Realizing Cross-Selling Potential in Business-to-Business Markets

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St. Gallen, October 25, 2011

The President:

Prof. Dr. Thomas Bieger

Foreword

This dissertation was written during my time as a doctoral student at the Institute of Marketing at the University of St. Gallen (IfM-HSG) in Switzerland. It was accepted as a dissertation by the University in October 2011. Throughout the way many different people accompanied and inspired me, making my doctoral studies a very enriching time and a great learning experience. In the name of all, some shall be mentioned.

My most profound thanks are directed at my doctoral advisor Prof. Dr. Christian Belz who always supported me and who provided many thoughtful impulses in all phases of this dissertation. His trust in my way of working gave me not only the academic but also the personal freedom to conduct this dissertation project. Moreover, my thanks go to Prof. Dr. Sven Reinecke for kindly accepting to become the co-advisor of my work. His valuable suggestions and pieces of advice, not only during doctoral seminars but also during joint visits at academic conferences, greatly enriched, and played a fundamental part in steering and accompanying my research process.

Unlike classical dissertations, this work follows a cumulative research approach consisting of four individual studies. Their successful completion was achieved in close cooperation with Prof. Dr. Christian Schmitz, whom I sincerely thank for his scientific and personal support throughout the years. Together we had worked in close proximity to many renowned organizations in the business-to-business area, being able to acquire vast amounts of data, which formed the scientific basis of this dissertation. In relation to that, a cordial thank you goes to all the practitioners who spend time and effort in participating in our research endeavors.

During my time in St. Gallen valuable friendships were formed, which I'm very grateful for. I especially thank Michael Weibel for our intellectually challenging discussions and his relentless commitment to our personal team. Also, my thanks go to Sabrina Blawath for her rigorous support, especially during the crucial time of conceptualizing the pre-study of this dissertation. Moreover, my special thanks go to Dr. Peter Matthias Fischer and Dr. Oliver Emrich, not only for their academic insights and personal support, but also for their friendship and the great times during the years. Furthermore, I thank Gabriela Seglias, Jason Wilkens, Emily Kadish, Elisabeth Caswell, and my uncle Christoph Malms for their dedicated assistance and their flexibility in resolving critical language, formatting, and context related issues of this dissertation. All of your efforts together greatly contributed to the successful completion of my work. Thank you!

Beyond the academic and intellectual challenge, I will always appreciate the opportunity for an occasional leisurely relief with many of my colleagues and friends. Especially, I would like to mention Alexander Braun, Astrid and Thomas Addison, Christian Opitz, Jochen Binder, Johannes Bauer, Johannes Hattula, Silke Pieneck, and Teresa Raible. Guys, thanks for making my time in St. Gallen unforgettable! My thanks also go to Erika Singenberger, Claudio Burigo, and Karin Halder for their sincere and open way of communicating. I always enjoyed working with them and do not want to miss the many talks we had together.

Finally and most importantly, I thank my parents Dr. Michael Malms and Brigitte Malms, and my brother Fabian. They provided me with unconditional support and love not only during my time in St. Gallen, but also during all the years before. They encouraged me and gave me the emotional stability to carry out and complete this work - this dissertation is dedicated to them.

St. Gallen, January 2012 Oliver Malms

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List of Abbreviations

AVE	Average Variance Extracted
BU	Business Unit
CA	Cronbach's Alpha
CDO	Cross-Divisional Orientation
CDSD	Cross-Divisional Sales Dispersion
CEO	Chief Executive Officer
CFA	Confirmatory Factor Analysis
CFI	Comparative Fit Index
CFO	Cross-Functional Orientation
COM	Organizational Commitment
CRM	Customer Relationship Management
CS	Cross-Selling
CSMOT	Cross-Selling Motivation
CSREADY	Cross-Selling Readiness
CSSUC	Cross-Selling Success
df	Degrees of Freedom
Dresdner	Dresdner Bank
e.g.	exempli gratiā (for example)
EFA	Exploratory Factor Analysis
et al.	et allii (and others)
etc.	et cetera (and so on)
FR	Factor Reliability
i.e.	id est (that is; in other words)
IDENT	Brand Identity
IT	Information Technology
MNE	Multinational Enterprise
Mgmt	Management
p.	Page
RA	Reliability Analysis
RBV	Resource-Based View
RMSEA	Root Mean Square Error of Approximation
SD	Standard Deviation
SPSS	Statistical Package for Social Sciences
TLI	Tucker-Lewis Index
Vol.	Volume
vs.	Versus (against)

Abstract

The original concept of cross-selling was based on the premise that by providing additional products and services to existing customers, more value for both supplier and customers gets created. When cross-selling is successful, manufacturing companies gain a greater share of the customer's wallet, which generally results in more stable business growth rates, stronger customer ties, less customer churn, and a sustainable competitive advantage. These benefits make it all the more surprising that many companies, especially in business-to-business markets, fail to leverage their existing cross-selling potential. Cultural and human resource aspects and coordinative issues often play decisive roles, and yet again rather surprisingly, research on the topic in general, and studies of success factors in particular, has been limited and left a wealth of unanswered questions. How can managers effectively realize cross-selling potential in their organization? How can they successfully design and implement a cross-selling strategy? How might the risk of implementing a cross-selling strategy be reduced?

This dissertation aims to fill some research gaps in this area by investigating the term "cross-selling" according to three methods (semantics, grounded theory, focus group interviews) and developing a working definition for business-to-business markets. Four separate studies together constitute a mixed-method cumulative research procedure, such that each study pursues a specific focus and follows a specifically defined methodology. In Study I, face-to-face interviews with sales managers in different industries reveal a holistic set of key challenges for cross-selling. Standardized questionnaires were distributed to salespeople of an international glass manufacturer in Studies II and III, to research the interplay between organizational culture and a salesperson's prerequisites for realizing cross-selling. Finally, to account for organizational generalizability, open-ended questions of various managers and salespersons of different companies provide the data for Study IV.

The findings contribute to current research and practice in several ways. First, the meaning of cross-selling is newly defined for business-to-business markets, which should sensitize managers to the variability of the term. Second, the identification of six main challenges for cross-selling realization spans multiple industries. Third, this dissertation advances organizational and salesperson-specific research on cross-selling success, not only by operationalizing new cross-selling-related variables but also by testing antecedents of cross-selling success. Fourth, the proposed weighting and prioritization of cross-selling challenges provides an example for an implementation that can reduce the risks of cross-selling realization. Fifth, this dissertation provides a multilevel framework that suggests a contingency approach to cross-selling realization.

Zusammenfassung

Das ursprüngliche Konzept des Cross-Selling beruht auf dem Gedanken, dass durch den Verkauf zusätzlicher Produkte und Leistungen an bestehende Kunden ein Mehrwert geschaffen wird, von dem sowohl Anbieter als auch Kunde profitieren. Bei erfolgreicher Ausführung einer Cross-Selling Strategie erreichen Hersteller einen höheren Grad der Kundenausschöpfung, profitieren dadurch von stabilen Wachstumsraten, einer starken Kundenbindung, weniger Kundenverlusten und einem nachhaltigen Wettbewerbsvorteil. Um so mehr überrascht es, dass viele Unternehmen, speziell in Business-to-Business Märkten, vorhandene Cross-Selling Potentiale nur geringfügig ausschöpfen. Kulturelle, personelle und strukturelle Aspekte spielen oft eine entscheidende Rolle. Es überrascht abermals, dass Forschungsergebnisse zum Thema Cross-Selling generell, aber auch speziell in Bezug auf dessen Erfolgsfaktoren, sehr limitiert sind und viele Fragen unbeantwortet bleiben. Wie können Manager effektiv Cross-Selling Potentiale in ihrer Organisation realisieren? Wie können sie erfolgreich eine Cross-Selling Strategie entwerfen und implementieren? Wie kann das Risiko bei der Implementierung einer Cross-Selling Strategie reduziert werden?

Das Ziel dieser Dissertation ist es Antworten auf diese Fragen zu finden und somit vorhandene Forschungslücken zu schließen. Hierzu wird zunächst eine Analyse des Cross-Selling Begriffs anhand von drei unterschiedlichen Methoden (Semantik, Grounded Theory, Fokusgruppengespräche) durchgeführt und eine Arbeitsdefinition für Business-to-Business Märkte abgeleitet. Desweiteren werden anhand vier separater Studien, innerhalb eines kumulierten Forschungsprozesses, spezifische Schwerpunkte gesetzt. Jede Studie folgt einer speziell definierten Methodik. So verdeutlichen Einzelgespräche, mit Verkaufsleitern verschiedenster Industrien, gesamthaft die Kernherausforderungen des Cross-Selling in Studie I. In Studie II und III wurden standardisierte Fragebögen an Verkäufer eines internationalen Glas Herstellers versand, um die Wechselwirkung von Organisationskultur und verkäuferspezifischen Grundvoraussetzungen für die Realisierung von Cross-Selling zu untersuchen. Um die organisationale Generalisierbarkeit zu erfassen, liefern Gespräche einer teilstandardisierten Befragung, mit Managern und Verkäufern unterschiedlicher Firmen, die Daten für Studie IV.

Die Haupterkenntnisse der Dissertation tragen auf unterschiedliche Art und Weise zum theoretischen und praktischen Erkenntnisfortschritt bei. Die Bedeutung von Cross-Selling für Business-to-Business Märkte wird neu definiert, was Manager für die Wandelbarkeit des Begriffes sensibilisieren soll. Darüber hinaus umfasst die Untersuchung mehrere

Industrien, was ein Fundament für zukünftige Forschung im Business-to-Business Bereich schafft, aber auch einen Beitrag für die organisatorisch und verkäuferspezifische Forschung leistet. Dies erfolgt nicht nur durch die Untersuchung von Determinanten für den Cross-Selling Erfolg, sondern auch durch die Operationalisierung Cross-Selling bezogener Variabeln. Zudem wird eine Gewichtung und Priorisierung von Cross-Selling Herausforderungen vorgeschlagen, die hilft Risiken der Cross-Selling Realisierung zu reduzieren und somit als Beispiel für die Implementierung dient. Schliesslich deuten die Erkenntnisse dieser Dissertation auf einen situativen Ansatz der Cross-Selling Realisierung hin, welcher durch ein mehrstufiges Rahmenmodell aufgezeigt wird.

"...to win the cross-selling race, you need to be sure to do the right thing, because cross-selling not only brings about growth but also risk and potential harm."

—Chief Sales Officer, IT service organization, Switzerland

1 Relevance of Study

1.1 Problem Definition and Practical Relevance

In many industries, cross-selling has become a common sales and marketing practice, though debate continues about this frequently used customer-retention strategy that promises such high returns on investments (Harding, 2002; Jarrar and Neely, 2002; LaValle and Scheld, 2006). Its underlying promise entails the idea that by selling additional products and services to existing customers, the cross-selling transaction creates more value for both customer and supplier. By offering more products from their current product portfolio, suppliers create value for their customers, who now can procure supplies from a single vendor. The customer reduces the number of firms from which it buys, which simplifies the buying process and may encourage stronger cooperation with a few specific, preferred suppliers (Homburg and Kuester, 2001).

For suppliers, cross-selling enables them to increase their sales and exploit their broader product portfolio, thus generating high turnover with only marginal costs. They experience no extra costs in production or distribution, because their customer relations and sales channels already have been established. Rather, their use of existing capacities simply is more efficient (Cornelsen, 2000). Accordingly, "Cross-selling usually generates higher margins, uses less capital per dollar of sales, and enables longer and deeper customer relationships" (Harding et al., 2004, p.52). Moreover, suppliers have an opportunity to expand their customer relationships into new product areas, which can lead to a higher share of wallet and thus a greater probability of stable business growth rates, strong customer ties, less customer churn, and a sustainable competitive advantage (Ansell et al., 2007; Ritter, 1993). As Timothy et al. (2007) note, efforts to improve a customer's share of spending can add as much as ten times more value to a company than focusing just on retaining customers alone (e.g., through bonus or loyalty programs).

