

# The Key Cross-Selling Platform To Growing Wallet Share

by Kirk King

The mortgage process collects in-depth financial and demographic information about customers. Use it as a foundation to build on the relationship. It's often a perfect time to identify cross-selling opportunities of various shades and colors.

Cross-selling is pivotal to growing wallet share and profitability.

Increasing the share of a customer's wallet boosts long-term customer loyalty and engagement, meaning they're less likely to defect.

Most people own eight to twelve financial products – from loans to deposit accounts to credit cards. Yet few banks sell more than three or four to any one customer.

Leverage the mortgage process and relationship for all it's worth. Mystery shopping shows that few banks consistently attempt even low-level cross-sell efforts. Why?

Traditionally there's been little coordination between loan officers and new accounts staff. Let alone a firm policy for who gets credited with the sale of new services. Instead, the landscape looks like a multitude of separate silos. Also, in today's digital world, fewer customers are stepping foot inside their bank's physical branch location.

## THE HIGHLY APPEALING HOMEBUYER

Buying a home is a major life event for customers – even the tenth time around. It's also full of emotion. Serving their needs with minimum pain points builds trust.

Capitalize on these high-value relationships. People qualifying for a mortgage usually have higher incomes and use more financial products.

Customers with both their mortgage and primary banking relationships at the same bank typically enjoy deeper relationships



with their bank than others do. Yet those who consolidate mortgage and deposit accounts to one bank are the slim minority.

If you want to successfully cross-sell them, you need to understand why.

In today's busy world, a primary sticking point that keeps people from switching banks is the hassle factor, plus lack of urgency. After all, they'll have to switch direct deposits, automatic bill pay withdrawals, and so on.

Interestingly, of the top three issues motivating people to change banks, none of them relates to mortgages.

1. New/additional fees added to current account
2. Moving or relocating to an inconvenient location
3. Poor service

If the timing of any of these triggers syncs with their new mortgage, it's easier to get them to switch. However, you won't know until you attempt the cross-sell.

## CROSS-SELLING TACTICS FOR GREATER LIFETIME VALUE

The optimal time to start cross-selling is late in the mortgage process, since by then your

customer has a high-trust relationship with their loan officer.

This is a great opportunity to sell deposit accounts, home equity loans or credit lines, credit cards, and more.

Banks should train their loan officers about these products so they're informed and confident selling them.

Some cross-selling can easily be streamlined, as much of their information is already in the bank's system.

Start thinking like a cross-selling expert with these possibilities:

- Deposit accounts are "sticky," so find ways to make it easy to switch – perhaps with concierge service for account setups
- Lower mortgage rate with checking account and automatic mortgage debit
- Lower mortgage rate for larger deposit accounts
- Credit card for furnishing their new home – approve mortgage and card at the same time

- Higher CD interest rate, or incentive funds added to a deposit, on a newly opened CD

Simplify the process. Use CRM automated retention campaigns. They let customers respond to loan officers about other products they may consider. Follow-up satisfaction surveys also keep them in touch and open new doors for wallet share.

## IMPLEMENTATION STRATEGIES

People often buy a new home based on life event triggers. Explore their reasons why... marriage, baby, expanding family, divorce, downsizing (they may still have significant investment holdings), for example. Create bundled products specifically for these groups.

Reverse engineer your bank's relationships with your most engaged customers and build bundles based on them.

Use every chance you have to cross-sell, whether it be in-person, phone calls, direct mail, printed monthly statement inserts, or

online payment page ads. But remember, your customers want to buy, not be sold. Act accordingly.

Cross-selling is challenging to start, and even harder to maintain over time. It takes vision, training, resolute effort, and a good CRM system. Big rewards go to banks that make the effort.

Today's CRM technology makes targeting these prospects simpler, more streamlined, and less time-consuming than ever. It also makes it possible to grow your wallet share and lifetime customer value.

*Kirk King is president of Continuity Programs, Inc. and vice president of the Michigan Mortgage Lenders Association board. Continuity Programs helps lenders grow with easy-to-use CRM. MyCRMDashboard, also known as MGIC Elements, is the company's mortgage lead-generating CRM. Michigan Celebrates Small Business recognized Continuity Programs as one of the "Michigan 50 Companies to Watch" in 2017. To learn more about Continuity Programs, visit [marketing.continuityprograms.com/mibankers](http://marketing.continuityprograms.com/mibankers). Reach King at [kking@continuityprograms.com](mailto:kking@continuityprograms.com).*

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