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## A Study of Customer Interaction and its Impact on Banking Product Sales at HDFC Bank

**Kunal Gajanan Kawarkhe**

MBA Student, School of Business, Indira University, Pune, Maharashtra, India

### ABSTRACT

The banking industry is increasingly customer-centric, yet the expansion of digital channels has not eliminated the role of human interaction in banking-product sales. This study examines customer interaction and its perceived impact on banking product sales at HDFC Bank, with specific attention to interaction channels, clarity of product explanation, understanding of financial requirements, communication and behaviour, product interest, follow-up, and purchase outcomes. A descriptive quantitative research design was adopted. Primary data were collected through a structured questionnaire from 112 respondents using convenience sampling. Frequency and percentage analysis were used to describe response patterns, while exploratory Spearman association analysis was used to examine relationships between interaction variables and the final interaction outcome. The results show that 67.86% of respondents rated product explanation as clear or very clear, 65.18% reported that their financial requirements were understood well or very well, and 73.21% were satisfied or very satisfied with communication and behaviour. Product interest increased or strongly increased for 65.18% of respondents, while 58.93% stated that interaction and follow-up influenced or strongly influenced their purchase decision. However, the exploratory statistical results did not show a statistically significant association between the individual interaction variables and final outcome at the 5% level. The study therefore positions customer interaction as an important supporting element of banking-product sales rather than as a sole determinant of purchase. Product suitability, eligibility, affordability, competing alternatives, documentation and timing may also shape customer decisions.

**Keywords:** customer interaction, banking product sales, HDFC Bank, service quality, customer experience, follow-up, purchase decision

### 1. INTRODUCTION

Banking is a service-intensive sector in which customers frequently require information, clarification and assistance before adopting financial products. Loans, credit cards, deposits, investment products and other banking services involve terms such as eligibility, charges, interest rates, documentation and repayment obligations. Consequently, the quality of communication between a bank and its customers can form an important part of the customer acquisition and sales process. The source OJT report identifies customer interaction through branch visits, bank representatives or field sales personnel, telephone calls, mobile/internet banking and referrals as relevant interaction channels. The report further frames the interaction process as a sequence from customer contact and requirement understanding to product interest, follow-up and purchase or non-purchase outcome.

Digital banking has changed how customers obtain information and transact, but the report does not treat digitalisation as a complete replacement for human interaction. Human interaction remains relevant when customers need explanations, clarification or assistance in making comparatively complex financial decisions. In a competitive market, customer-facing employees therefore perform both service and sales-support functions by identifying needs, explaining products, addressing objections and following up with prospective customers.

The present research addresses a practical question: how do customers perceive the interaction they receive while considering banking products, and to what extent do they perceive that interaction and follow-up as influencing product interest and purchase decisions? The study deliberately distinguishes perceived influence from causation. A positive interaction may improve understanding or interest without necessarily resulting in a purchase because the final decision can also depend on affordability, eligibility, product suitability, competing alternatives, documentation and timing. The source report explicitly cautions against interpreting interaction alone as a causal determinant of sales.

The study contributes an OJT-level empirical perspective to the existing service-quality and relationship-marketing literature by focusing specifically on the interaction-to-sales sequence rather than examining only overall satisfaction or loyalty. The research gap identified in the report is the limited focus of previous work on the combined sequence of product explanation, requirement understanding, communication satisfaction, product interest, follow-up influence and final outcome.

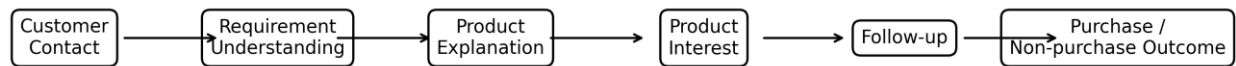


Figure 1. Conceptual framework of customer interaction and banking-product sales

*Figure 1. Conceptual framework of customer interaction and banking-product sales*

## 2. REVIEW OF LITERATURE

Service quality literature provides the theoretical foundation for understanding customer interaction in banking. Grönroos's service-quality model distinguishes the technical outcome of a service from the functional manner in which the service is delivered, making employee communication and behaviour relevant to customer evaluations (Grönroos, 1984). The SERVQUAL framework of Parasuraman, Zeithaml and Berry provides five widely used dimensions—reliability, responsiveness, assurance, empathy and tangibles—for evaluating perceived service quality (Parasuraman, Zeithaml, & Berry, 1988). In the present study, product explanation, responsiveness through follow-up, professional behaviour and understanding of customer requirements are closely related to these service-quality dimensions.