Despite all the benefits of cross-selling, many companies still encounter economic and financial challenges in trying to reach their cross-selling potential (Mundt et al., 2006). Organizations usually focus on core processes, not customer needs, which creates great potential for conflict (Belz, 1999). In non-customer-focused organizations, the sales force is structured according to product areas and individual business units, and salespersons likely have clear product responsibilities and incentive schemes that focus their efforts on one product area or business unit (Hutt and Speh, 2004). To *cross*-sell to an existing customer, there must be sales *across* business units. Figure 1-1 outlines the challenges and benefits of cross-selling, with some citations from practice.

"The fact that we are a multi-divisional, multi-functional, multi-regional, multi-plant and a multi-product company is not the customer's problem." **—Mike Newman (1996), Vice President Global Marketing, 3M**	"180 of our customers cooperate with only one unit of the ABB group. With these customers ABB attains a 'share of wallet' of 8%. If our company is able to increase this share with global customers from 8% to 12%, we gain $4 billion." **—Jörg Centermann (2000), CEO, ABB**

Figure 1-1: Consensus About Organizational Challenges and Chances for Cross-Selling
Source: Own representation

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, companies make frequent use of customer relationship management (CRM) systems (Kemp, 2004; 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 (in reference to Kuß et al., 2007). For example, the inactive buying potential of a customer cannot be monetized directly. To calculate cross-selling potential, firms can use scoring or portfolio models that assign quantities and features to individual customers, resulting in individual customer scores, which in combination provide a consolidated figure for customer value (Kuß et al., 2007). Figure 1-2 portrays a common procedure for using customer value data to determine a cross-selling strategy; by increasing the customer penetration, the contribution margin per customer can be increased, which lowers the total cost of ownership. To increase customer penetration, one possible course of action (top of Figure 1-2) would be to increase the breadth of products sold to a customer, or selling products across various dimensions, because the product portfolio that the customer acquires grows wider.[1]

[1] A detailed classification of the term "cross-selling" appears in Study I and Chapter 2.

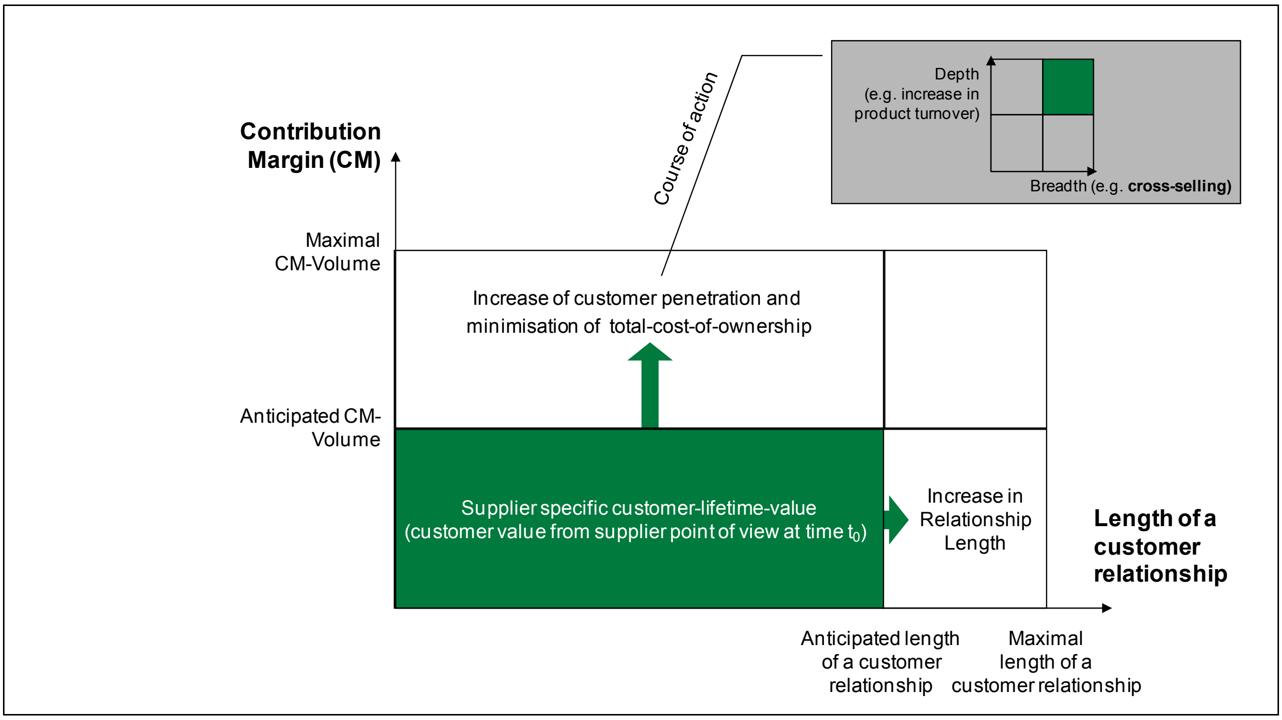

Figure 1-2: Starting Points for Increasing Customer Lifetime Value
Source: Adapted from Tewes (2003)

The problem is that few companies carry out their CRM sales strategy throughout the organization. Most stick to a few select business areas (e.g., certain product groups, certain geographical regions, certain salespeople) (Gulati, 2007; Gulati and Oldroyd, 2005), such that the failure of cross-selling occurs "because we looked to technology to solve the problem through sophisticated customer relationship management applications that are focused too much on segmenting customers and not enough on the processes needed to ask for the business" (Kane, 2005, p.64). Focusing on customer value calculations and sales forecasts offers only a narrow view of the organization. Using marketing information systems technology (MIST) is reasonable, considering the attributes it provides for facilitating cross-selling (Zineldin, 1996), but what companies seem to forget is that customers follow their own path of behavior. The cross-selling potential for one product or customer group might be completely different than the potential calculated by another organizational division. Even if CRM provides valuable customer information and models of customer lifetime value, managers have difficulties realizing forecasted sales potential in a way that is both beneficial and sustainable (Ahearne et al., 2007; Jarrar and Neely, 2002; Kemp, 2004; LaValle and Scheld, 2006; Mundt et al., 2006):

"...So executives invest in a new CRM or a new training workshop thinking that will fix this problem. Those efforts help. But only in the sense that it rolls the ball out onto the field. It doesn't get it through."

—Maura Halligan, Founding Partner, Agentive, Lindenhurst, NY

Source: *McKinsey Quarterly* (May 2010)

1.2 Purpose and Research Question

The purpose of this dissertation is to explore how calculated cross-selling potential can be realized throughout the organization. Thus, unlike past research (e.g., Ansell et al., 2007; Bielski, 2007; Duclos et al., 2008; Glanforte, 2005), the focus does not lie on the technicalities of calculating cross-selling potential or on identifying new cross-selling products. It rather lies on the realization throughout the entire organization.

In economics, realization is interrelated with balancing inputs vs. outputs and achieving maximal returns (Frank and Bernanke, 2001). To portray this interdependence for the topic of cross-selling, the terms economic efficiency and effectiveness play a decisive role. To clarify this role, both terms shall be analyzed. *Economic efficiency* refers to the usage of resources to maximize the production of goods and services (Sullivan and Sheffrin, 2003). In other words economic efficiency relates to the operative side of business, or stated simply, "doing things right". *Economic effectiveness* instead defines the degree to which an objective is achieved (Drucker, 1967). That is, economic effectiveness relates to the management side of business, or "doing the right things".

Cross-selling is an option, not a necessity, for most companies (Fleming, 2006; 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.

Thus, this dissertation highlights ways to realize cross-selling success effectively. Its analysis of different organizational factors and cross-selling situations provides managers with hands-on recommendations. These recommendations should lead to efficiency increases as well, because they include a structured means to realize cross-selling potential, which can reduce costs and personal energy. In short, the main question this dissertation aims to answer is:

How can managers effectively realize cross-selling potential throughout their organization?

To answer the research question, this dissertation first presents an exploratory research about the key challenges of cross-selling realization (see Study I in Figure 1-3). In this study cross-selling theory is build by making use of various survey methods (literature research, focus group interviews, and unstandardized questionnairs). Following that Study II and III (see Figure 1-3) verify and test the identified key challenges by operationalizing cross-selling specific variables and making use of structural equation modeling. Questions answered are: "What are the organizational prerequisites of cross-selling?", "What role does organizational culture have on cross-selling success?" and "What influence do salesperson-specific aspects have on cross-selling success?" In a fourth study (also Figure 1-3) prior results and theory are applied to an industry overarching research setting to gain insights on the impact of individual measures on cross-selling realization. Research methods are semi-structured interviews and a critical incident collection. Questions answered are: "How can managers reduce the risk of cross-selling realization?", "How might organizations successfully design and implement a cross-selling strategy?", "Which organizational layers are relevant for successful cross-selling implementation?", "How is it possible to differentiate high-versus low-priority challenges for cross-selling realization?"

Conclusively, to obtain an answer to the main research question, this dissertation follows a cumulative research approach with four individual studies each answering different sub-questions. Each paper varies in its thematic breadth and depth and is part of an iterative research process of theory building, verification, and application.

In summary, all sub-questions are:

1. What are the key challenges of cross-selling realization?
2. What are the organizational prerequisites of cross-selling?
3. What role does organizational culture have on cross-selling success?
4. What influence do salesperson-specific aspects have on cross-selling success?
5. How can managers reduce the risk of cross-selling realization?
6. How might organizations successfully design and implement a cross-selling strategy?
7. Which organizational layers are relevant for successful cross-selling implementation?
8. How is it possible to differentiate high-versus low-priority challenges for cross-selling realization?

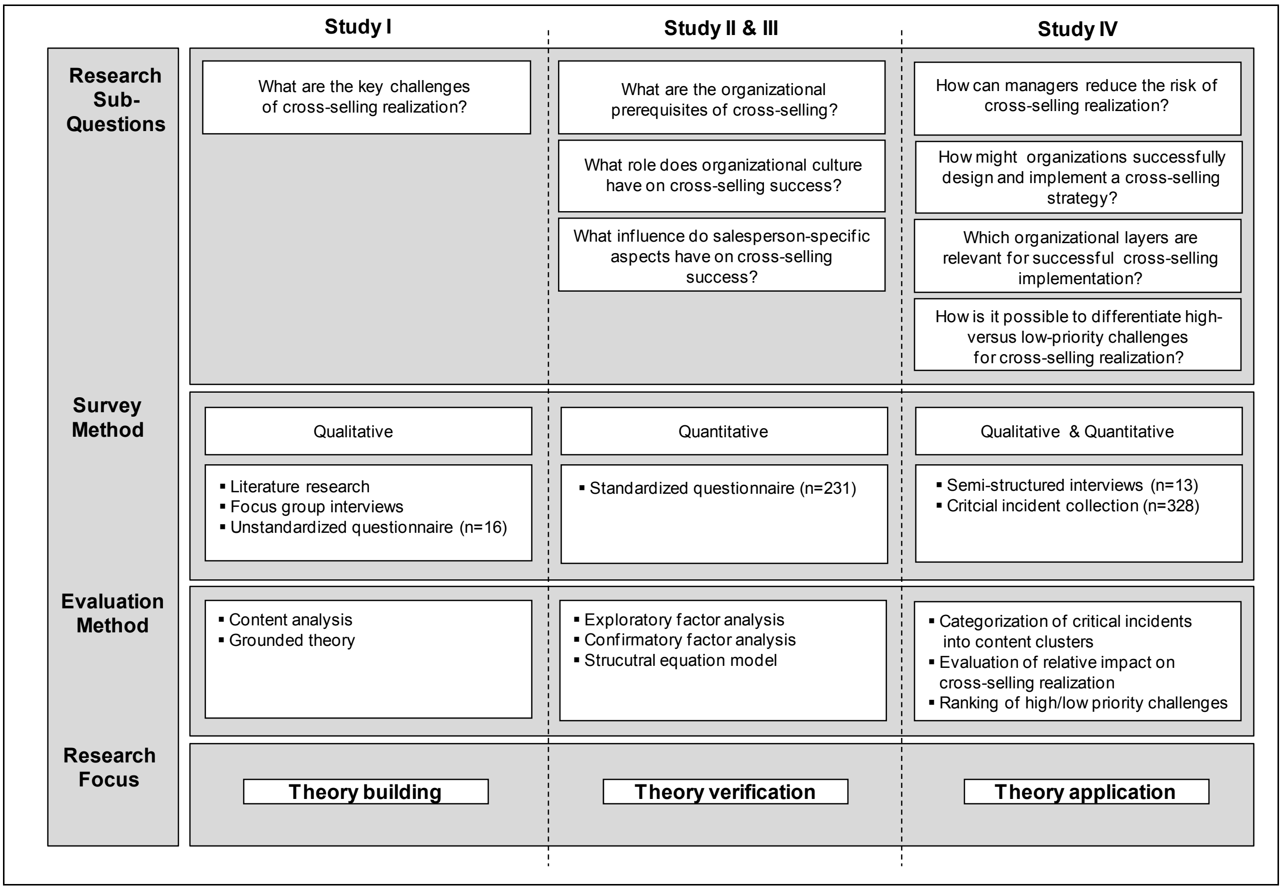

Figure 1-3: Research Design and Research Methodology of Cumulative Dissertation
Source: Own representation

