2013).

Research on performance orientation states that levels of employee motivation have a direct effect on employee performance (Stele-Johnson et al., 2000). Intrinsically motivated salespeople are more likely to engage in extra efforts not based on a variable incentive scheme (Nohria et al, 2008). As shown by Duncan, (1991) to engage in cross-functional activities requires a high level of intrinsic motivation for cross selling. so that cross selling as a practice may have begun as a motivational technique for employees.

2.7.4.4. Cross-Selling Readiness

Cross-selling readiness is defined as the combination of knowledge about products of different business units and the ability of flexibly making use of this knowledge in a sales presentation with a given customer. In other words, to be cross-selling ready means to be able to offer a wide range of different products and services not only from one but from a multitude of business units and by that offering customer an optimal solution to their problem at hand.

As Ahmed and Rafiq, (2003) note, crafting internal communication strategies is one of the most important actions to enable the flow of information between business units. In that sense, people ready for cross-selling gather more knowledge between departments and their knowledge also gets dispersed on a higher rate. This results in employees of different departments to learn faster about products and procedures of other divisions within the organization without giving up a decent amount of rivalry, that is. One can assume that if the readiness to engage in cross-selling activities at the individual level is high that this might have a positive effect on the degree of cross-functional orientation and cross-selling success.

2.7.4.5. Aggressive cross selling

According to Kamakura et al. (2003) argue that excessive cross-selling may irritate customers and cause switching. Intuitively, if a customer is turned off by an inappropriate cross-sell attempt, that customer would likely have a negative feeling against another sales pitch, and would probably not accept it. If the annoyance continues, he/she may try to avoid contacting the bank, and even switch. Richfield,(2006) claim that firms do not benefit from cross selling as much as they should, because of this fear of annoying customers. Failed cross-selling attempts can backfire because they might irritate or annoy the customers and cause switching (Gunes et al,2010).

There is a general belief that cross-selling may backfire if not implemented cautiously, however there is not a good understanding of the nature and impact of this negative reaction or appropriate policies to counter-balance it. It is this issue that motivates the research herein In this now saturated market, new customers are hard to find, and their acquisition tends to be at the expense of competitors. Such aggressive marketing activity is costly, and does not always lead to long-term gains since customers can switch easily to other competitors.

2.7.4.6. Cross selling clarity

Cross selling role clarity can be defined as the degree to which a sells person is certain about cross selling expectations on the job(Shoe maker,1999). For instance, of interest is how clear an employee understand how much time to spend on cross- selling efforts, when to cross sell his or her customers, and how certain an employee is about such supervisory issues as cross selling performance evaluation and feedback.

2.7.4.7Cross-Selling Success

According to Schafer,(2002) ,Cross-selling success measures the performance of successful cross-selling activities in the organization. This is done by considering the amount of additional products sold to a given customer in relation to its future cross-selling potential.Full-scale – cross

selling as a strategic focus is a major focus area for many banks. The association between life times and profitability has found considerable support in marketing, supporting the point of view that selling products with a holistic view is of the utmost importance (Reinarta and kumar, 2000). According to Chung, 2006, customer life time value in campaign-oriented cross- selling is usually treated another segmentation variable to different profitable customers for unprofitable ones. The success of cross – selling depends on factors, such as training staff, the promotion of products and services, the transform of knowledge between department, as well as team (Ngobo, 2004).

A successful cross selling requires customer intimacy and detailed information on customer demographics and preferences once, such information is available, firms can better leverage the data and identify cross selling opportunities (Ansari and Mela2003, Kamakura et.al 2003). In order to cross-sell successfully customer loyalty must be developed. The influence of prior experience with the service provider. Does not always guarantee cross-buying (Ngobo, 2004). This means that competitive banks with similar services can easily target a customer and open the door to switching providers. The rule of service experience, Perceptions of quality are positively associated with repurchase intentions, when customers experiences that the product or service they are buying is one of quality, this can lead to repurchases. Customers that tar satisfied with their product or service are also likely to buy more products. Customers that are satisfied with value and quality are also more satisfied with their experience (Ngobo, 2004.).Therefore, the most important critical success factor sell is the first product experience. You must deliver a high quality first product to hook the customer in, if they love it, they will keep buying more. The customer's willingness to maintain the relationship. There is a positive correction between a customer's repurchase intentions and switching to another service provider. Cross selling requires acceptance by the customers, if customers are not willing to buy different services from the same provider cross-selling will not occur.

The benefits of one-stop shopping, customers who perceive their service provider to be a one stop services for all their needs will buy more product or services. The last area includes the customer's evaluation of the company's ability to offer more service. Should customers have a

negative image of the company' ability to deliver a quality product, to satisfy their needs and to offer convenience this will result in reduced cross selling levels.

Behavior driven solutions are an option that banks can follow when implementing cross-selling strategies. Behavior driven solutions recognize the changes in individual customer behavior, and they are designed to drive their offers, based on such solutions (Caplan, 2001). When using behavior driven marketing, bankers can track customers' activities and use the data to cross sell more effectively. Modern cross selling utilizes analytical tools to study the customers past behavior, correlate this information with similar and then identify potential cross selling opportunities at each contact with the customer. Behaviors by banks employees also play a huge role in the cross-selling process.

The easiest opportunity a bank is to cross sell to a customer is when accounts are opened for the first time. Establishing a mindset of determining what products are customer needs when an account is opened is a very simple method of motivating employee behavior and capitalizing on this crucial intervention. Cross selling attempts, based on estimated purchase probabilities are not guaranteed to succeed and such failed attempts may annoy customers. There is a general belief that cross selling may backfire if not implemented cautiously.

2.7.7 The process of cross selling in banking sector

Selling is a process; it has beginning and end. The process of cross selling is also a process, and consists of five steps (Ritter, 1993). The first is customers analysis, determining the current usage of products and the needs the customer may have, the channels through which selling can take place must be analyzed. The second is that of potential estimation. During this step, the potential of selling additional products to a specific customer is determined. The third step is one of action planning; where by the products and service required by customers are identified. In this step, the presentation of the proposed solution to the customer is specified, in order to increase the probability of acceptance. The fourth step is that of realization when an appropriate solution is found in order to satisfy customers' need this solution is offered to this customer (realization). The final step is that of controlling.

2.8. Empirical Literature Review

Anurag Kumar,(2012), explored the necessity of cross-selling to accelerate the profit; cross-selling is operated in many large organizations. 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.

W Michael Scott,(2014), 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.

According Jatin Pandey and Sanjana Mutt,(2010), 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 improvement⁵.

Shibo Li, Baohong Sun and Ronald T.Wilcox,(2005), 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 performance¹⁶.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

ShiboLi ,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 behavioral patterns of customer's satisfaction by bank and presents structural multivariate probite 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.

2.9. Analytical Frameworks

This paper aims to understand cross selling techniques adopted by banks in Ethiopia through a study of public sector and new private sector banks, the objective is to explore and understand the following:

- i) Existing cross selling practices in different banks
- ii) Hurdles faced by banks in cross selling
- iii) Initiatives taken by banks for improving effectiveness of cross selling.
- iv) Elements of effective cross selling in Ethiopia.

Based these dimensions the cross selling practice measure this paper study.