Relationship marketing provides a second theoretical lens. Morgan and Hunt (1994) proposed the commitment-trust theory of relationship marketing, highlighting trust and commitment as central to enduring relationships. Agrawal, Mitumatta and Madan (2014) reviewed relationship marketing in Indian banking, while Ganaie and Bhat (2020) examined relationship-marketing practices and customer loyalty. These perspectives support the importance of ongoing communication and follow-up while also recognising that a relationship-oriented approach is broader than a single sales transaction.

Empirical banking research has also connected service quality with customer outcomes. Lenka, Suar and Mohapatra (2009) examined service quality, customer satisfaction and loyalty in Indian commercial banks. Choudhury (2008) examined service quality in the Indian banking context, while Choudhury (2013) directly investigated service quality and customers' purchase intentions in Indian banking. Kaura (2013) studied service convenience, customer satisfaction and customer loyalty in Indian commercial banks. These studies provide a basis for examining whether interaction-related perceptions are associated with customer interest and purchase-related outcomes.

Further Indian banking studies have examined customer loyalty, trust and relationship quality. Hazra and Srivastava (2009) investigated the impact of service quality on customer loyalty, commitment and trust. Pattanayak, Koilakuntla and Punyatoya (2017) studied total quality management, service quality, market orientation, customer satisfaction and loyalty. Limbad and Patel (2020) examined customer satisfaction with customer relationship management activities in Indian commercial banks, while Bhatnagar, Syed and Mishra (2017) identified factors supporting customer loyalty in retail banking. Together, these studies suggest that service encounters, trust, convenience and relationship practices are relevant to customer outcomes, while the present study narrows the focus to the customer interaction-to-sales pathway.

## 3. OBJECTIVES AND RESEARCH METHODOLOGY

The study has four objectives: (1) to identify the major methods through which customers interact with HDFC Bank regarding banking products; (2) to assess customers' perceptions of product-explanation clarity and understanding of financial requirements; (3) to examine satisfaction with the communication and behaviour of bank representatives; and (4) to analyse the perceived influence of customer interaction and follow-up on product interest and banking-product purchase decisions. These objectives are reproduced from the research report and condensed for journal presentation.

A descriptive research design and quantitative approach were adopted. Primary data were collected through a structured questionnaire from 112 respondents. The questionnaire covered demographic characteristics—age, gender, occupation and monthly income—and customer-interaction variables including interaction method, product explanation, requirement understanding, communication and behaviour, product interest, interaction and follow-up influence, and final outcome. The population comprised customers interacting with HDFC Bank regarding banking products, while the individual customer was the sampling unit. Convenience sampling was used because a complete customer population list was not available within the OJT setting.

Frequency and percentage analysis were used as the primary descriptive techniques. Cross-tabulation was used to examine patterns across interaction channels, and exploratory association analysis was undertaken using suitable categorical and ordinal techniques. The report specifically presents Spearman correlations between the principal interaction variables and the final outcome. Statistical significance was assessed at the conventional 5% level. Because the design is descriptive, the analysis is interpreted as evidence of patterns and associations within the surveyed sample rather than as proof of causality.

Ethically, the study presents aggregated responses and does not rely on individual identification. The principal methodological limitations are the sample size of 112, convenience sampling, limited geographical coverage, self-reported perceptions, broad product coverage and the inability to isolate external purchase determinants such as interest rates, eligibility, credit score, affordability and competing offers.