1.3 Structure

The structure of this dissertation is not that of a classic dissertation but, due to the cumulative character, rather entails an assembly of the four individual contributions (to be) published in academic journals and magazines. The dissertation is structured as follows (see Figure 1-4): Chapter 1 contains descriptions of the research problem, the structure, and the overall contribution of this dissertation. Chapter 2 defines cross-selling, its organizational relevance, and the salesperson perspective on it. Moreover, the chapter outlines the research approach and the theoretical foundation of each study, creating the contentual basis for the middle and main part of this dissertation: Four papers[2] (Chapters 3–6), each related to a different part of the research process and each answering a different kind of research question. The dissertation finishes with Chapter 7, which contains a summary and discussion of each study's key results, along with an overarching conclusion and business model for cross-selling realization, theoretical and managerial implications, and limitations and suggestions for further research.

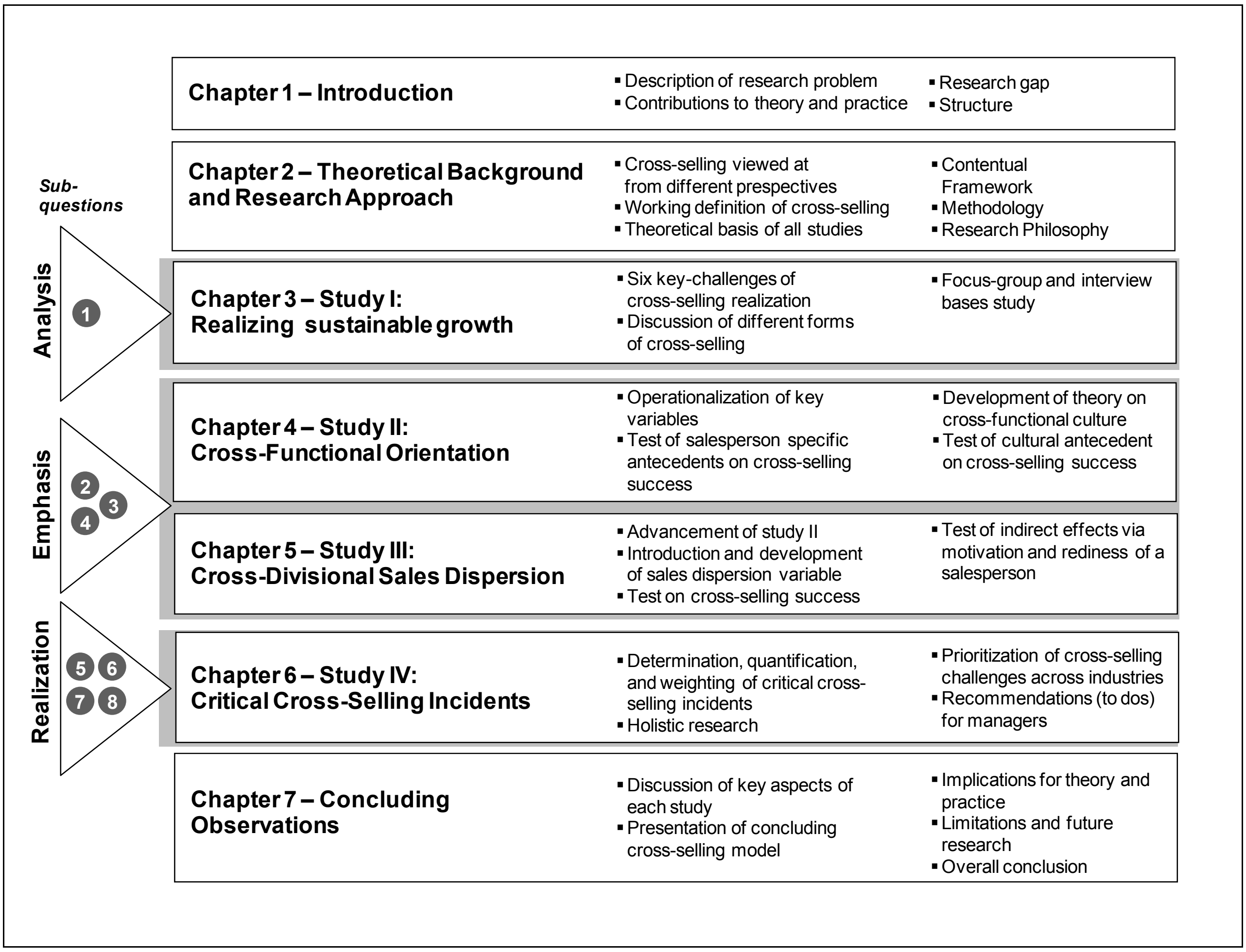

Figure 1-4: Structure of Dissertation
Source: Own representation

[2] The cumulative character of this dissertation means some paragraphs have similar content, which may convey an impression of redundancy. In favor of uniformity though, the original text of the separate studies has not been altered or limited for this dissertation.

1.4 Contribution

1.4.1 Theoretical Contribution

Despite the importance of cross-selling on the managerial side, the topic has been investigated only marginally from a scientific standpoint (Rudolf-Sipötz and Tomczak, 2001). A more thorough pursuit clearly is needed, as previous authors have asserted: "Despite the importance of cross-selling, very little research has been directed towards its understanding. Most references to this strategy are managerial rather than theoretical, pointing to a deficiency which needs to be addressed" (Kiefte, 1995, p.53). Moreover, most publications about cross-selling refer to financial services (Harrison and Ansell, 2002; Jarrar and Neely, 2002; Kamakura et al., 1991; Li et al., 2005; Lymberopoulos et al., 2004; Peltier et al., 2002; Ritter, 1993; Wittmann, 2007) or adopt a database (CRM) focus (Ansell et al., 2007; Byers and So, 2007; Kamakura et al., 1991; Kamakura et al., 2003; Mundt et al., 2006; Netessine et al., 2006). Also, various definitions of the term “cross-selling” persist (Belz, 1999, p.81; Hutt and Speh, 2004, p.341; Kuß et al., 2007, p.128; Zeithaml and Bitner, 2003, p.176).

This dissertation offers five main contributions. First, focus group and exploratory interviews related to the definition and challenges of cross-selling realization shed light on why there are so many different definitions of the term. A combination of managerial analysis and theoretical determination leads to a thorough outline and explanation of “cross-selling”. In turn, it is possible to derive a working definition for business-to-business relationships. Second, after clarifying the term cross-selling but also acknowledging the difficulties in explaining it, an exploratory study (Study I) across various companies and industries helps analyze, compare, and structure the main challenges related to cross-selling realization.

Third, a detailed investigation tests the effects of organizational culture, the amount of products handled by a salesperson (product mix), and individual salesperson characteristics on cross-selling success (Studies II and III). These investigations also consider the role of the boundary-spanning salesperson, who has the strenuous task of serving as the go-between for the organization and the customer. These salespeople must balance out the cross-selling strategy of the organization and the cross-selling demands of their customers. This dissertation provides suggestions for handling this difficult role. In addition, the operationalization of new constructs (cross-divisional orientation, sales dispersion of products, cross-selling motivation and readiness), in combination with the use of established constructs in a new environment (cross-selling success, organizational commitment) contributes to current theory.

Fourth, this dissertation adds to theory by employing a combination of qualitative and quantitative research techniques in a holistic research endeavor (Study IV). This approach highlights the importance of an organization-wide perspective on cross-selling by showing the need to rank cross-selling challenges into high- and low-level problems. It also demonstrates that the topic of cross-selling entails multiple perspectives and various facets, each of which must be controlled for at the same time.

Fifth, this dissertation contributes to theory by clarifying that cross-selling is a complex topic that cannot be handled with a single, overly simplified approach. The complexity of cross-selling demands a contingency approach for management, such that strategies for cross-selling always should be adapted to the situation at hand for a particular organization. This research, on a cross-industry basis, provides examples for identifying and managing cross-selling challenges.

1.4.2 Managerial Contribution

Beyond its theoretical contributions, this research offers a series of managerial contributions. First, the results give managers an appropriate definition of cross-selling, such that they gain a profound understanding of what cross-selling stands for in their organization. In particular, this study grants managers the insight that cross-selling cannot be defined statically for a single point in time but rather must be adjusted according to the dynamics of the business environment.

Second, cross-selling depends on the lower hierarchical levels of the organization; thus, managers must inject cross-selling–relevant behavior and incentives locally. Each division or business unit has an individual culture that should be addressed separately and specifically. An organization-centric positioning of cross-selling actions likely is of little effect.

Third, this dissertation contributes to managerial practice by showing that cross-selling involves the task of prioritization. Even if managers can identify relevant levers for cross-selling, the order of implementation plays a crucial role. In relation to this point, this study reveals that cross-selling implementation needs to be realized holistically. The results contribute to current practice by highlighting that cross-selling implementation should take three different organizational perspectives into consideration: salesperson, sales manager, and top management.

Fourth, this dissertation provides a series of recommendations and implications for managers that can help them implement a cross-selling strategy. These ideas should help managers reduce the risks of cross-selling realization, because they can clearly differentiate between high- and low-priority challenges for example (Study IV). With detailed, overarching recommendations, managers can better convince their superiors of their cross-selling actions, and then carry out these actions. Moreover, the detailed recommendations provide suggestions for reducing the risks and costs of cross-selling realization. That is, this research can increase the effectiveness and ultimately the efficiency of cross-selling realization.

2 Theoretical Background and Research Approach

2.1 Theoretical Background

2.1.1 Cross-Selling Definition

In relation to the various research approaches there are just as many ways to identify a research problem. An investigation of prior literature related to the topic of cross-selling clearly reveals that there is no common definition of the term (Schäfer, 2002) making a problem identification even more difficult. Depending on the industry, buyer or seller perspective, relationship status, time of purchase, and organizational alignment, cross-selling can mean many different things. Thus, and in order to narrow down the research problem it seems necessary to develop a working definition for this study, based on three approaches: (1) a semantic investigation of the term, (2) a grounded theory study of organizational change management, and (3) focus group interviews across different industries. See Figure 2-1.

This is done by a thorough analysis of the semantic meaning of the term cross-selling, by looking at the organizational meaning of cross-selling, and by investigating the differences of the term across various industries and companies.