1. **Perceived benefit:** The benefits which have been perceived by the bank with regard to cross-selling (retaining customers, reduce customer acquisition cost, Employee engagement, increase customer base, protecting relationship with customers, increase deposit mobilization).
2. **Initiatives:** The new measure/introductory steps taken by the banks to improve the cross-selling practices and the efficiency/performance of the employees in cross selling (Training to

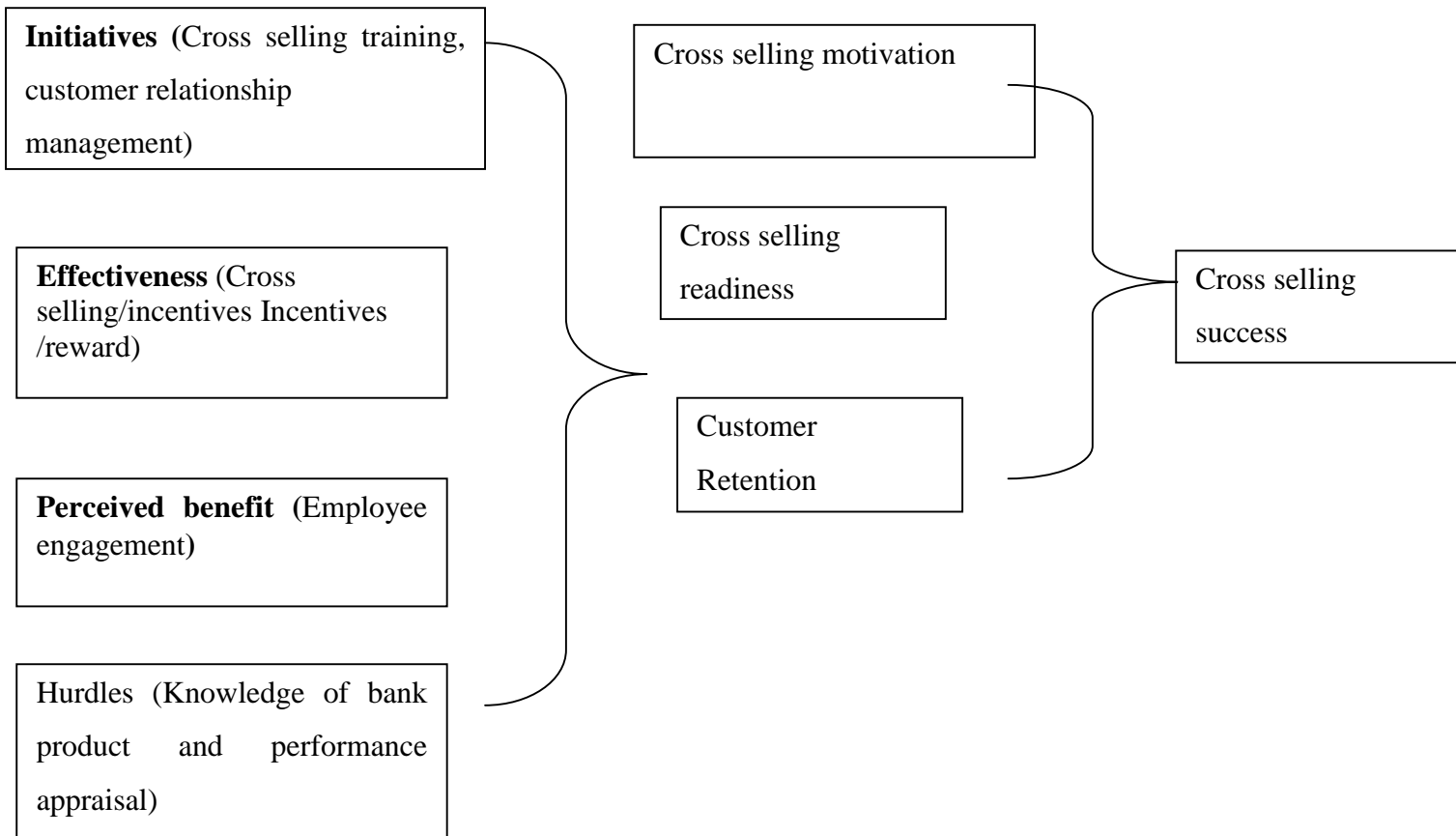
Employees of the bank, advisory services to customers, customer relationship management, and latest technology).

3. **Effectiveness:** This is best described as the cross-selling standard achieved having knowledge and data base with regard to customers(incentives, monitoring way ,right product to right customer, branch coordination, customer needs and preference, cross selling culture)

4. **Hurdles:** Obstacles faced by the banks in effective cross-selling (performance appraisal, Aggressive cross selling, irritate customers, knowledge of bank product).

Conceptual frame work of cross selling success

Cross selling elements



Adopted from, Richa sharma,2006

CHAPTER THREE

3. Research Methodologies

3.1. Research method

The researcher used descriptive research designed in order to describe the comparative study of cross-selling practices selected public and private banks. In addition to this, the researcher used more quantitative research approach use in order to dealing with numbers and anything that is measurable, statistics, percentage, mean, standard deviation and tables used to present the results of this study.

3.2. Types and Source of Data

Generally, there are two types of data sources, both primary and secondary data used. The primary data for this study used 5 point likert scale questionnaire collect from employees and branch manager of the two selected banks through questionnaire and interviews. Moreover, the researcher used the articles, journals, magazines and websites as the secondary data for writing the literature review and gathering information for the survey and interview.

3.3. Population of the Study

Addis Ababa is an Ethiopian dominant business center with different types of banks and to test the reality and applicability of cross-selling in the banking service sectors and representativeness' of the entire state as a result the researcher selects banks based on the criteria; Based on the concentration of branches in Addis Ababa, Based on the market share from public and private banks rank, Based on the use of latest technology and innovate technologies, Profitability during the last 2 years, Total bank deposits and International and national recognitions and award. Therefore, I have selected commercial bank of Ethiopia from public banks and Dashen bank from private banks for comparative study on cross selling practice. According to data CATS-CPC-CBE, there are 4 districts in Addis Ababa, so that, the target

population of this study cross selling practice in public sector (Commercial bank of Ethiopia) were 600 employees and branch managers of grade 3 and 4 branches in four districts in Addis Ababa .

Table 3.1: Questionnaires Distributed to the employees and branch managers of Commercial bank of Ethiopia;

no	District	Total No. of Grade 3 and 4 Branches	proportion % of branches	No. of branches questionnaires Distributed	No. of Questionnaires distributed in each branch	No. of Questionnaires distributed in each district	Name of the branch questionnaires distributed in each district	Total no. of population each selected branch and district
1	North	9	22%	2	7	14	Aratakilo,se lasie,	130
2	West	9	33%	3	6	18	Abakoran,a dissketema,meh al gebeya	185
3	East	8	25%	2	7	14	Megenagna, andinet,	140
4	South	10	20%	2	7	14	Nifas silk and gofa	145
TOTAL		36		12				

Source CATS CPC report June, 2016

Table 3.2: Questionnaires Distributed to the employees and branch managers of Dashen bank

no	District	Total No. of Grade 3 and 4 Branches	proportion % of branches	No. of branches question naire Distributed	No. of Question naires distribute d in each branch	No. of Question naires distribute d in each district	Name of the branch questionn aires distribute d in each district	Total no. of populatio n each selected branch and district
1	North	3	100%	3	5	15	Piazza, Arat kilo Gullele	100
2	West	3	100%	3	5	15	Merkato, Tana and Mesalem Aa	200
3	East	3	100%	3	5	15	Bole, Meg enagna, Gerji	175
4	South	3	100%	3	5	15	Beklo bet, Nifas silk and saris	125
TOTAL		36		12			20	

Source Dashen bank branch operation and stragegy.june,2016

In addition to this, the target population from private bank were Dashen bank also 600 employees and branch managers grade 3 and grade 4 branches within 4 districts in Addis Ababa area.

3.4. Sampling procedure

When a population can be clearly divided in to groups and then stratified random sampling used to guarantee that each group is represented in sample and the basis of stratification of this study are districts employees of CBE and Dashen bank. The groups are also called strata; north, south,

west, and east both banks. Once the researcher strata defined, I applied simple random sampling within each stratum to collect the sample.

3.5. Sampling

In the process of carrying out this research simple random sampling from each stratum (district) used questionnaire was distributed to 120(10 percent of total population 1200) randomly selected grade 3 and 4 branches both banks. So that, for effective conducting of this research, sample 60 bankers (employees) selected from public bank (Commercial bank of Ethiopia) and 60 bankers from private (Dashen banks).

