# The Study on Application of Cross-Selling to Consumer Loans in Bank

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ABSTRACT

Due to the " Enjoy before payment" opinion of all consumers, the consumer loans are greater and greater recently. Nowadays most of the banks changed their focus from business loans to the consumer loans, which are growing up now. On the intensely competition, the cost of exploiting a new customer is higher than maintain the exist one. By this customer analysis we can get the " Cross-Selling" opportunities. For business, the value of products is not only one single benefit but also the overall products they sold. The research plans to do an empirical study using multivariate Logistic Regression model to explore the customer loans of bank industry, including the consumers who choose the product and service of the mainly supplied by bank today and investigate consumers choose which bank. Using consumers'' questionnaire data certify. The model predicts to supply cross selling of production and service to the right customers. In the analysis of product association explore, we found nine items are Significant so we can get together them to design product portfolios from Correlation Matrix, when customers is interesting of one product the sale can actively promote the others. Otherwise, from Covariance Matrix, we also know when customer loan more item, more banks they deal with. Consumers have no "one-stop-shop" behavior and transfer different banks to disperse risk. In LR model, we found if the customer will cross-loan and those factors such as product variable; bank number; demographic; overneed; oversatisfy and overloyalty are not main influences for the customers. To explore Customer Heterogeneity, the demand of consume loan products for male is higher than female. In Taiwan, customers do not have the behavior to deal with the specific bank. They will be fascinated by many factors and change their business to another bank. I would like to suggest the banker, who wants to exploit the customer loan market, have to consider the profit from the exist client and keep well the loyalty of them. Key Word: Consume Loans. Cross-Selling. Logistic Regression

Keywords : Consume Loans ; Cross-Selling ; Logistic Regression

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