It needs to be noted that each of the three approaches aid in approaching the core of the research problem but in themselves they do not derive a self-standing definition . Also, there is no investigation of prior definitions of the term cross-selling, as these have been issued in other research endeavors extensively (Schäfer, 2002). The three-fold investigation rather adds to the understanding of the multi-dimensionality and the variability of the term. After the three approaches of investigation are explained, a working definition is derived for this dissertation and the following four studies.

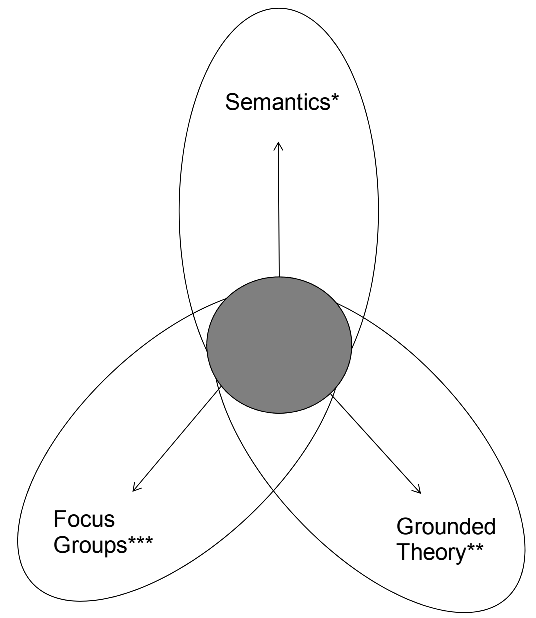

Figure 2-1: Identifying the Research Problem
*Source: Representation adapted from Kotouc (2006); *Blackburn and Simmons (1999), Tarksi (1944); ** Jones (2004); *** (Kleijnen et al., 2009; Tuli et al., 2007)*

2.1.1.1 Cross-Selling from a Semantic Perspective

Dividing the term “cross-selling” into its component parts and investigating the resulting synonyms provides appropriate indicators for the definition (Figure 2-2). The first component (“to cross”) conveys a passing of some kind across certain borders (e.g., from corner to corner in the organization). The process itself tends to involve activities, such as *navigating*, *going across* (e.g., lines, borders, dimensions), or trying to *interconnect* (e.g., functions, divisions). The entire process might have the character of a *journey* (synonymous with a crossing) or a *trip* to be taken, which implies a long-term orientation. The second part of the term (“to sell”) indicates synonyms such as *promotion* or *endorsement* (e.g., sales support), *raising* (e.g., funds), and *distribution* (of products), or even the dissemination of knowledge within the organization. As Figure 2-2 also shows, many different synonyms of the term exist. Combining some of these synonyms into a single sentence implies the following definition of cross-selling:

> *"Taking a long journey to establish the interconnections of different dimensions and support their promotion within and across borders."*

"Cross"	"Selling"

• **Cross = Traverse/Intersect**
  • Traverse = navigate, pass through, negotiate, go across, go over
  • Intersect = interconnect, overlap
• **Across = Crossways**
  • Crossways = from corner to corner
• **Crossing = Journey**
  • Journey = passage, trip
	• **Sales, Sale**
	• **Selling = Advertising/Promotion**
	  • Advertising = publicity
	  • Promotion = endorsement, advertising, raise
	    • Endorsement = support
	    • Advertising = campaign
	    • Raise = upgrade
	• **Distribution = Sharing / Delivery / Spreading**
	  • Sharing = allocation, division
	  • Delivery = circulation
	  • Spreading = dissemination

Figure 2-2: Semantics and Synonyms of the Term "Cross-Selling"
Source: Own representation, in reference to the Oxford English Dictionary

To take this first possible definition of cross-selling to a more abstract level, the sentence can be divided into four subparts: (1) journey, (2) interconnections, (3) support, and (4) across borders.

1. *Taking a (long) journey*: Implies that establishing functional cross-selling activities probably is not a one-time procedure to be implemented and takes time.
2. *to establish the interconnection of different dimensions*: In addition to products that can be dimensions to be interconnected (or cross-sold), others elements within the company might fit this portion.
3. *and support their promotion*: The support and promotion of cross-selling activities within the company can originate from many different hierarchical levels, such as sales support personnel, key account managers, strategic advisors, and so forth.

4. *across borders*: Organizational dimensions add to the complexity of cross-selling and the variety of its forms. Sales force organization involves many different dimensions; in Belz's (1999) dimensional overview of the sales function, it becomes clear that cross-selling also can take on many different forms. It might take place between different product groups (e.g., hardware and software), between different divisions (e.g., products and services), among different areas of responsibility (e.g., key accounts, medium accounts, small accounts), and among different geographic areas (e.g., sales force area north and sales force area south) (Walz, 2008). Cross-selling might even take place between different countries in a multinational firm or between different companies in the case of a merger or acquisition.

In summary, cross-selling realization takes time and likely needs to be adapted over time. Various dimensions should be connected (or crossed).The strategy needs to be promoted or implemented, and the meaning of cross-selling differs depending on which dimensions are crossed (i.e., organizational setup).

2.1.1.2 Cross-Selling from an Organizational Perspective

The semantic approach to defining cross-selling reveals that the general challenge for cross-selling evolves, such that it combines operations and sales activities of different business units. Going further and drawing on organizational theory, it appears that all product areas of the organization should be aligned to ensure products are ready to be sold to a customer. That is, organizations must transform themselves from product-centric to customer-centric. Table 2-1 portrays the differences between organizational forms, as well as the challenges related to this organizational change.

Customers usually can be segmented into individual groups, according to their needs, which then allows for targeting them directly with special offers or combinations of products and services. By avoiding the commoditization of products, customer-centric companies can offer solutions to customers, instead of stand-alone products. In this evolution, mass customization and customer involvement trends have emerged (Piller, 2011) as companies aim to provide product bundles and integrate different products from different business areas (Davies et al., 2007; Foote et al., 2001; Gulati, 2007; Tuli et al., 2007). Depending on the industry, this approach is also known as wealth management of the customer or one-stop shopping offers (Müller-Stewens and Knoll, 2006).

	Product-Centric Company	*Customer-Centric Company*
Goal	Best product for customer	Best solution for customer
Value creation route	Cutting-edge products, useful features, new applications	Customizing for best total solution
Mental process	Divergent thinking: How many possible uses of this product?	Convergent thinking: What combination of products is best for this customer?
Most important customer	Most advanced customer	Most profitable, loyal customer
Priority-setting basis	Portfolio of products	Portfolio of customers - customer profitability
Main offering	Specific products	Personalized packages of service, support, education, consulting
Organizational concept	Product profit center, product reviews, product teams	Customer segments, customer teams, customer profit and loss statements
Most important process	New product development	Customer relationship management
Measures	• Number of new products • Percentage of revenue from products less than two years old • Market share	• Customer share of most valuable customers • Customer satisfaction • Lifetime value of a customer • Customer retention
Culture	New product culture: Open to new ideas, experimentation	Relationship management culture: Searching for more customer needs to satisfy
Rewards	Based on business unit performance	Based on company performance
Approach to personnel	Power to people who develop products • Highest reward is working on next most challenging product • Manage creative people through challenges with a deadline	Power to people with in-depth knowledge of customer's business • Highest rewards to relationship managers who save the customer's business
Sales bias	On the side of the seller in a transaction	On the side of the buyer in a transaction

Table 2-1: Product-Centric vs. Customer-Centric Companies
Source: Galbraith (2002)

In general, companies that use their resources to establish a customer orientation leverage their resources more effectively than non-customer-oriented companies (Coviello et al., 2002; Day, 2006; Gulati and Oldroyd, 2005; Kohli and Jaworski, 1990; Venkatesan and Kumar, 2004; Verhoef, 2003). To realize cross-selling, it seems as if the organization needs to transform from a product- to a customer-centric organization. Yet to become customer centric, managers must undergo a strict change process, which often confronts them with risks and uncertainties associated with establishing cooperation among business units and profit centers. Figure 2-3 portrays the change process of a Swiss multinational company that went from being product and division based to customer centric.

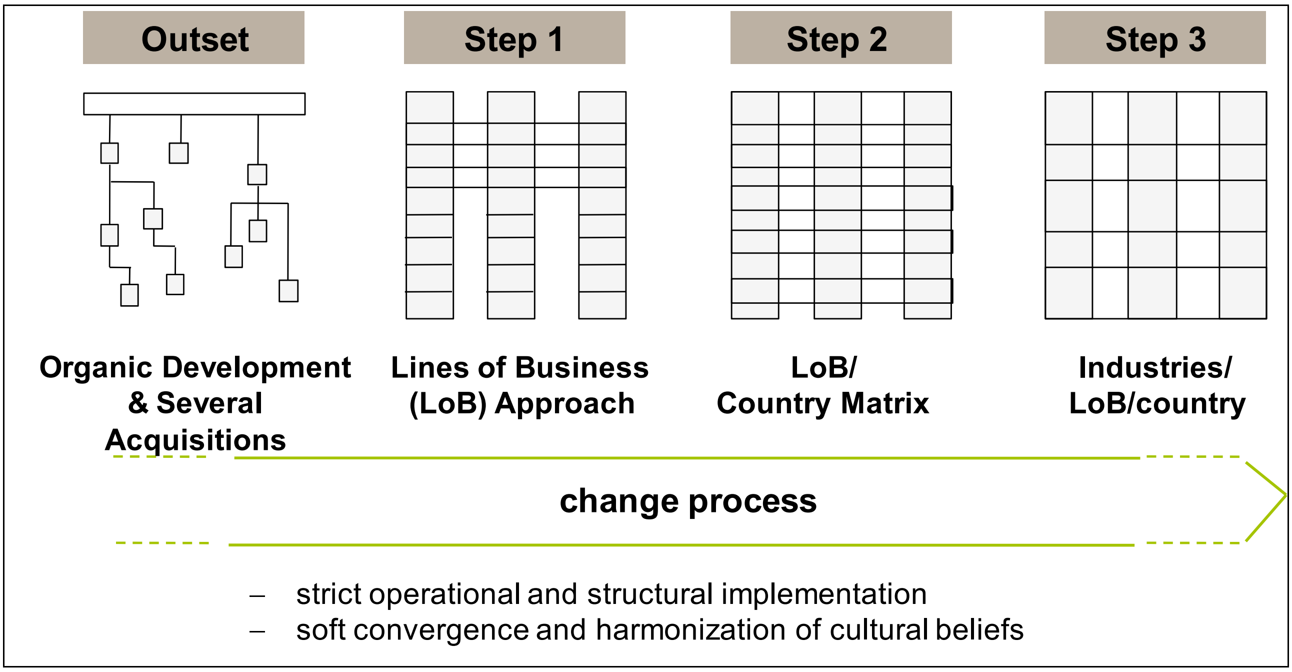

Figure 2-3: Illustration: Change Process at Swiss Multinational Group of Companies
Source: Interview (see Appendix I)

As Figure 2-3 reveals, a change management processes often contains substeps prior to the attainment of the complete change (Gulati, 2007; Tuli et al., 2007). It also usually takes several years, so defining what cross-selling actually means at any given point in time is crucial for its realization. Whereas cross-selling might be defined with certain characteristics at time t_0 (the outset), it might mean something completely different at time t_1 (step 1). This idea becomes particularly evident in a comparison of the differences in organizational structures between the steps in Figure 2-3. At the outset, cross-selling means to sell across different business units, whereas in step 1, the organization has realigned itself (lines of business), and in step 3, the organization has changed completely into a matrix organization that incorporates not only internal lines of businesses but also the countries and industries being served. The term cross-selling thus can vary strongly, according to where an organization stands in its change management process and how it is organized. The critical point for the discussion of cross-selling is that in a perfectly aligned customer-centric organization, the effort to organize cross-selling endeavors diminishes because the individual units of an organization already are aligned toward the customer, and salespeople work together to offer a complete solution (referring to Jaramillo et al., 2007a; Kumar et al., 2008; Saxe and Weitz, 1982).