3.6. Data Collection

The researcher used mixed method in this research as a data collection technique which involves both the quantitative for questionnaires (descriptive) and qualitative for interviews (inferential). The quantitative method were used to collect quantitative data using self –administered questionnaire from employees both banks and the qualitative method used to obtain qualitative data from branch manager using structured interview.

3.7. Data Processing and Analysis Techniques

The data collect analyzed using quantitative and qualitative data analysis techniques. The researcher analyzed the data with the help of statistic tool called SPSS (statistical package for the social sciences) used for analyzing the collected data. Descriptive statistics was used mainly to organize and summarize the demographic data of the respondent as well as the variables of each dimension both commercial bank of Ethiopia and dashen bank to compare.

CHAPTER FOUR

4. Data analysis and discussions of findings

4.1. Introduction

The primary focus of the study is to assess cross-selling practice at Commercial Bank of Ethiopia from public and Dashen Bank from private bank in Addis Ababa Branches. Therefore this chapter discusses about the data analysis of the findings gathered by the researcher through the quantitative and qualitative methods. The researcher explains and analysis the findings of data by representing in the form of tables and the researcher used the statistical software called SPSS for the clear and easier analysis of data.

4.2. Demographic characteristics or respondents

		Gender			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	67	59.8	59.8	59.8
	Female	45	40.2	40.2	100.0
	Total	112	100.0	100.0	
		Name of the banks			
Valid	Commercial bank of Ethiopia	55	91.7	91.7	91.7
	DASHEN BANK	57	95	95	100.0
	Total	112			
		current positions of bank			
	Branch Manager	3	2.7	2.7	2.7
	Customer service manager	68	60.7	60.7	63.4
	Customer service officer	17	15.2	15.2	78.6
	Marketing officer	24	21.4	21.4	100.0
	Total	112	100.0	100.0	
		Educational background			
Valid	College Diploma	3	2.7	2.7	2.7
	BA Degree	85	75.9	75.9	78.6
	MA or Above	24	21.4	21.4	100.0
	Total	112	100.0	100.0	
		Service year of the participant in the Bank			
Valid	Service year of the participant in the Bank	6	5.4	5.4	5.4
	< 5 years	63	56.3	56.3	61.6
	5 – 10 years	40	35.7	35.7	97.3
	>10 years	3	2.7	2.7	100.0
	Total	112	100.0	100.0	

Table 4.1 Source from researcher bank survey SPSS data

The above table 4.1 shows that the majority of the respondents (59.8%) were males and the rest of 40.2% were females for both Commercial banks of Ethiopia and Dashen banks. Comparing the percentages of males and females, employees are male dominated. The respondents who became part of the study are working in public bank(Commercial Bank of Ethiopia) and private bank(Dashen bank),It is evident from the table 4.1 above that from distributed questionnaires to commercial bank of Ethiopia employees, 95% of questionnaires are returned and thus included in the analysis, whereas Dashen bank 91.7% questionnaires were returned. The above table 4.1 shows that the majority of respondents were customer service manager 60.7% followed by marketing officer 21.4, customer service officer 15.2 and Branch manager 2.7% from both commercial bank of Ethiopia and Dashen Bank.

Considering the education level as it is presented in the table 4.1, 75.9% of the employees hold a first degree. In the other way, 21.4% of the employees hold master's degree and above, 2.7% were diploma holders. This shows that majority of the employees of the banks are educated and the implication here is that educated employees may initiate the cross selling. With regard to length of service years of the participants in the banks 56.3% respondents have less than 5 year service experience in the bank, 35.7% have 5 to 10 year service experience in the bank and the rest 8.1% of them have been more than 10 years' service in the bank.so maximum number of respondents are only having less than 5 years of experience.

4.3. Reliability of the data

Reliability analysis done to check whether the variable used to study cross selling practice dimensions have product consistent is shown in table the reliability test coefficient can hold a value of total and the result of 0.75 and above implies and acceptable level of internal reliability (shiferio,2011).

Reliability Statistics

Cronbach's Alpha	N of Items
.750	30

Table 4.2 Source from researcher bank survey SPSS data.

The result in table 4.2 above revealed that the cronbach alpha for the current study. So it can be concludes that all the dimensions used to measure the cross selling practices are found to be reliable and can be used for further analysis.

4.4. Descriptive statistics of the study of variable Commercial bank of Ethiopia

The details of number of observation (N), minimum, maximum, mean, and standard deviation, for each measurement item are shown in the various tables below. This was generated from SPSS date source.

Table 4.3 descriptive statistics of perceived of cross selling benefit in Commercial bank of Ethiopia

	N	Minimum	Maximum	Mean	Std. Deviation
Commercial bank of bank Ethiopia					
1.Perceived Benefit					
Cross-selling provides to the bank an opportunity to gain additional income and advantages to deposit mobilization.	57	.1.00	5.00	3.6250	1.16344
Cross- selling increases probability of retaining customers	57	1.00	5.00	2.6333	1.20177
Cross-selling to existing customers could reduce the spending on attraction new customers(customer acquisition cost)	57	1.00	5.00	3.1833	1.31560
Cross selling is one of the strategy for employee engagement	57	1.00	5.00	2.9583	1.42248
Cross selling helps to increase customer base in the bank	57	.1 00	5.00	3.5417	1.24277
Cross selling helps in protecting the relationship with the clients	57	.100	5.00	3.6583	1.29962
Valid N (listwise)	57				

Presented in the above table 4.3 the perceived benefit indicate that the commercial bank of Ethiopian benefit from cross selling. From the total of 57 respondents, the highest mean value is referred to (3.6583) and standard deviation of (1.2996) which indicates that cross selling helps to protecting the relationship with the clients that most of the respondents of Commercial bank of Ethiopia believe that cross selling benefit. The second mean is 3.6250 and standard deviation 1.1634 related benefits to Cross-selling provide to the bank an opportunity to gain additional income and advantages to deposit mobilization. Concerning the benefit Cross selling helps to increase customer base in the bank, as a result, the third mean of this statement 3.5417 and standard deviation was 1.2427, this implies that most of respondents agree on the benefit of cross selling to increase customer base. As the above table 4.3 indicates that the majority of the study participant replies that related to Cross-selling to existing customers could reduce the

spending on attraction new customers(customer acquisition cost) with the fourth mean score and standard deviation of 3.1833 and 1.3156 respectively. Cross selling is one of the strategies for employee engagement having the fifth mean score 2.9583 and standard deviation 1.4228. Result of reported on table 4.3 shows that least mean score of 2.6333 and standard deviation 1.20177 for the question Cross- selling increases probability of retaining customers.

Table 4.4 descriptive statistics of initiatives of Commercial bank of Ethiopia

	N	Minimum	Maximum	Mean	Std. Deviation
Commercial bank of Ethiopia					
Initiatives					
The cross selling training was given to me before I was assigned for the job of cross selling	57	1.00	5.00	3.3833	1.37311
The training given is helping me to cross sell the product effectively	57	1.00	5.00	3.7667	1.15033
Training for cross selling is available at all levels of hierarchy in my bank	57	.100	5.00	3.2667	1.47091
Bank initiates in providing financial advisory services to customers	57	.100	5.00	2.3917	1.13238
The bank uses Customer Relationship Management packages to develop cross selling strategies	57	.1.00	5.00	2.6167	.99734
My Bank has used the latest technology and integrated all customer data for cross selling.	57	.1.00	5.00	2.4917	1.02896
Valid N (listwise)	57				

As presented in the above table 4.4 the initiative dimension indicate that, Commercial bank of Ethiopia initiative taken to cross selling. From the total respondent 57 observation the highest mean 3.7667 and standard deviation of 1.1503 training given is helping employees to cross sell the product effectively, this show agree on the cross selling training .Similarly the cross selling training was given to employees before they assigned for the job of cross selling and training for cross selling is available at all levels of hierarchy means 3.3833 and standard deviation 1.3731 and 3.2667 and standard deviation 1.4709 respectively which almost the most respondents agree on the training of cross selling in commercial bank of Ethiopia. The bank uses Customer Relationship Management packages to develop cross selling strategies mean 2.6167 and standard deviation 0.99734 ,which is above average, but the smallest quantity of mean among the other

although the maximum respondents disagree on the initiative CRM , the bank implies that commercial bank of Ethiopia there no practice customer relationship management packages to develop cross selling. The bank has used the latest technology and integrated all customer data for cross selling mean 2.4917 and standard deviation 1.0289 and that means disagree on this statement. The least mean 2.3917 and standard deviation 1.1323 on initiative are bank initiates in providing financial advisory services to customers, the most respondents disagree , implies that CBE not provide financial advisory service to customers, which one element of cross selling.