## 4. RESULTS AND DISCUSSION

### 4.1 Respondent Profile

The respondent profile is relatively young and contains a substantial salaried segment. Respondents aged 25–35 years form the largest age group (37.50%), while respondents below 35 years together account for 64.29% of the sample. Male respondents constitute 70.54% and female respondents 29.46%. Salaried respondents are the largest occupational group at 38.39%, followed by business respondents at 21.43%. The largest income category is ₹25,000–₹50,000 at 36.61%. These distributions describe the surveyed sample and should not be interpreted as the demographic profile of the complete HDFC Bank customer base.

| Variable       | Category        | Frequency | Percentage |
|----------------|-----------------|-----------|------------|
| Age            | 25–35 years     | 42        | 37.50%     |
| Gender         | Male            | 79        | 70.54%     |
| Occupation     | Salaried        | 43        | 38.39%     |
| Monthly income | ₹25,000–₹50,000 | 41        | 36.61%     |

Table 1. Selected respondent-profile characteristics (n = 112)

### 4.2 Interaction Channels

Bank representatives/field sales personnel were the most common interaction channel, used by 39 respondents (34.82%), followed by branch visits with 35 respondents (31.25%). Mobile/internet banking accounted for 15.18%, phone calls for 14.29%, and referrals for 4.46%. The two human/physical channels together represented 66.07% of the sample. This result suggests that, within the surveyed group, digital banking has not displaced personal interaction as a major route for banking-product engagement.

| Interaction method              | Frequency | Percentage |
|---------------------------------|-----------|------------|
| Bank representative/field sales | 39        | 34.82%     |
| Branch visit                    | 35        | 31.25%     |
| Mobile/Internet banking         | 17        | 15.18%     |
| Phone call                      | 16        | 14.29%     |
| Referral                        | 5         | 4.46%      |
| Total                           | 112       | 100%       |

Table 2. Primary interaction method

### 4.3 Perceptions of Product Explanation and Requirement Understanding

Product explanation was viewed positively by a majority of respondents: 36 respondents (32.14%) rated it very clear and 40 (35.71%) rated it clear. Thus, 67.86% provided a positive clarity response. Similarly, 38 respondents (33.93%) stated that their financial requirements were understood very well and 35 (31.25%) stated well, giving a combined positive response of 65.18%. These results indicate that product communication and need identification were generally positive within the sample, although a sizeable minority reported moderate or weaker experiences.

| Interaction measure       | Positive response          | Frequency | Percentage |
|---------------------------|----------------------------|-----------|------------|
| Product explanation       | Very clearly / Clearly     | 76        | 67.86%     |
| Requirement understanding | Very well / Well           | 73        | 65.18%     |
| Communication & behaviour | Very satisfied / Satisfied | 82        | 73.21%     |

| Interaction measure | Positive response                | Frequency | Percentage |
|---------------------|----------------------------------|-----------|------------|
| Product interest    | Strongly increased / Increased   | 73        | 65.18%     |
| Follow-up influence | Strongly influenced / Influenced | 66        | 58.93%     |