Accordingly, cross-selling in step 3 takes much less effort because its dimensions (industries, lines of businesses, countries) already are included and connected in the organizational alignment. The only theoretical form of cross-selling that requires much coordinative effort is when solutions, rather than individual products, get cross-sold to the customer, though this case is relatively uncommon, because solutions tend to be developed together with a customer, not offered off the shelf. At step 3 theoretically the organization is aligned perfectly toward the customer, and cross-selling demands fewer resources and entails less risk than it did in former steps. The greater the customer centricity of an organization, the lower its effort and risk of cross-selling, because "the problem of cross-selling exists in organizations which are organized according to products (functions and countries) and not according to customers" (Belz, 1999, p.295). This point is not to imply that in a customer-centric organization, cross-selling is not needed anymore; rather, it suggests that a customer-centric organization aims to facilitate cross-selling.

Organizations move from a product- to a customer-centric organization to realize cross-selling; depending on where they are in their change process, the needs and challenges for cross-selling vary with the degree of change. This process follows dynamic organizational changes over time. Thus, when analyzing and defining cross-selling, it is necessary to take market dynamics (time) and organizational change into consideration, because they inherently appear within the theme of cross-selling.

In summary, the definition of “cross-selling” depends on two interrelated dimensions: (1) time, such that changes in the organization alter the meaning of cross-selling over time, and (2) market dynamics, such that cross-selling, as part of a dynamic environmental change process, requires a frequently adjusted definition. In other words, manufacturers must assess their cross-selling strategy by taking the dependency of time and market dynamics into account.

2.1.1.3 Cross-Selling from an Industry Perspective

Focus group interviews, conducted with seven practitioners of four Swiss companies (Table 2-2) operating in three different industries (logistics, industrial goods, finance), were centered around three questions (see Appendix II), designed to test whether the definition of cross-selling really differs as much as the prior methods for defining it would suggest.

Participant Number	Job Description	Company	Industry
1	Head of business customers northwest	SBB	Transportation
2	Account manager, business customers, passenger traffic	SBB	Transportation
3	Head of business customers northwest	SBB	Transportation
4	International key account manager roofing and cladding	SFS	Industrial
5	Product manager and head of accessory sales	SFS	Industrial
6	Division leader, marketing and sales	ABB	Industrial
7	Head of customer service	Post Finance	Financial Services

Table 2-2: Participant Overview
Source: Focus group, University of St. Gallen (IMH-HSG, 2008)

Figure 2-4 depicts the different perceptions of the focal term provided by the participants. The differences in their understanding supports the prior assumption of market dynamics and differences in organizational culture, as outlined in Section 2.1.1.2. Because industries and types of businesses are very different and inherently change, the type of cross-selling and its comprehension varies as well. One company thus defines cross-selling as cross-specialty selling, whereas another defines it as being a one-solution provider. Cross-selling can also occur on a cross-company basis, as in the prominent example of Credit Suisse and Winterthur Insurances (Grant, 1996). In 1996, Credit Suisse and Winterthur joined to form an alliance for selling their products together. Hence, typical banking products were combined with insurance products and salespersons from both sides needed to sell both types of products at the same time. The problem was, that selling approaches for banking products usually followed a different way than those for insurance products. During the year of 1996 Winterthur was sold to the AXA insurance group, as a consequence.

Related to different understandings of cross-selling in practice, participants claimed that the challenges in realizing cross-selling differ. In the case of Post Finance for example, the difficulties of selling different products (e.g., a debit card in combination with already purchased products) center on successfully enabling consultants and frontline sales employees to work together. Moreover, it needed sales material that could clearly show the costs and benefits of every possible sales combination, ready and available. For SBB, the main challenge was getting different railroad networks together, such that it could offer a single price to customers. In SFS's business, the key challenge is communication with three parties: the architect, the principal, and the user of the finished building. SFS mainly sells screws, and its selling proposition states that only with SFS screws do buildings and steel construction have the warranty needed by architects and the principal. Communicating this value, together with additional products throughout the customer chain, thus is the key challenge to cross-selling success according to SFS practitioners.

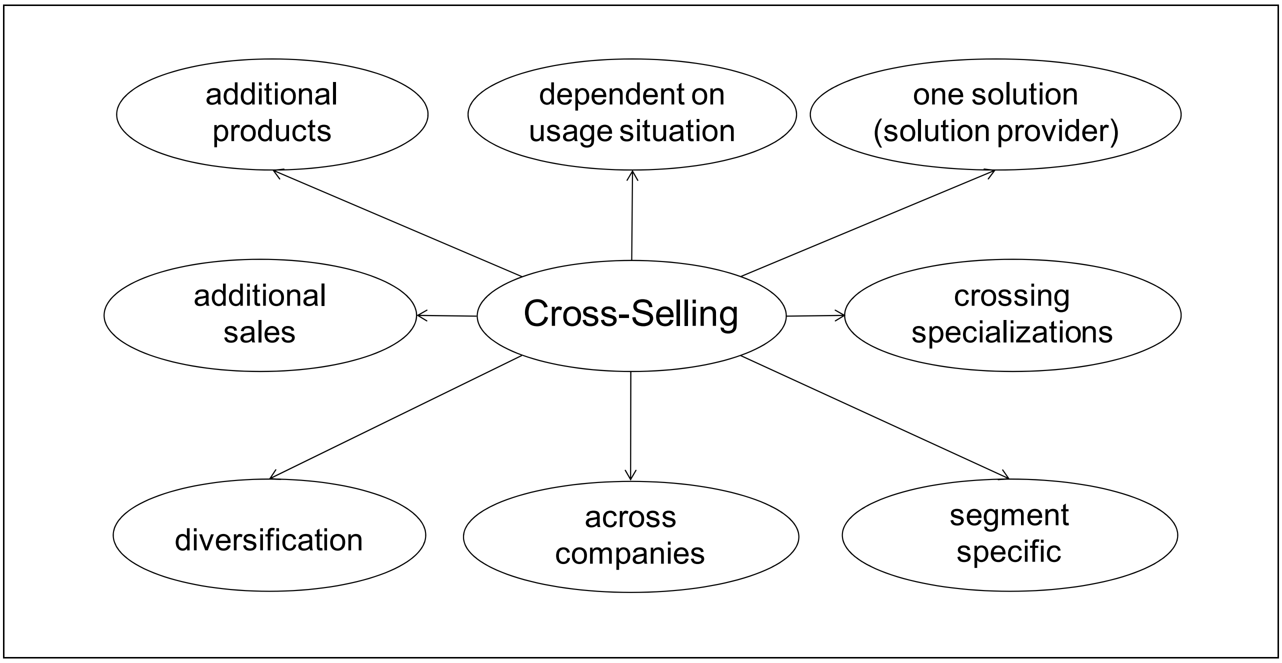

Figure 2-4: Practitioners' Definition of Cross-Selling
Source: Focus group, University of St. Gallen (IMH-HSG, 2008)

The focus group results thus demonstrate that depending on the type of business, both the view of cross-selling and its related challenges differ significantly. When considering the implications for cross-selling, it becomes evident that the differences in definition relate to differences in organization and products, as well as customers. Many combinations of products, product groups, geographical areas, customers, and customer segments are possible, as are varying degrees of customer alignment. Whereas one company might not need to align its entire organization toward its customers, other organizations do so completely. The focus group investigation thus supports the results of Section 2.1.1.2: Depending on which solution or products an organization sells, the degree of customer centricity varies (Galbraith, 2002).

2.1.1.4 Cross-Selling Defined for this Dissertation

Creating a definition of cross-selling demands considering the different dimensions on which companies vary (Galbraith, 2002). As Belz (1999, p.63) states, "it is demanding to combine different dimensions and then lead a sales force within the resulting complexity". Moreover, the main interest of this study lies in the business-to-business sector, where personal selling is the most common form of marketing communication (Chonko et al., 2002). Therefore, to investigate cross-selling realization, the sales force perspective is primary. Research has shown that "salespeople are the primary link between the buying and the selling firm, with considerable influence on how the buyer perceives a seller's reliability and the value of the seller's services" (Weitz and Bradford, 1999, p.241). Thus,

> *Despite the emergence of new technologies and selling formats, the importance of the sales force as a marketing tool remains undiminished. If anything, intensifying competition and the value placed by consumers on face-to-face contact has focused even more attention on the management of sales forces (Misra et al., 2005, p.6).*

To establish a customer orientation, Belz (1999) argues that salespeople must act beyond their initially defined areas of responsibility, as established by the internal structure of the organization. In that sense, every employee has a line of responsibility within a functional dimension, usually associated with very precise individual goals (e.g., product-relevant goals, quarterly financial goals, reporting lines) and specific procedures to follow.

A general working definition of cross-selling that takes into account time, market dynamics, and the organizational setup in a business-to-business environment thus appears related to the notion that salespeople should organize themselves, beyond their clearly defined organizational goals, and act across the borders established by their initially assigned responsibility. The crossing thus refers to lines of responsibility, which change according to the organization, whether at the very beginning of a change process or at the very end, and for various types of products. Cross-selling in its most narrow sense is a strategy that combines salespersons' responsibilities to expand business operations with existing customers in a customer-oriented way (Akcura and Srinivasan, 2005; Belz, 1999; Gulati, 2007; Kamakura et al., 2004; Kane, 2005; Mundt et al., 2006). Therefore, a general meaning of cross-selling depends on the ability of sales personnel to act on a "cross-responsibility" basis. As a general working definition of cross-selling, this dissertation proposes:

Cross-selling is the selling of products and services across the current and future responsibilities of a salesperson.

The salesperson, as the smallest common denominator, represents the only unit within a company that is flexible enough to adapt to time and market dynamics.

For cross-selling, *ceteris paribus*, the initial challenge becomes managing the sales force: Salespeople must understand that by combining their knowledge with adjacent business units, the possibilities for increasing their sales success rise dramatically (Brown and Peterson, 1994). By considering current and future responsibilities of the salesperson, this definition takes market dynamics, organizational change, and time into consideration. In turn, after defining the meaning of cross-selling in a business-to-business context, the next step is to portray how research in this dissertation is conducted. Thus, the next section explains the research methodologies and the contentual setup of this dissertation.

2.2 Research Approach

2.2.1 Methodology

In general, scientific endeavors attempt to generate and advance knowledge. Because there are many different ways of perceiving the world (reality), there are many different ways of conducting research (Blumberg et al., 2005; Dyllick and Tomczak, 2007). To structure and to define a particular research method, researchers can follow two main forms of reasoning: deduction or induction (Beardsley, 1969; Dewey, 1910; Kahane, 1973). In the former, the conclusion follows from the reasons given. This form of inference purports to be conclusive. The latter instead draws conclusions from one or more particular facts or pieces of evidence and does not assume the same strength of relationship between reasons and conclusions. For induction, the conclusion is only a hypothesis and one explanation, and others might fit the facts as well.[3] The preferable method depends on the research question or framework being followed. The interplay between research framework and methodology is not always clearly distinguishable though, so a series of debates has emerged about which research methodology to use when (e.g., Hildebrandt and Wagner, 2000).

Because of its use of different approaches to explain reality, marketing still gets challenged in terms of its scientific authenticity (Dyllick and Tomczak, 2007; Klamer and Colander, 2008). The marketing discipline is connected to various theories and disciplines (e.g., psychology, sociology, social psychology, philosophy, economics, biology), which leads to a primary criticism, namely, that the marketing discipline generates valuable pieces of knowledge but cannot advance knowledge extensively because it fails to feature a superior theory (Dyllick and Tomczak, 2007). Greater scientific pluralism could support the arrangement of different theories in combination. As Schanz (1975, p.327) states: "If our senses convey multiple experiences, then we need multiple theories to systemize these experiences."