Table 4.5 descriptive statistics of effectiveness of Commercial bank of Ethiopia

	N	Minimum	Maximum	Mean	Std. Deviation
Commercial bank of Ethiopia Effectiveness					
I am personal recognition and financial reward(incentives) according to my cross selling performance	57	1.00	5.00	3.1750	1.30069
Cross-selling is monitored by random checking in branch	57	1.00	5.00	3.7417	1.13386
In My bank cross selling practice based on the right product to the right customers' strategy	57	2.00	5.00	3.8417	.85007
All Branch of the bank work in close relationship and coordination in cross selling	57	1.00	5.00	2.8083	1.41002
In my bank cross selling practice based on customer needs and preference	57	1.00	5.00	2.5417	1.30220
I have good knowledge about all the products of the bank for cross selling	57	2.00	5.00	2.8750	1.39635
In my bank cross selling practice become the norm or culture (has always been done)	57	2.00	5.00	2.9083	1.31568
In my bank cross selling is monitored by daily data tracking in branch and administered by performance management system	57	2.00	5.00	3.1861	1.2340
Valid N (list wise)	57				

From the above table, table 4.5 effectiveness Commercial bank of Ethiopia show that, from the total 57 number of respondents, The effectiveness of the bank cross selling practice based on the right product to the right customers strategy ranked highest with the mean score of 3.84 and standard deviation of 0.8507, the second variable was the cross selling control by randomly checking in branch score with mean of 3.74 and standard deviation 1.13386 and the third variable was daily data tracking in branch and administered by performance management system was mean of 3.1861 and standard deviation 1.2340, Similarly, the personal recognition and financial reward (incentives) according to employees cross selling performance mean score 3.1750 and standard deviation 1.3006, The other question the respondents that cross selling practice become the norm or culture (has always been done) mean of 2.9083 above the average the scale.

The mean result of respondents show that 2.8750 and standard deviation 1.3963 for knowledge about all the products of the bank for cross selling, although which is above average. Regarding to all branch of the bank work in close relationship and coordination in cross selling the mean of 2.81 and standard deviation 1.41, The mean employees cross selling practice based on customer needs and preference was 2.5 and standard deviation 1.30. Hence, this study implies that the majority respondents were agree on the all effectiveness' dimension variables except, the smallest mean of cross selling practice not based on customer needs and preference, which the most Commercial bank of Ethiopia respondent disagree. So that Commercial bank of Ethiopia cross selling practice not based on customer needs and preference but aggressive cross selling.

Table 4.6 descriptive statistic of hurdles Commercial bank of Ethiopia

	N	Minimum	Maximum	Mean	Std. Deviation
Commercial bank of Ethiopia					
Hurdles					
In my bank cross selling practice not part of an employee's performances appraisal	57	1.00	2.00	1.4107	.49417
In my bank encourage aggressive cross selling	57	1.00	5.00	3.4500	1.06560
I have encountered some incidents of complaints from irritate customer due to aggressive cross selling or excessive cross selling	57	1.00	5.00	3.5893	1.11947
In my bank cross selling practice is not properly administered and monitoring system	57	1.00	5.00	3.8839	.87760
In my bank cross selling practice without full knowledge of bank product	57	1.00	5.00	3.5089	1.08217
Valid N (listwise)	57				

From the above table 4.6, hurdles of commercial bank of Ethiopia show that, from the total 57 number of respondents, which facing hurdles for respondent of highest with mean score of 3.88 and standard deviation of 0.87 of the bank cross selling practice in properly has been administered with manual and monitoring system, the second obstacle cross selling was mean 3.5893 and standard deviation 1.1194 was some incident of complains from irritate customers due to aggressive or excessive cross selling is highly influence. Regarding the mean result of bank cross selling practice without full knowledge of bank product the mean result appeared to be as 3.5089 and standard deviation1.0821. Up on this view, the interpretation mentioned above to measure the dimensions score tell us that most of the respondents stated employees of the commercial bank of Ethiopia cross selling practice without sufficient knowledge of the products of the bank. Concerning to bank encourage aggressive cross selling, the mean is 3.4500 and standard deviation 1.0656.this implies that the majority respondents were agree on the

aggressive cross selling practice in commercial bank of Ethiopia ,hence that Commercial bank of Ethiopia aggressive cross selling was obstacle for effective cross selling. The least mean result of bank cross selling practice not part of an employee’s performances appraisal is 1.4107 and standard deviation of 0.4941.this entitles that most respondent strongly dis agree on the statement, Therefore in commercial bank of Ethiopia cross selling practice link with employees performance appraisal.

4.5. Descriptive statistics of the study of variable Dashen bank

Table 4.7 descriptive statistics of perceived benefit the Dashen Bank

	N	Minimum	Maximum	Mean	Std. Deviation
Dashen Bank					
Perceived Benefit					
Cross-selling provides to the bank an opportunity to gain additional income and advantages to deposit mobilization	55	1.00	5.00	3.2667	1.26181
Cross- selling increases probability of retaining customers	55	1.00	5.00	3.6500	1.24920
Cross-selling to existing customers could reduce the spending on attraction new customer(customer acquisition cost)	55	1.00	5.00	2.7583	1.15224
Cross selling is one of the strategy for employee engagement	55	1.00	5.00	3.8250	1.23372
Cross selling helps to increase customer base in the bank	55	1.00	5.00	2.9750	1.22620
Cross selling helps in protecting the relationship with the clients	55	1.00	5.00	3.1750	1.40624
Valid N (listwise)	55				

From the above table 4.7, Perceived benefit Dashen bank show that, from the total 55 number of respondents, the highest mean of cross selling is one of the strategy for employee engagement equals 3.8250 and standard deviation1.2337.inaddition to the above mentioned

benefits cross selling will increase to retaining customer with the second mean score 3.6500 and standard deviation 1.2492. the respondents agree with the statement of Cross-selling provides to the bank an opportunity to gain additional income and advantages mean 3.26, and standard deviation 1.2618. up on the answer of the respondents, the mean result of Cross selling helps in protecting the relationship with the clients is 3.17 and standard deviation 1.40624. Cross selling helps to increase customer base in the bank mean 2.97 and standard deviation of 1.2262. The least mean for perceived benefit dimension of Dashen bank was 2.75 and standard deviation 1.15224 for the question of Cross-selling to existing customers could reduce the spending on attraction new customer (customer acquisition cost), implies that Dashen bank respondents disagree on benefit of cross selling.