Table 3. Summary of key customer-interaction responses

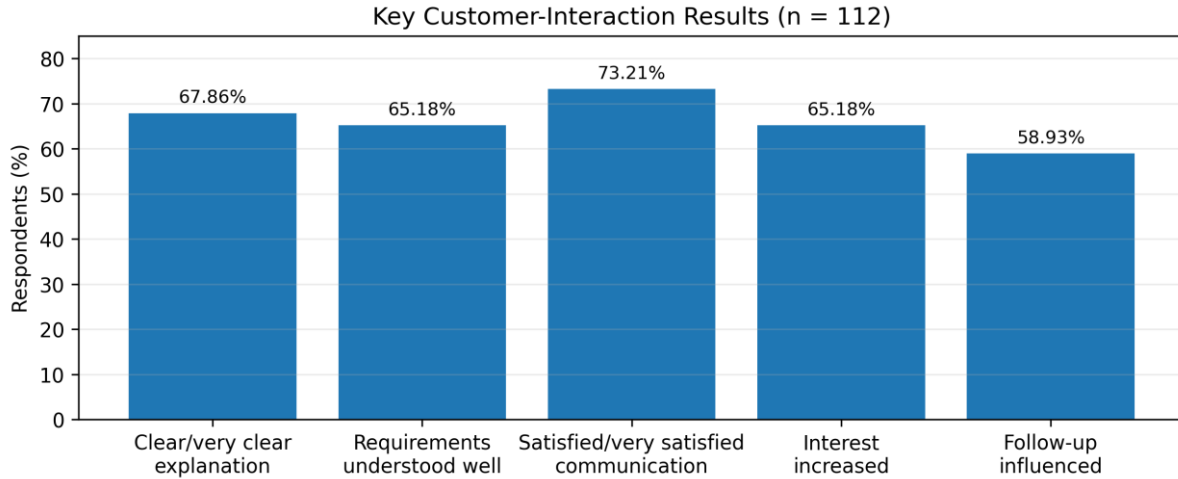


Figure 2. Key customer-interaction results

#### 4.4 Communication, Product Interest and Follow-up

Communication and behaviour produced the strongest positive response among the major interaction measures. Twenty-nine respondents were very satisfied and 53 were satisfied, producing 82 positive responses (73.21%). Product interest increased or strongly increased for 73 respondents (65.18%), while 30 respondents (26.79%) reported no change. Interaction and follow-up influenced or strongly influenced the purchase decision for 66 respondents (58.93%). At the same time, 46 respondents were neutral or reported little/no influence, showing that follow-up should not be interpreted as an automatic conversion mechanism.

#### 4.5 Final Interaction Outcome

Thirty-four respondents (30.36%) had purchased or availed the product, 24 (21.43%) were planning to purchase, and 23 (20.54%) were still considering the product. Thus, 51.79% were either actual or prospective purchasers, while the considering group represents a further potential segment. Nineteen respondents (16.96%) did not purchase and 12 (10.71%) were not interested. The distribution reinforces the distinction between positive interaction, product interest and actual purchase.

| Final outcome                 | Frequency | Percentage |
|-------------------------------|-----------|------------|
| Purchased/availed the product | 34        | 30.36%     |
| Planning to purchase          | 24        | 21.43%     |
| Still considering             | 23        | 20.54%     |
| Did not purchase              | 19        | 16.96%     |
| Not interested                | 12        | 10.71%     |
| Total                         | 112       | 100%       |

Table 4. Final interaction outcome

#### 4.6 Exploratory Statistical Association

The report's exploratory Spearman analysis did not identify statistically significant relationships between the individual interaction variables and the final outcome at the 5% level. The correlation between product-explanation clarity and outcome was 0.039 ( $p = 0.685$ ); requirement understanding was 0.038 ( $p = 0.694$ ); communication satisfaction was 0.097 ( $p = 0.310$ ); product interest was 0.052 ( $p = 0.587$ ); and follow-up influence was  $-0.076$  ( $p = 0.427$ ).

All p-values exceed 0.05. Therefore, the sample does not provide statistical evidence of a significant monotonic association between any single interaction measure and the final outcome. The result does not mean that interaction is unimportant; it means that the present sample and variables do not establish a statistically significant relationship or causal effect.

| Variable                    | Correlation with outcome | p-value | Interpretation at 5% |
|-----------------------------|--------------------------|---------|----------------------|
| Product explanation clarity | 0.039                    | 0.685   | Not significant      |
| Requirement understanding   | 0.038                    | 0.694   | Not significant      |
| Communication satisfaction  | 0.097                    | 0.310   | Not significant      |
| Product interest            | 0.052                    | 0.587   | Not significant      |
| Follow-up influence         | -0.076                   | 0.427   | Not significant      |

Table 5. Exploratory Spearman association results

## 5. DISCUSSION

The descriptive findings are broadly consistent with the service-quality and relationship-marketing perspectives reviewed in the study. Positive perceptions of communication and behaviour support the relevance of assurance and responsiveness in service encounters, while the positive requirement-understanding result is consistent with an empathy or need-based orientation. The importance of follow-up also fits relationship-marketing logic, where communication continues beyond the initial contact. These interpretations are consistent with the conceptual contributions of Grönroos (1984), Parasuraman et al. (1988), and Morgan and Hunt (1994), as well as prior Indian banking studies reviewed in the report.