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[3] This explanation and discussion of induction and deduction is based on Blumberg (2005, p.22).

Moreover, considering the practical relevance of research results, the gap between relevance and rigor has widened by the ever-increasing focus on positivistic research approaches, accompanied by an academic focus on scholarly journals as the primary output (Bartunek et al., 2001; Svensson, 2006). Hambrick (1994, p.13) for example claims:

> *Each August, we* [*academics*] *come to talk with each other, during the rest of the year we read each others' papers in our journals and write our own papers so that we may, in turn, have an audience the following August: an incestuous, closed loop.*

The widening gap between academic interpretations of the world and practitioners' view is not a new idea - "corporations that have the strongest networks with university researchers and the strongest internal capacity for identifying and evaluating scientific research will be in the best position to solve the really important problems that impede further progress" (Bartunek et al., 2001, p.341). Although quantitative research claims to produce hard facts, whereas qualitative research supposedly offers soft facts (Dyllick and Tomczak, 2007), neither approach produces better results.

Therefore, this dissertation combines qualitative and quantitative methods (see Figure 1-3 and Figure 2-3). By considering different research philosophies and different points of view with multiple research methods (methodological pluralism - see Schanz, 1975), this research aims to advance knowledge profoundly without neglecting the demands of rigorous research methodologies. By incorporating a wide range of companies from various industries (see Table 2-2, 3-1, and 7-1; Sections 3.2, 4.5, and 5.5.2), this dissertation takes an industrial perspective and aims at deriving a broader, more valid set of conclusions, as with one method or unit of analysis. In short, by using triangulation (mixed methods, data, researchers, theories) the practical relevance of the results and the validity of a statement or research finding is strengthened (Bryman, 1992; Creswell, 2003; Punch, 2005).

2.2.2 Contentual Framework

In accordance only with the methodological pluralism of different theories in this dissertation, each study entails a notion of all or one of the following three: (1) the system view, because of the organizational challenge of cross-selling, (2) the behavior-based view, due to the humanistic context of the sales force, and (3) the resource-based view, due to the necessity of careful resource management as explained in study IV. The next paragraphs discuss the connections between each study and each theory in detail. Table 2-3 at the end of this section summarizes the key facts of all four studies and sets the order for the following four chapters presenting each study in its entirety.

2.2.2.1 *Study I*

Study I is based on the systems theory approach (Gomez and Probst, 1995; Malik, 2002; Pümpin and Imboden, 1991; Ulrich, 1968; Ulrich and Probst, 2001) which perceives companies as open socio-technical systems that consist of several subsystems. Each subsystem contains various elements representing the smallest entity within a system. Cross-selling systems within a company might be the salesperson or the sales manager for example, and each system is embedded in an environmental super-system, here, the company (Figure 2-5). The perception of the system environment is established selectively and according to need (Schäfer, 2002); that is, the environment could also be the industry, and single systems could be individual companies.

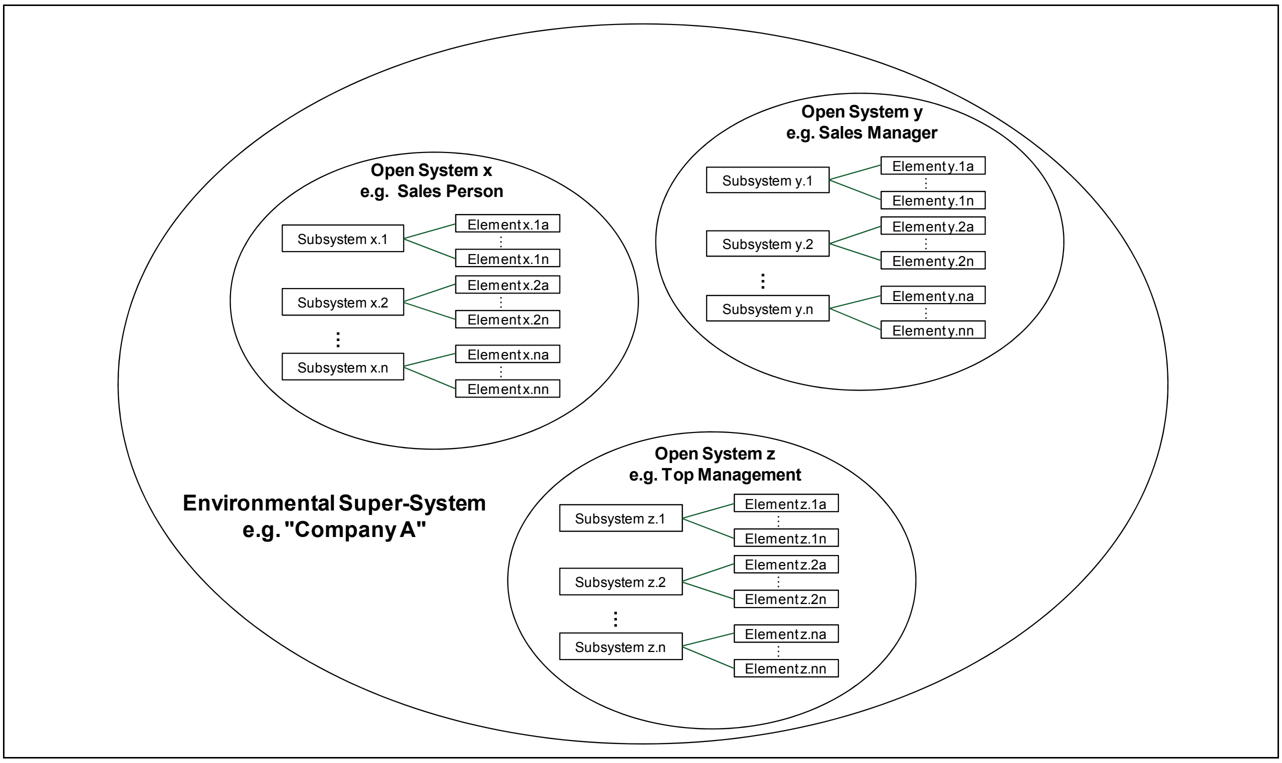

Figure 2-5: The System View of the Organization
Source: Own representation

Study I analyzes the challenges of cross-selling from a system view of the organization, in that it explores the key challenges that arise between and within individual systems within an organization. This being a holistic approach, study I forms the basis for structuring general key cross-selling challenges.

2.2.2.2 Study II and Study III

Study II and III advance the system approach with behavior-based theory, by viewing people within an organization not as single, isolated, functional beings but rather members of a group, to which they develop a relationship (Ulrich, 1968). In combination with systems philosophy, study II and III analyze a system by examining the linkages and interactions among the elements, so “in the most general sense, … a configuration of parts connected and joined together by a web of relationships” (Banathy, 1997, p.4). Thus, combining the behavior-based view and advancing the system view onto the role of the salesperson means that to engage in cross-selling, salespeople must leave their initial system and interrelate with one another. This idea goes in line with the proposed definition of cross-selling (section 2.1.1.4). Moreover, the role of a salesperson involves working as a “boundary spanner,” because each salesperson fulfills two tasks simultaneously. That is, “boundary spanners provide a link between the external customer and environment and the internal operations of the organization. They serve a critical function in understanding, filtering, and interpreting information and resources to and from the organization and its external constituencies” (Zeithaml and Bitner, 2003, p.321). Therefore,

> Research Premise for Study II and III: **The competence of a salesperson to adapt to a boundary-spanning role and to keep up with his or her regular sales job at the same time drives cross-selling realization.**

It follows that this brings about extra costs for salespeople, because they have to engage in adjacent sales endeavors. Yet, it follows then that salespeople try to avoid cross-selling for several reasons (Figure 2-6). Many still believe that sharing knowledge and combining sales efforts will hinder their own sales efficiency and effectiveness. Sales managers also view the company from their subsystem perspective, which leads to poorly constructed incentive schemes for cross-selling and does not encourage interactions of groups and activities between systems (Kane, 2005). Salespeople thus usually focus on divisional goals and upcoming sales quarter results for their specific business unit (Gulati, 2007). They would rather close a \$200,000 deal today than engage in risky negotiations about a long-term project that might result in \$5,000,000 profits (CEB, 2003).

Study II and III investigate these concerns and provide management with insights into the effects of individual salesperson traits and behavioral aspects (e.g. motivation, readiness) on cross-selling success.

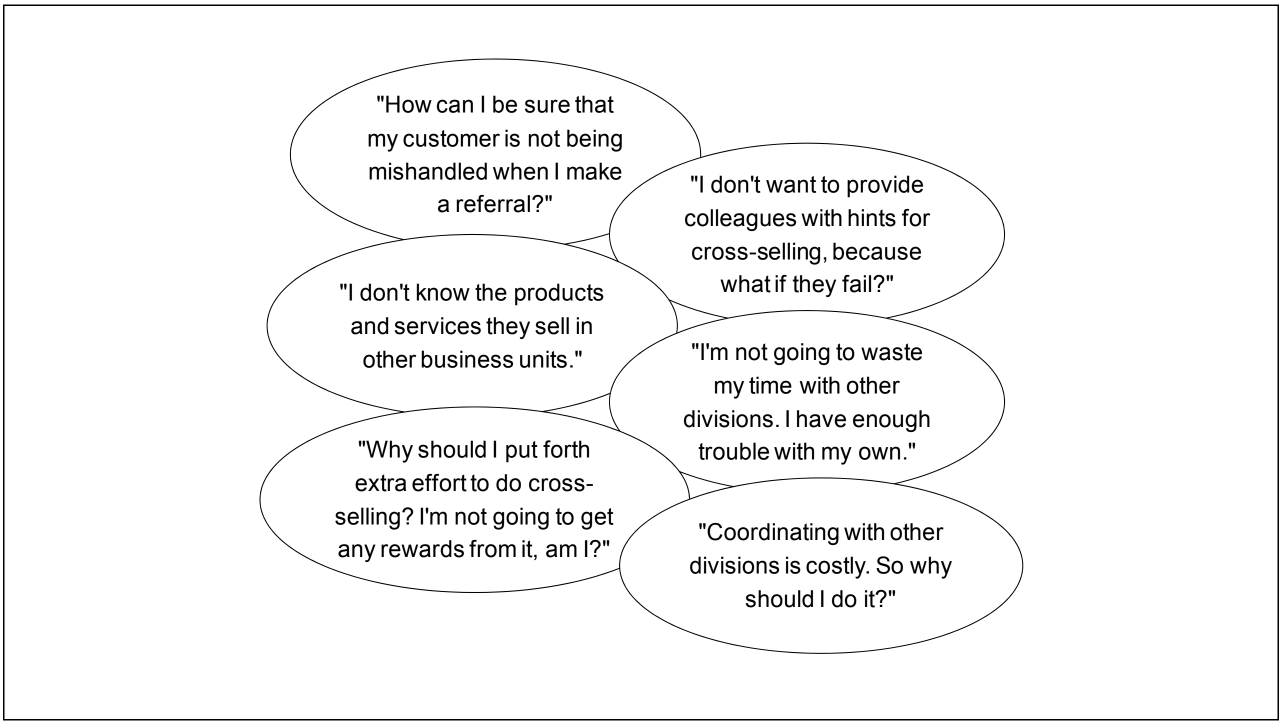

Figure 2-6: Reasons Why Salespeople Avoid Cross-Selling
Source: Dellaferrera (2003)

2.2.2.3 Study IV

After analyzing and testing general key cross-selling challenges and salesperson specific traits for cross-selling realization in studies I to III, the key question finally is how individual systems might be connected most effectively and how individual systems behave. This is done in study IV. To illustrate, without formal sales processes, every system can be described as an open system that takes inputs (e.g., information, customer cues, money) from the environment to ensure its own existence (Fuchs, 1973; Meffert, 1971). Inputs are processed and returned as outputs into the environment, as Figure 2-7 portrays. In this case, the open system is the salesperson who takes customer information from the system environment (i.e., the company), processes the information with the aid of several subsystems (e.g., knowledge, skills, training), and creates new output (cross-selling initiatives) that reenters the system environment.