Table 4.8 descriptive statistic of initiatives Dashen bank

	N	Minimum	Maximum	Mean	Std. Deviation
Dashen Bank					
Initiatives					
The cross selling training was given to me before I was assigned for the job of cross selling	55	1.00	5.00	3.4750	1.17368
The training given is helping me to cross sell the product effectively	55	1.00	5.00	3.9417	1.00667
Training for cross selling is available at all levels of hierarchy in my bank	55	1.00	5.00	2.7083	1.49731
Bank initiates in providing financial advisory services to customers	55	1.00	5.00	2.8500	1.26790
The bank uses Customer Relationship Management packages to develop cross selling strategies	55	1.00	5.00	3.2000	1.11219
My Bank has used the latest technology and integrated all customer data for cross selling.	55	1.00	5.00	3.1167	1.32958
Valid N (listwise)	55				

As table 4.8 depicted the study result the majority of respondent were agree on the statement of training given is helping me to cross selling the product effectively with the mean 3.9417 and standard deviation 1.00667 and the second initiative variable cross selling training was

given to the before was assigned in the job of cross selling score mean 3.4750 and standard deviation 1.17368. From the table 4.8 descriptive statistics of initiatives Dashen bank the third mean score is 3.200 and standard deviation 1.1121 for The bank uses Customer Relationship Management packages to develop cross selling strategies, Dashen Bank has used the latest technology and integrated all customer data for cross selling statement mean score was 3.1167 and standard deviation 1.32958. As above table indicates that the majority of the study participant replies that Bank initiates in providing financial advisory services to customers with mean and standard deviation 2.8500 and 1.26790 respectively. Table 4.8 illustrates the lowest rank mean was 2.7083 and standard deviation 1.49731 for the question Training for cross selling is available at all levels of hierarchy in my bank.

Table 4.9 descriptive statistic of effectiveness of Dashen bank

	N	Minimum	Maximum	Mean	Std. Deviation
Dashen Bank					
Effectiveness					
I am personal recognition and financial reward (incentives) according to my cross selling performance	55	1.00	5.00	3.1750	1.30069
Cross-selling is monitored by random checking in branch	55	1.00	5.00	3.7417	1.13386
In My bank cross selling practice based on the right product to the right customers' strategy	55	2.00	5.00	3.8417	.85007
All Branch of the bank work in close relationship and coordination in cross selling	55	1.00	5.00	3.0000	1.41002
In my bank cross selling practice based on customer needs and preference	55	1.00	5.00	2.5417	1.30220
I have good knowledge about all the products of the bank for cross selling	55	2.00	5.00	3.8750	.96635
In my bank cross selling practice become the norm or culture (has always been done)	55	2.00	5.00	3.2232	1.4439
In my bank cross selling is monitored by daily data tracking in branch and administered by performance management system	55	1.00	5.00	3.0000	1.2229
Valid N (listwise)	55				

From the above table 4.9 ,effectiveness Dashen bank show that, from the total 55 number of respondents, the highest means 3.8750 and standard deviation 0.96635 ,which is I have good knowledge about all the products of the bank for cross selling highly influence for effective cross selling practice in Dashen bank. As per the respondent the second influence for effective cross selling practice that sells practice based on the right product to the right customers strategy which means 3.8417 and standard deviation 0.8500. Cross-selling is monitored by random checking mean 3.7417 and standard deviation 1.1338 implies that Dashen Bank randomly checking cross selling practice. In Dashen bank cross selling practice become the norm or culture (has always been done) statement mean score 3.2232 and standard deviation 1.4439 and incentives according to my cross selling performance mean score 3.1750 and standard deviation 1.300 .as shown the above table , All Branch of the bank work in close relationship and coordination in cross selling are the Dashen bank respondent mean 3.0000 and standard deviation 1.4100 ,similarly the daily data tracking in branch and administered by performance management system mean score of 3.0000 and standard deviation 1.2229.And In my bank cross selling practice based on customer needs and preference mean 2.54 and standard deviation of 1.3022 most Dashen bank respondents disagree, implies Dashen bank cross selling practice not based on customer needs and preference.

Table 5 descriptive statistic hurdles Dashen bank

	N	Minimum	Maximum	Mean	Std. Deviation
Dashen bank	55	1.00	5.00	3.0000	1.22290
Hurdles	55	1.00	5.00	4.0982	.92959
In my bank cross selling practice not part of an employee's performance appraisal	55	1.00	2.00	1.3929	.49058
In my bank encourage aggressive cross selling	55	1.00	5.00	3.0536	1.12177
I have encountered some incidents of complaints from irritate customer due to aggressive or excessive cross selling	55	1.00	5.00	3.3393	1.11947
In my bank cross selling practice in properly administered with manual and monitoring system	55	1.00	5.00	3.4625	1.01531
In my bank cross selling practice without full knowledge of bank product	55	1.00	5.00	3.1982	1.2959
Valid N (listwise)	55				

From the above table 5, hurdle Dashen bank show that, from the total 55 number of respondents, which facing hurdles for respondent of highest means 3.4625 and standard deviation 1.0153 the bank cross selling practice in properly has been administered with manual and monitoring system, the 3.3393 means and standard deviation 1.1194 they have had encountered some incident of complains from irritate customers due to aggressive or excessive cross selling is highly influence, and the means of 3.1982 and standard deviation 1.2959 their bank cross selling practice without full knowledge of bank product is also highly propensity to alive on this research has been conducted. The Dashen banks encourage aggressive cross selling statement mean score 3.0536 and standard deviation 1.1217, which indicates that neutral the Dashen bank respondents. The lowest mean among all statements was bank cross selling practice not part of an employee's performance appraisal with mean score 1.3929 and standard deviation 0.4905 ,this show that strongly disagree on the obstacle of cross selling practice that cross selling practice not part of an employee's performance appraisal Therefore, the major hurdled factors which bank cross selling practice Dashen bank in properly administered with manual and monitoring system ,aggressive cross selling, and lack of knowledge of bank product affected on cross selling is highly and cross selling practice in Dashen bank link with employees performance appraisal.

Table 5.1 comparing the mean value for each item for the sampled banks

Dimensions	Items of employees Perceptions	Commercial bank of Ethiopia		Dashen Bank		
		Mean	Rank	Mean	Rank	
Perceived benefit	1	Cross-selling provides to the bank an opportunity to gain additional income and advantages to deposit mobilization	3.6250	2	3.2667	3
	2	Cross- selling increases probability of retaining customers	2.6333	6	3.6500	2
	3	Cross-selling to existing customers could reduce the spending on attraction new customer (customer acquisition cost)	3.1833	4	2.7583	6
	4	Cross selling is one of the strategy for employee engagement	2.9583	5	3.8250	1
	5	Cross selling helps to increase customer base in the bank	3.5417	3	2.9750	5
	6	Cross selling helps in protecting the relationship with the clients	3.6583	1	3.1750	4
Initiatives	1	The cross selling training was given to me before I was assigned for the job of cross selling	3.3833	2	3.4750	2
	2	The training given is helping me to cross sell the product effectively	3.7667	1	3.9417	1
	3	Training for cross selling is available at all levels of hierarchy in my bank	3.2667	3	2.7083	6
	4	Bank initiates in providing financial advisory services to customers	2.3917	6	2.8500	5
	5	The bank uses Customer Relationship Management packages to develop cross selling strategies	2.6167	4	3.2000	3
	6	My Bank has used the latest technology and integrated all customer data for cross selling.	2.4917	5	3.1167	4

Effectiveness	1	I am personal recognition and financial rewarded(incentives)according to my cross selling performance	3.1750	4	3.1750	5
	2	Cross-selling is monitored by random checking in branch	3.7417	2	3.7417	3
	3	In My bank cross selling practice based on the right product to the right customers' strategy	3.8417	1	3.8417	2
	4	All Branch of the bank work in close relationship and coordination in cross selling	2.8083	7	3.0000	6
	5	In my bank cross selling practice based on customer needs and preference	2.5417	8	2.5417	8
	6	I have good knowledge about all the products of the bank for cross selling	2.8750	6	3.8750	1
	7	In my bank cross selling practice become the norm or culture (has always been done)	2.9083	5	3.2232	4
	8	In my bank cross selling is monitored by daily data tracking in branch and administered by performance management system	3.1861	3	3.0000	7
Hurdle	1	In my bank cross selling practice not part of an employee's performance appraisal	1.4107	5	1.3929	5
	2	In my bank encourage aggressive cross selling	3.4500	4	3.0536	4
	3	I have encountered some incidents of complaints from irritate customer due to aggressive or excessive cross selling	3.5893	2	3.3393	2
	4	In my bank cross selling practice is not properly administered and monitoring system	3.8839	1	3.4625	1
	5	In my bank cross selling practice without full knowledge of bank product	3.5089	3	3.1982	3