However, the statistical findings introduce an important qualification. Although respondents frequently reported positive interaction experiences and increased product interest, none of the individual interaction variables had a statistically significant association with final outcome in the exploratory analysis. This suggests that the sales process is multidimensional. Customer interaction may create awareness, reduce uncertainty and support evaluation, but the customer's final decision can depend on product fit, affordability, eligibility, competing offers, documentation and the timing of the financial need. The evidence therefore supports treating customer interaction as a supporting component of conversion rather than as a stand-alone explanation of sales.

The channel results also have managerial relevance. Since 66.07% of respondents primarily used bank representatives/field sales or branch visits, a hybrid model that combines digital convenience with effective human assistance remains relevant within the surveyed group. At the same time, the digital channels reported by respondents indicate that interaction management should be consistent across physical and digital touchpoints. The report's strategic discussion similarly emphasises digital transformation, customer-centric selling, employee product knowledge, data-driven decision-making and consistent service quality.

## 6. MANAGERIAL IMPLICATIONS

For customer-facing teams, the findings indicate that product explanation should remain accurate, simple and transparent, particularly for financial products involving eligibility, charges, repayment obligations and documentation. Need-based selling should begin with understanding the customer's financial requirement before product recommendation. Training can therefore focus on product knowledge, requirement probing, objection handling, communication quality and ethical follow-up.

For sales management, interaction should be monitored as part of a broader conversion funnel rather than judged only by immediate sales. A customer may be interested but not yet ready to purchase, and the study identifies 20.54% of respondents as still considering the product. Structured follow-up, clear next steps and appropriate customer information may help sales teams manage such prospects without treating every follow-up as an assured conversion.

For channel management, the findings support an integrated physical-digital approach. Branch and field channels remain important for explanation and trust-building, while digital channels can support convenience, information access and subsequent service. Customer feedback can be used to identify communication gaps across channels and to maintain consistency in product information.

## 7. LIMITATIONS OF THE STUDY

The study is based on 112 respondents selected through convenience sampling and therefore should not be generalised to the entire HDFC Bank customer population. The geographical and time scope is limited, the data are self-reported, and the questionnaire covers banking products broadly rather than isolating a single product category. The analysis also does not separately measure external purchase determinants such as interest rates, credit score, affordability, eligibility, competing offers and financial urgency. Finally, the cross-sectional descriptive design and exploratory statistics do not establish causality between customer interaction and sales. These limitations are explicitly recognised in the source report.

## 8. CONCLUSION

This study examined customer interaction and its perceived role in banking-product sales at HDFC Bank using responses from 112 customers. The descriptive results show generally positive perceptions of product explanation, requirement understanding and communication. Interaction and follow-up were also perceived to increase product interest and influence purchase decisions for a majority of respondents. At the same time, actual purchase remained lower than the level of positive interaction perceptions, and exploratory Spearman analysis did not show statistically significant associations between individual interaction variables and the final outcome at the 5% level.

The central implication is that customer interaction is important within the banking sales process but should not be treated as the sole determinant of conversion. Effective interaction can support understanding, trust, interest and decision-making, while final purchase can depend on several additional customer and product factors. For HDFC Bank, the findings support continued attention to need-based communication, employee capability, transparent product explanation, appropriate follow-up and integration of human and digital channels. Future studies could use larger probability-based samples, product-specific data and longitudinal designs to examine how interaction quality develops into actual conversion over time.

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## APPENDIX: QUESTIONNAIRE VARIABLES

The primary questionnaire used in the source research captured age, gender, occupation, monthly income, primary interaction method, clarity of product explanation, understanding of financial requirements, satisfaction with communication and behaviour, impact on product interest, influence of interaction and follow-up, and final interaction outcome. The complete questionnaire and master data sheet are contained in the underlying OJT report.