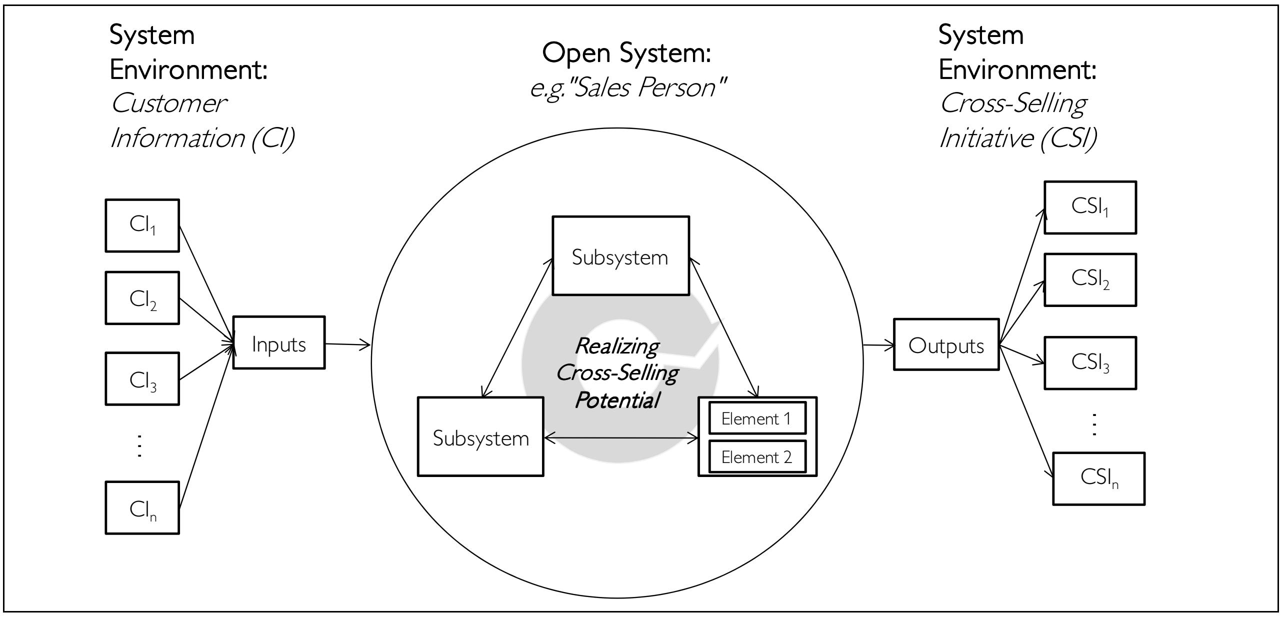

Figure 2-7: Open Systems Circle of Transforming Inputs into Outputs
Source: Adapted from Schäfer (2002)

Study IV focuses on these issues and explains how managers can sort and weight cross-selling challenges that arise from interfering systems. It also sheds light onto the question of which system plays the most critical role and which can be neglected.

In addition, the behavior-based and the resource-based (RBV) view come into play in study IV as well. Study IV analyzes e.g. the compensation, personality, attitude or the training of salespeople. According to the behavior-based view, when people get taught certain behaviors their attitudes and values will adapt respectively (Topf, 2008). That is because performing a certain behavior on a regular basis eventually forms into a routine or habit, forming an attitude or value in the end. Study IV highlights which e.g. attitudes and types of training are necessary to reach a high cross-selling impact with the sales force.

In relation to the RBV it can be stated that in general a resource involves "all assets, capabilities, organizational processes, firm attributes, information, knowledge etc. controlled by a firm that enable the firm to conceive of and implement strategies that improve its efficiency and effectiveness" (Barney, 1991, p.101), and the RBV includes various types of resources (Bamberger and Wrona, 1996; Grant, 1991):

- Organizational (e.g., company culture, management systems).
- Human (e.g., competencies of employees).
- Physical (e.g., product assortment, facilities, site).
- Financial (e.g., full liquidity, access to debt capital).

Study IV investigates these resources in that it analyzes the culture of an organization (organizational resource), the competencies and skills of salespeople (human resources), the product assortment (physical resource) and financial advisory (financial resources), for example.

It must be noted that study IV is not based on RBV theory but it rather creates a picture about identifying those resources that are necessary to focus, keep, expand, and invest in. The resource-based view contains the notion that resources need to be of high value, scarce, unique, and non-substitutable, dealing as a foundation for building a long-term competitive advantage (Barney, 1991; Bharadwaj et al., 1993; Grant, 1991). It suggests that performance differences among firms result from their use of knowledge resources to create idiosyncratic, inimitable internal capabilities (Atuahene-Gima, 2005). Study IV provides an overview about how competitively each resource performs in comparison to other resources within the company. That is, study IV does not benchmark the resources of different companies next to each other but provides an insight about which resources are needed for cross-selling realization. Hence, the resource-based view can be considered not as a basis for study IV but as an outcome.

Moreover, study IV can be classified as a cross-sectional study and thus as a suggestion for how to identify those systems, behaviors, and resources most prominent for cross-selling at present. The results shall not be considered as timely fixed, because just as markets, organizations, employees, and the competition changes so do cross-selling specific resources. Study IV exemplifies how managers can use research to establish a prioritization of cross-selling for themselves.

It must be noted that, once a set of competences has been identified, it needs to be controlled for on a regular basis. That is, because even though routines enable firms to search for new markets or sales endeavors in a specific direction, they also constrain firms' ability to absorb new information related to alternative business opportunities. Thus, a danger newly cross-selling specific routines bring about is that they manifest themselves deeply in the organization, creating competency traps that are hard to escape (Atuahene-Gima, 2005). A competency trap results from a lack of activity, or inertia, which prevents organizations from renewing their current competences and skills (Danneels, 2006, 2004; Henderson, 2006). Hence, study IV suggests a contingency approach to cross-selling realization. This means that measures and results should be adapted to the current situation at hand and need to be critically reflected upon on a regular basis (Weitz, 1981)

Title of Publication	Authors	Journal	Status	Industries	Contribution
Cross-Selling: Realizing Sustainable Growth	Malms, Oliver and Schmitz, Christian	*Marketing Review St.Gallen*, Vol. 25, Issue 3, p.30-37	Published	Industrial goods, financial services (retail), printing solutions, transportation, fastening and automation technology	(original version in German) • Exploration of topic • Interpretation and construction of specific aspects of cross-selling • Structuring of key cross-selling challenges • General suggestions for managers
A Salesperson's Cross-Functional Orientation: Antecedents and Effects on Cross-Selling Success	Malms, Oliver and Schmitz, Christian	*Conference Proceedings of the AMA 2010 Winter Educators Conference*, New Orleans	Published	Technical glass and glass articles	• Investigation of cultural and salesperson-related influences on cross-selling success • Differences between salesperson traits on cross-functional behavior and cross-selling success
Cross-Divisional Orientation: Antecedents and Effects on Cross-Selling Success	Malms, Oliver and Schmitz, Christian	*Journal of Business-to-Business Marketing*, Vol. 18, Issue 3	Published	Technical glass and glass articles	• Extends Study II by incorporating a sales dispersion variable and its effect on cross-selling success • Interplay of cross-selling motivation and cross-selling readiness on cross-selling success
Determining, Quantifying, and Weighting Critical Cross-Selling Incidents: A Holistic Approach	Malms, Oliver	tbd	n/a	Information technology, financial services, printing technology, compressor technology, entertainment, technical glass	• Applying the critical incident technique in an innovative way (three points of view) • Portraying cross-selling realization from a holistic perspective • Prioritization of cross-selling challenges • Provision of a management aid for implementation

Table 2-3: Contentual Overview of Studies in Dissertation and Individual Contributions
Source: Own representation

3 Study I: Cross-Selling: Realizing Sustainable Growth

3.1 Abstract

The exploitation of cross-selling potential promises cheap and attractive growth opportunities. However, cross-selling brings about a series of managerial challenges - for example, a unified market orientation and relationship management. Solutions for a market-oriented way of realizing cross-selling potential are derived from multiple industry case studies.

3.2 Introduction

During the world financial crisis, realizing cross-selling potential in many firms has become merely a new marketing buzz word. Especially during times of economic stagnation, many firms try to leverage current resources through conservative revenue and cost analyses. Within most firms, cross-selling is still thought of as an expensive and risky underpinning. This has to do with a series of challenges in market orientation and customer relationship management, which managers continuously need to meet. This article shows the most important challenges and attempted solutions for a market-oriented realization of cross-selling potential. Research was conducted from a supplier's point of view while taking the demand side of the customer into account.

The main idea of cross-selling: By selling additional products and services to existing customers, value for both supplier and customer is created. Suppliers enable customers to get different products from one source. In this way a customer's amount of suppliers can be reduced and stronger cooperative ties with selected suppliers can be established (Homburg and Kuester, 2001). Suppliers in turn may expand the sales with one customer into multiple product areas. Because additional sales stem from an already existing assortment, only marginal resources need to be used (e.g., in production, in sales) in order to increase revenue. Existing capacities can be used more effectively (Cornelsen, 2000).

All too often in practice, ambitious cross-selling goals fall apart due to realization problems, as the prominent example of Dresdner Bank and Allianz clarifies. After mergers of Dresdner and Deutsche Bank, as well as Commerzbank had failed, Allianz invested 25 billion Euro to acquire the company, which was suffering from high costs and low profit margins. Since then Allianz SE, headquartered in Munich, tries to create an "integrated finance service company" selling insurance products to customers which already have purchased banking products. About six years after the takeover the company still is not satisfied with the acquisition of Dresdner Bank (Reitz, 2007). It has been shown that in practice it is extremely difficult to realize promising cross-selling potential which were once calculated. The reason for Allianz is apparent: Structural measures and cost saving plans prevent the formation of a uniquely created solution provider. The example mentioned here is a prominent one among many others. In many companies, bottlenecks for cross-selling realization are present within the sales organization. Therefore, the relevant question is: Which challenges does sales need to master to successfully realize cross-selling potential within the sales organization?

This paper aims to structure the multiple areas influencing the topic of cross-selling by employing an exploratory research approach. This way, the theory of cross-selling realization can be developed further. To do so, several case studies with multiple medium and large sized industrial companies in Switzerland and Germany were undertaken. In total, 31 telephone interviews and 12 research meetings were conducted. Participants consist of managers from various positions, active in top management, in key account management, in sales, as well as in field and office work.

3.3 Classification of Cross-Selling: Expanding Existing Customer Relationships

In theory, two different customer focused growth strategies can be distinguished (Figure 3-1): Customer acquisition and customer retention. Cross-selling falls into the domain of the retention strategies but needs to be categorized further. In the domain of customer retention, two different subcategories are present: Retention and penetration management (see Kuß et al., 2007). Retention management has to do with keeping and expanding the current relationship between companies and customers. The customer should be tied to the organization through loyalty bonuses for a longer time, for example.

Up- and cross-selling, in contrast, are classified as penetration strategies, because existing customer relationships are intended to be expanded (penetration). The meanings of both growth strategies can be very easily confused. Up-selling defines the aim of the supplier to offer the next best version of a product to their customers. For example, a PC manufacturer does not sell 22-inch monitors to a SMB customer, but instead the 24-inch version. In addition, time plays a crucial part in up-selling. Hence, a more frequent purchase within the same timeframe (multiple 22-inch monitors in the same time) is also classified as up-selling (Kuß et al., 2007). Hence, up-selling can be defined as a volume enhancing strategy. However, with cross-selling, the products purchased by a customer are complemented by additional products. For the stated example, this means that in addition to the 22-inch monitors, a product of another division (e.g., repairs, software) is being sold together.