Table 5.2 the items receiving the highest ranking from respondents in each bank

Dimensions	Commercial bank of Ethiopia	Dashen bank
Perceived benefit	Cross selling helps in protecting the relationship with the clients	Cross selling is one of the strategy for employee engagement
	Cross-selling provides to the bank an opportunity to gain additional income and advantages to deposit mobilization	Cross- selling increases probability of retaining customers
Initiatives	The training given is helping me to cross sell the product effectively	The training given is helping me to cross sell the product effectively
	The cross selling training was given to me before I was assigned for the job of cross selling	The cross selling training was given to me before I was assigned for the job of cross selling
Effectiveness	In My bank cross selling practice based on the right product to the right customers' strategy	I have good knowledge about all the products of the bank for cross selling
	Cross-selling is monitored by random checking	In My bank cross selling practice based on the right product to the right customers' strategy
Hurdle	In my bank cross selling practice not properly administered and monitoring system	In my bank cross selling practice not properly administered with manual and monitoring system
	I have encountered some incidents of complaints from irritate customer due to aggressive or excessive cross selling	I have encountered some incidents of complaints from irritate customer due to aggressive or excessive cross selling

The first research objective was to compare cross- selling practice between public and private sector bank in Ethiopia (special reference commercial bank of Ethiopia and Dashen bank). After analyzing the differences in values, comparing the ranking of the mean value is also important as it provides an understanding of how the cross selling practice for each items. The results are presented in table 5.2 the highest mean valued items perceived benefit dimension, Cross selling helps in protecting the relationship with the clients the top ranking for this dimension and the second highest Cross-selling provides to the bank an opportunity to gain additional income and advantages to deposit mobilization, this implies that , the most commercial bank of Ethiopia respondents perceived cross selling practice benefit to protect the relationship with clients and

advantages to deposit mobilization, on the other , Dashen bank respondents perceived benefit on Cross selling is one of the strategy for employee engagement and increases probability of retaining customers. This study finding agrees with the stated by Angurage, (2012) on benefit of cross selling for the banks.

The second research objective was to identify the initiatives taken by banks for improving effectiveness of cross- selling. Both commercial bank of Ethiopia and Dashen bank respondents, the highest mean score rank on initiative dimensions was given training on cross selling before assigned for the job take initiatives important to sell the product effectively ,there is no doubt that training really good for every work. In the case of effectiveness dimension, the top two items were bank cross selling practice based on the right product to the right customers' strategy and Cross-selling is monitored by random checking for commercial bank of Ethiopia, therefore, Commercial bank of Ethiopia cross selling practice based on right product to the right customer and monitored randomly initiatives taken for effectiveness of cross selling, this agree with shibo,(2010) who recommends that banks should practice cross selling based on right product to the right customer in order to effectiveness of cross selling. However, Dashen bank respondent s believed that good knowledge about all the products of the bank by the all employees and practice right product to the right customers for successful cross selling, hence ,in order to Dashen bank cross selling practice effectively implementation ,they need good knowledge about the bank product and sells to the relevant customers. The findings of this study reflect that the Commercial bank of Ethiopia and Dashen bank similarly, used right bank product to the right customers for effectiveness of cross selling. Moreover, good knowledge about all the products of the bank by the all employees Dashen bank respondents believed, this tend agree with Kane, (2005), lack of product knowledge as a barrier to cross selling effectiveness.

The third research objective was to identify the challenges by the banks in cross- selling ,As can see in table 5.3.the hurdle dimension , commercial bank of Ethiopia ,the highest mean score was bank cross selling practice not properly administered and monitoring system and aggressive or excessive cross selling, that means an obstacle for cross selling practice in Commercial bank of Ethiopia ,this could be due to the fact that commercial bank of Ethiopia has been mass

marketing and serving customers. Similarly, Dashen bank also, top mean value revealed that, lack of administered and monitoring system was a problem for high performance cross selling and complaints from irritate customers .therefore, this study identified that are the major challenges faces that cross selling practice in both bank was not properly administered and sustainable monitoring system, besides target based excessive cross selling practices in all branches.Dibb,(2001),noted that excessive and repetitive contacts with customers for cross selling risk for the bank, this is agree with study finding commercial bank of Ethiopia aggressive cross selling practice was the challenge for successful cross selling.

Table 5.3 the items receiving the lowest ranking from respondents in each bank

Dimensions	Commercial bank of Ethiopia	Dashen bank
Perceived benefit	Cross- selling increases probability of retaining customers	Cross-selling to existing customers could reduce the spending on attraction new customer (customer acquisition cost)
	Cross selling is one of the strategy for employee engagement	Cross selling helps to increase customer base in the bank
Initiatives	Bank initiates in providing financial advisory services to customers	Training for cross selling is available at all levels of hierarchy
	My Bank has used the latest technology and integrated all customer data for cross selling.	Bank initiates in providing financial advisory services to customers
Effectiveness	In my bank cross selling practice based on customer needs and preference	In my bank cross selling practice based on customer needs and preference
	All Branch of the bank work in close relationship and coordination in cross selling	In my bank cross selling is monitored by daily data tracking in branch and administered by performance management system
Hurdle	In my bank cross selling practice not part of an employee's performance appraisal	In my bank cross selling practice not part of an employee's performance appraisal
	In my bank encourage aggressive cross selling	In my bank encourage aggressive cross selling

The first research objective was to compare cross-selling practice between public and private sector bank in Ethiopia (special reference commercial bank of Ethiopia and Dashen bank). According to the table 5.3, the lowest mean value for benefit of cross selling perceived by Commercial bank of Ethiopia employees disagree on statements of Cross-selling increases probability of retaining customers and one of the strategy for employee engagement, this indicates that ,the staff no sufficient knowledge of benefit of cross selling and no easily understand by the respondents employees but cross selling good for retaining customers and employee engagement .however , Dashen bank employees respondents disagree on lowest mean score question of Cross-selling to existing customers could reduce the spending on attraction new customer (customer acquisition cost) and helps to increase customer base in the bank, as the same time, the respondents employees of Dashen bank no awareness on benefit of cross selling. The study results clarified that the employees level of knowledge on cross selling practice minor difference among the commercial bank of Ethiopia and Dashen bank.

The second research objective was to identify the initiatives taken by banks for improving effectiveness of cross-selling. As can be seen in table 5.3 ,the lowest ranking listed item, the initiative dimension , Commercial bank of Ethiopia respondents disagree on the Bank initiates in providing financial advisory services to customers and used the latest technology and integrated all customer data for cross selling. This result show that Commercial bank of Ethiopia no provide advisory service to customer and no used latest technology and integrated date for cross selling, similarly Dashen bank no providing financial advisory to customers except one special branch opened around bole area (accounting to interview with branch managers.).so that ,the study indicated ,that one of the initiatives of cross selling elements providing financial advisory services to customers not implemented in commercial bank of Ethiopia as well as Dashen bank.

Also for effectiveness dimensions, commercial bank of Ethiopia respondents disagree on cross selling practice based on customer needs and preference and All Branch of the bank work in close relationship and coordination in cross selling , therefor, cross selling practice in Commercial bank of Ethiopia not based on needs and preference of the customers and no close

relationship and coordination among branch in cross selling practice ,therefore the bank sells additional products without customer needs, without solving the existing problem and without analyses the benefit the additional product to the customers. ,the concerning to Dashen bank effectiveness of cross selling practice least mean score above table5.3 ,disagree the items bank cross selling practice based on customer needs and preference and cross selling is monitored by daily data tracking in branch and administered by performance management system, so that Dashen bank cross selling implementation not based on customer needs and preference and no monitored by daily data tracking in branch and administered by performance management system. The findings of this study show that commercial bank of Ethiopia and Dashen bank cross selling practice no based on needs and preference of the customers.

