

# This meeting

---

Some topics to discuss:

- ▶ Present new research idea about cross-selling

# The Problem

---

- ▶ Banks maximize the value of the customer, not of a particular product
- ▶ Banks make losses on some products (Qi, 2024)
- ▶ Existing customers are more likely to buy another product from the same bank (Basten and Juelsrud 2023)
  - Switching costs (Dubé et al. 2009; Klemperer 1995)
  - Asymmetric information (Petersen and Rajan 1995; Sharpe 1990)
  - Unobserved persistent heterogeneity
- ▶ Understanding market power requires taking into account multi-product banks

- ▶ Dynamic model of multi-product banks including:
  - Switching costs
  - Asymmetric information: banks learn about their customers

Panel data on:

- ▶ Mortgages
- ▶ Checking accounts
- ▶ Consumer credit

Previously used by Cuesta and Sepulveda (2018)

# Contributions

---

- ▶ Sources of market power (IO)
- ▶ Structural evidence of relationship banking (finance)
- ▶ Disentangle asymmetric information from switching costs (method)