The third research objective was to identify the challenges by the banks in cross- selling. For last dimensions hurdle Commercial bank of Ethiopia and Dashen bank respondents disagree on bank cross selling practice not part of an employee's performance appraisal, and bank encourage aggressive cross selling (always cross sell) that least mean score for both bank. Therefore, the respondents' employees believed that cross selling practice not link with employees' performance appraisal and encourage aggressive cross selling no obstacle for cross selling practice.

4.6. Qualitative data analysis

The Researcher adopted structured interview method for the qualitative data analysis. So the structured interview was conducted with six different managers form different branch Commercial bank of Ethiopia and Dashen bank. The entire six managers were given detailed information about the research topic, objective and the questions to be asked in the interview by the research prior to the interview which helped them to get an idea of what kind of conversation is going to be during the interview session. Total of six questions were asked in the interview with all the managers. This section compares the results of each interview questions.

Table 5.4 the Compare qualitative data analysis between Commercial bank of Ethiopia and Dashen bank interview

Questions	Commercial bank of Ethiopia	Dashen bank
What is the process and necessary condition for effective cross selling with in bank	Aggressive special cross selling training, specially front line employees	Link cross selling practice with reward system or incentives for employees.
What would you say is unique about your cross selling efforts at bank	Build good relationship with the customers in order to cross sell additional product	Bank client segmentation based on the bank account deposit for cross selling and special service.
Has cross selling increased the growth and profit of your bank	Agree on the potential for profit ,but Commercial bank of Ethiopia primary target is deposit mobilization	Agree on cross selling practice potential for profit ,
What roles does bank culture have cross selling success	Aggressive cross selling became the culture for the bank	There no culture aggressive cross selling rather than selective and segmentation customers
What organization layers are relevant for cross selling implementation	Cross selling practice basically in branch	Cross selling practice basically in branch
What are the key challenge of cross selling realization	The challenge was aggressively cross-selling, lack of knowledge the products of the bank and no specialized training for selling to front line employees are work under stress due to cross selling pressure and cross selling targets often conflict with their key responsibilities of banking.	The challenge of cross selling practice such as no incentives are given, no specialized training for cross selling. The performance appraisal not depends on meeting up of cross selling targets which lead to failure of implementation of cross selling strategies.

4.7. Compare qualitative data analysis between Commercial bank of Ethiopia and Dashen bank interview:

The first question forwarded to them was about the process and necessary condition for effective cross selling with the respective banks as compared to their revivals. All managers (respondents) commercial bank of Ethiopia believed that, aggressive related training given before assignment the job, specially front line employees who have a direct contact with customers service (ambassador of the bank) should take a training on cross – selling. Besides of this, the Commercial bank of Ethiopia added this point the bank focusing on customer need rather than pushing additional product sells. In this regard, an interview from Dashen bank responded that their cross selling training for all employees a necessary condition for successful cross selling practice. Besides of this the Dashen bank manager believed that before cross selling practice link with reward system or incentives in order to effective cross- selling.

The second interview question, the Commercial bank of Ethiopia branch managers respondents on cross selling unique initiatives stated that build a good relationship with the customers in order good to cross sell additional new product. In addition, according to the interviewees, provides more bank products for various community such as for woman’s, youth, business customers, and small item seller, on the other hand Dashen Bank managers respondents initiatives bank client segmentation based the bank account deposit for special service and cross selling additional product to existing customers and payment card service to ensure responsive business processing.

The third interview question, the respondents’ commercial bank of Ethiopia agreed that having the potential of cross selling for profit and growth, however, the Commercial bank of Ethiopia mangers said that our bank primary target is deposit mobilization, profit came after resource mobilization. Similarly Dashen bank participants understand that cross selling important for growth and profit.

The fourth interview question, this particular question helped to know the opinion of the respondents in context to bank culture on cross selling practice. The Commercial bank of Ethiopia managers respondents believed that aggressive cross- selling this been encouraged

and became a culture for the bank, besides these, they said that selling new product and e-payment product (visa card, mobile banking and internet banking) for existing customers, while the Dashen bank respondent said that not aggressive cross-selling rather than selective and segmentation customer for the right product to the right client. The fifth questions, all the respondents believed that branch level of relevant for successful cross-selling practice. In both bank cross-selling practice basically in branch and the other level of the bank supporter and facilities.

Finally, a question was also asked to interviewees, from their challenge perspective, The public bank (Commercial bank of Ethiopia) respondents biggest challenge was aggressively cross-selling strategies and work load on bank employees. Employees are under stress due to cross-selling pressure and cross-selling target often conflict with their key responsibilities of banking. The commercial bank of Ethiopia respondents said that cross selling practice challenge is no regular monitoring. The front line employees can ambassador of the bank are fully engage in serving many customers per day they don't have a time to communication effectively about cross-selling the new product of the bank. The second challenge according to the respondents of CBE managers have lack of knowledge the product of the bank due to not provides proper training and information regarding deferent products for cross selling and no specialized training for selling to front line employees. When we see from Dashen bank perspective, The Dashen bank respondents mangers state that challenge of cross – selling practice such as no individual level incentives are given, no specialized training for cross-selling and lack of new product knowledge of the employees. Therefore, the commercial bank of Ethiopia and Dashen bank interviewees replied that almost similar challenge and cross selling practice, however, the initiatives taken by the bank show that some difference.

4.8. Compare Open-ended questions answer by commercial bank of Ethiopia and Dashen bank employees

Open-ended questions are questions that can have a variety of answers with no wrong or right answer but rather reflects the feeling and viewpoints of the respondents (Welmanet al, 2010).

Respondents indicated that the challenge of cross selling practice, the commercial bank of Ethiopia respondents replied that Lack of updated customer data bases, Absence of formal training program reduces effectiveness of cross selling efforts, Lack of incentives remains a major handle, Some employees are try to influence to customers to opened an additional product account without needs and preference of the customer to meet their target (number of account opened, deposit mobilization, and e- payment target).About cross selling challenge of Dashen bank, There no strong incentive system for cross selling, Not properly administered and monitored, which leads to conflict with in sales team, the necessary activities to effective cross selling.

Respondents Commercial bank of Ethiopia indicated that the possible strategy for future effective cross selling implementation: First of all we must satisfy with existing customers with existing products and service, after that we can ask them to use additional products, Before apply cross selling activity the first and basic issue is cross selling training for all employees and assign the right person at the right place.

Respondents indicated that the possible strategy for future effective cross selling implementation: First of all the must satisfy with existing customers with existing products and service, after that we can ask them to use additional products, Before apply cross selling activity the first and basic issue is cross selling training for all employees and assign the right person at the right place, The Dashen bank respondents suggested that the possible strategy for future effective cross selling practice mentioned: There must be clear system to control the effectiveness of cross selling and link with the benefit, Training for cross selling must be given for all employees, especially in branch .

The respondents give general comments about cross selling practice of the commercial bank of Ethiopia: Cross selling is done by employees, Aggressive cross selling as bank officers believe that aggressive cross selling would lead to problems, No formal individual incentives are provided for cross selling. Specialized training for selling cross selling is not available.

Over all Comment on cross selling practice on Dashen bank: Employees have good personal knowledge about customer, Employees have good personal knowledge about the products Aggressive cross selling is avoided. No personal incentives are given.

From the above open- ended questions, it also become clear that most of the respondents feel that the challenge of cross selling practice was lack of special and related training also no incentives for cross selling performance.

CHAPTER FIVE

5. Conclusion implications and recommendation for future research

5.1. The main finding related to practice cross- selling in public bank (Commercial bank of Ethiopia)

Employees of Commercial bank of Ethiopia cross – selling products in the traditional way that aggressive cross- selling would lead to irritated regular customers by repeated attempts made at cross- selling. No Provide financial advisory services to customers and facilitative cross- selling, lack of training on cross selling and incentives

5.2. The main finding of the study related to practice cross- selling in private bank (Dashen bank)

Similar to private bank (Dashen bank), the finding of lack of training, employee's motivation and incentives. The bank is taking initiatives in customer segmentation and open special branch for premium customers (high depositor's) for cross selling. Relationship managers would interact with client on a continuous basis, understand their needs, and identify appropriate products for them. Provide financial advisory services for special customers and facilitative cross-selling the new product to segmented clients.

5.3. Comparison of findings

There is no significant difference with regard to training, incentives, effectiveness and hurdles provided by banks, however, The analysis has found that there is a significant difference regarding the initiatives and aggressive cross – selling between private (Dashen bank) and public (Commercial bank of Ethiopia)

5.4. Conclusions regarding the main finding with regard to cross- selling practice

Despite the different in public sector banks (Commercial bank of Ethiopia) and new private sector bank (Dashen bank) it was found that both the sector understand importance of cross-selling for profitability and incorporating initiatives for effective cross- selling. The success of cross selling strategies depends not only making new strategies but also on proper implementation of these strategies.

According to the findings the public sector banks (Commercial bank of Ethiopia) has been encouraged aggressive cross- selling in order to increases sales which is not the right way and which may also lead to failure in retaining customs and produces larger number for irritate customers. On the other hand, the private bank (Dashen bank) emphasize more on deepen customers relationship and specialization on service or cross selling. A part from these it is very important that banks give front line employee's special training on cross- selling and put in places suitable motivational schemes.

5.5. Managerial implication

The findings to this study provide a number of practical implications for those involved in cross-selling financial products in Ethiopia: The study proves that there is a different between public and private sector banks regarding cross selling practices among these two sectors. The study determines that there has been different found interim of initiatives and aggressive cross- selling practices encouraged. Therefore public sector banks (Commercial bank of Ethiopia) should emphasize more on the front line employees training programmers on cross selling and bank products and ensuring excellent customer's relationship with customers.

5.6. Recommendations

This study of cross-selling practices in Ethiopia banks has been conducted from the bankers point of view. There is a need to understand customer's attitude towards cross-selling in the Ethiopian context. A bank's marketing strategy will not be successful if this is not taken into consideration. Also other special issues such as role of internal marketing in effective cross-selling can also be analyzed by researchers in the area of financial marketing. Thus it is recommended that future studies must be modified to identify the extent to which cross-selling can be effectively used to retain customer.

The public sector bank (Commercial bank of Ethiopia) and private bank (Dashen bank) should emphasize more on the front line employees training programmes on cross-selling and bank products and ensuring excellent customer's relationship with customers.

Before cross-selling practice should link with reward system or incentives in order to effective cross-selling by the banks.

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Appendix

Addis Ababa University
College of Business and Economics
Department of Public Administration and Development Management
Master's in Public Management and Policy

Questionnaire to be filled by Employees

Dear participants,

I am conducting a research on **“A comparative study of cross selling practice in public and private Bank in Ethiopia with a special reference of commercial Bank of Ethiopia and Dashen Bank in Addis Ababa Branches”**. This research is conducted in partial fulfillment of master's Degree in Development management. I am requesting your participation, which will involve completing a short survey. It will take you about twenty minutes to fill our questionnaire.

Your participation is purely voluntary, if you choose not to participate or to withdraw from the study at any time, there will be no penalty.

The questionnaire is confidential. The results of research study may be published, but neither your name, nor that of your employer, will be released. Information obtained during the course of the study will remain confidential. Furthermore, the completed questionnaires will be kept only until the data are entered into the computer, at which time all questionnaires will be destroyed.

It will be a great contribution if you may complete all the items covered in the questionnaire since your opinion is of utmost importance. Please respond to each item honestly and accurately. I thank you in advance for sharing your valuable experience and time in completing the questionnaire. For the purpose of this questionnaire, **cross selling is defined simply as “offering current customers additional products or services that can provide added value for them.”**

If you require any for the information, want feedback on the study or need to contact the researcher about any aspect of this study; please do not hesitate to do so through the address given here under. If you agree to participate in the survey, you may proceed to the next page.

With regards
G/Tensayhailu
AAU

Call Phone 0912 65 20 22 E-mail: gebretensayhailu@yahoo.c

Instructions:

- There is no need to write your name
- Please, put “✓” mark as for the questions require in the box or answer in the space provided.

PART I PROFILE OF THE PARTICIPANT AND THE BANK

This part of questionnaire covers items related to the demographics of participant and the profile of the bank.

1. Gender Male Female
2. Name of the Bank Commercial bank of Ethiopian Dashen bank
3. Current position of the participant;
 Branch Manager Customer service officer
 Customer service manager Marketing officer
4. Educational qualification attained
 College Diploma BA Degree MA or Above
5. Service year of the participant in the Bank
 < 5 years
 5 – 10 years
 >10 years

PART II PRACTICE ACHIEVEMENTS AND CHALLENGE OF CROSS SELLING IMPLEMENTATION

This part of the questionnaire covers items related to cross selling practices please indicate how much you agree or disagree with the following scale on each of the identified issues associated with the practice cross selling. Rating scales 5 – strongly agree, 4 agree, 3 neutral, 2-disagree, 1-strongly disagree

Perceived Benefit

SI. No	Perceived Benefit	Rating				
		5	4	3	2	1
1	Cross- selling increases probability of retaining customers					
2	Cross-selling to existing customers could reduce the spending on attraction new customer (customer acquisition cost).					
3	Cross selling is one of the strategy for employee engagement					
4	Cross selling helps to increase customer base in the bank					
5	Cross selling helps in protecting the relationship with the clients					
6	Cross-selling provides to the bank an opportunity to gain additional income and advantages to deposit mobilization.					

Initiatives

SI. No	Initiatives	Rating				
		5	4	3	2	1
1	The cross selling training was given to me before I was assigned for the job of cross selling					
2	The training given is helping me to cross sell the product effectively					
3	Training for cross selling is available at all levels of hierarchy in my bank					
4	Bank initiates in providing financial advisory services to customers					
5	The bank uses Customer Relationship Management packages to develop cross selling strategies					
6	My bank has used the latest technology and integrated all customer data for cross selling.					

Effectiveness

SI. No	Effectiveness	Rating				
		5	4	3	2	1
1	I am personal recognition and financial reward (incentives) according to my cross selling performance					
2	Cross-selling is monitored by random checking in branch					
3	In my bank cross selling practice based on the right product to the right customers' strategy					
4	All Branches of the bank work in close relationship and coordination in cross selling					
5	In my bank cross selling practice based on customer needs and preference					
6	I have good knowledge about the product all the products of the bank.					
7	In my bank cross selling practice become the norm or culture (has always been done)					
8	In my bank cross selling is monitored by daily data tracking in branch and administered by performance management system					

Hurdles

SI. No	Hurdles	Rating				
		5	4	3	2	1
1	In my bank cross selling practice not part of an employee's performance appraisal					
2	In my bank encourage aggressive cross selling					
3	I have encountered some incidents of complaints from irate customer due to aggressive cross selling or excessive cross selling					
4	In my bank cross selling practice is not properly administered and monitoring system					
5	In my bank cross selling practice without full knowledge of bank product.					

Please write down the challenges you have face in relation to cross selling practice in your branch.

What do you suggest as a possible strategy for future effective cross-selling implementation?

If you would to add any comment on cross-selling practice of your bank, please comment.

Interview questions for managers

1. What is the process and necessary conditions for effective cross selling with in a bank?
2. What would you say is unique about your cross-sell efforts at bank?
3. Has cross-selling increased the growth and profit of your bank?
4. What roles does bank culture have on cross selling success?
5. Which organizational layers are relevant for successful cross-selling implementation?
6. What are the key challenges of cross-selling realization?