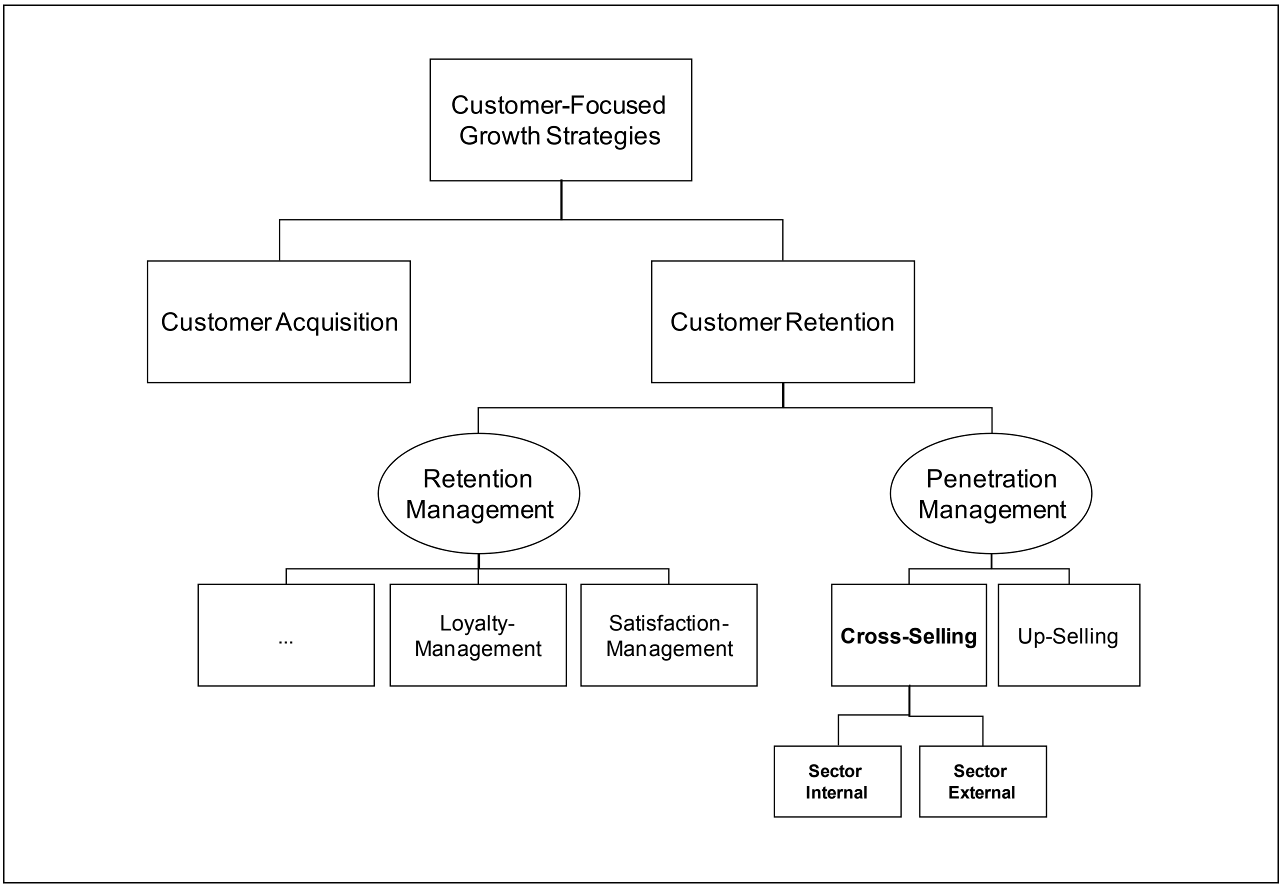

Figure 3-1: Customer-Focused Growth Strategies
Source: In reference to Kuß, Tomczak, and Reinecke (2007)

3.4 Two Alternatives for One Strategy: Sector Internal and External Cross-Selling

In order to understand the challenges of cross-selling realization, it is imperative to analyze a company's dilemma of living firm-oriented but acting market-oriented. That is, companies constantly face the challenge of being customer orientated but at the same time adhering to company-specific organizational requirements. Usually, companies are not organized according to customer needs, but rather according to internal dimensions, which make it easier to develop products and to sell them (e.g., geographical units; functions; divisions; business units). In technology driven markets companies are organized according to technology oriented business units and not according to customer needs (Homburg et al., 2000; Workman et al., 1998). The advantage of this is that each business unit works very efficiently and effectively due to its specialization. However, with customer needs across business units the sales coordination for one customer becomes very difficult (Homburg et al., 2000). The reason for this is that business units usually are only accounted for their individual success. Within difficult markets and with bad business results the individual fight for resources is being triggered even higher, because individual units work against each other. This effect has also been termed the "division effect" (see Belz and Bieger, 2004). Industrial companies try to avoid the division effect by increasing their customer orientation and relationship management activities. Hence, cross-selling often is brought into context with phenomena like customer proximity (Homburg, 2000), customer orientation (Bauer, 1995) or customer retention (Homburg et al., 2000). Belz & Bussmann (2000) even go further and describe cross-selling as a key sales process. A company and branch-specific, market-oriented school of thought is assumed to create the prerequisite for successful cross-selling. Hence, it seems essential to take market orientation (Kohli and Jaworski, 1990) as a basis for analyzing cross-selling success.

In order to cover the coordinative needs, which are created by specialization, companies create customer oriented sales units like key account managers (Jensen, 2001) or multifunctional teams (Helfert, 1998). They facilitate a customer oriented way of acting across organizational boundaries (Schäfer, 2002). The impact of customer requirements in connection with the company specific divisional organization creates a fundamental milestone for developing an understanding of what types of cross-selling actually exist (Figure 3-2).

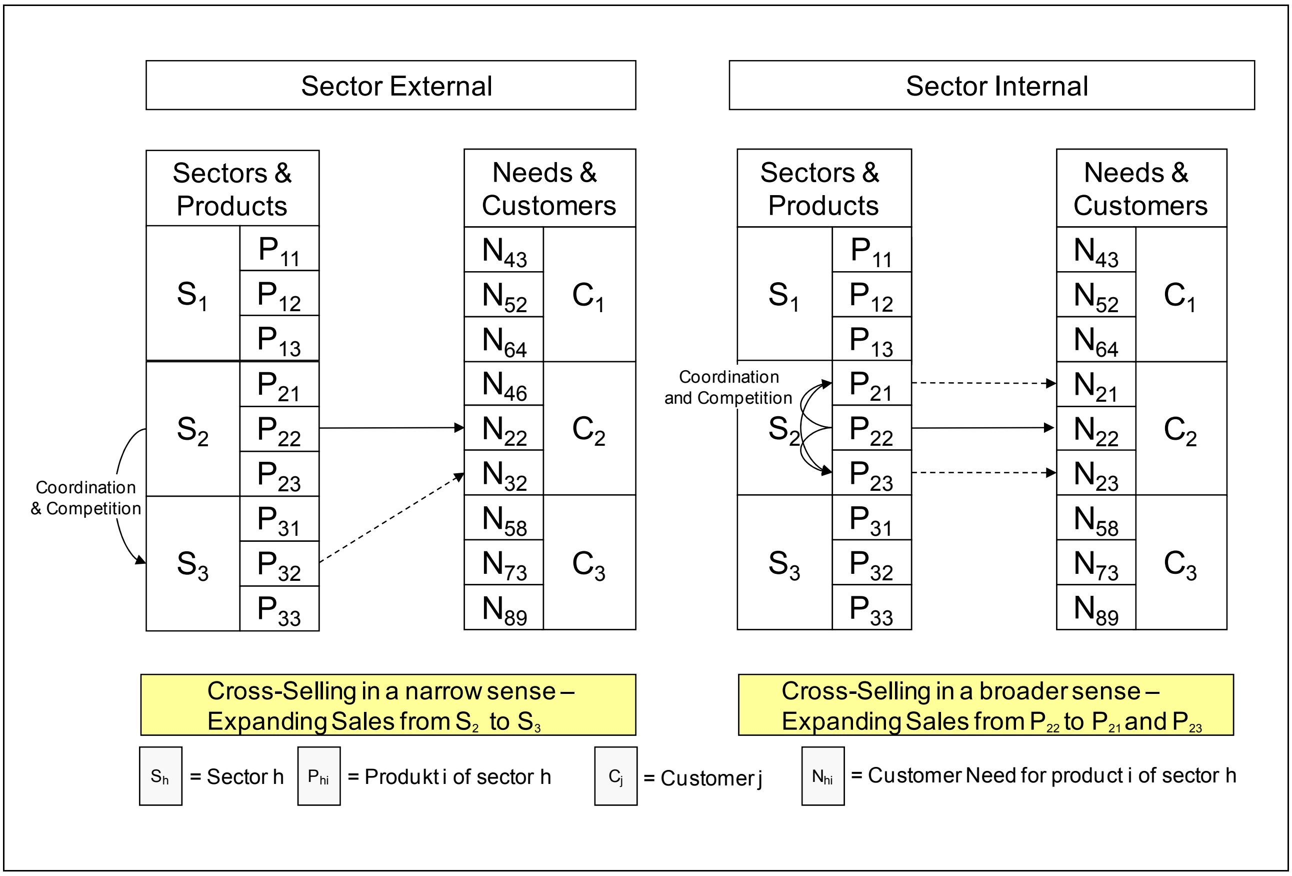

Figure 3-2: Definition of Cross-Selling, in a Narrow Sense Means Multi-Sector Selling
Source: Own representation

- Cross-selling, in a narrow sense, can be seen as selling products from different divisions to one customer. Thus, this would be division external selling.
- On the contrary, cross-selling might also be understood, in a broader sense, as the sale of different products in one division, thus, as division internal selling.

In detail, each of these two different points brings about the following characteristics: With division-external selling, customer needs should be covered on a cross-divisional basis. In the previous PC monitor example, one assumes that the customer has another need in addition to the monitor - for example in the area of software or networking solutions. Because these are two different (internally competing) divisions, the salesperson from the division of visual media is at a disadvantage if she or he needs to put effort into selling products from the software division. The main idea of division-external selling lies in the skill to spot different customer needs and address them across different divisions. This means that the PC-salesman needs to coordinate with a salesman from software in order to successfully do cross-selling. The advantage of cross-divisional selling lies in expanding the field of business with a customer and extending the relationship. The challenges in division-external selling are the coordination between single divisions, the continuous communication between salespeople across different divisions, and the continuous customer care.

With division internal selling, customer needs are covered with the products of one single division. For example this means that, next to a PC monitor, one would sell additional products from the same division (e.g., PDA, laptop). The core challenge here is created by managing internal competitive struggles between division internal units. The advantage of division internal selling lies in the fact that the customer can be treated with immediate adjacent products from the same business division. This shortens processing time.

Because different types of cross-selling can only be looked at in dependence of customer needs, it proves reasonable to have the divisional set-up as a dependent variable for the success of cross-selling activities. Depending on customer requirements, companies must define which type of cross-selling creates the best customer coverage. The formation of an umbrella organization, acting as an interface between customer and division, is a possible solution often discussed (Gulati, 2007).

3.5 Theory and Practice: Cross-Selling Potential Is Often Not Exploited

Aside from different forms of cross-selling in theory, many companies are still struggling in practice. Which challenges do companies need to overcome for mastering the exploitation of cross-selling potential? Our research results based on workshops and interviews, show a total of six challenges that need to be mastered:

- Incentives and remuneration of cross-selling activities
- Customer-based pricing
- Collaboration of product management and sales
- Clear responsibilities for customers
- Realistic investigation of cross-selling probability
- Cultural differences between organizational layers

3.5.1 Challenge 1: Incentives and Remuneration of Cross-Selling Activities

Through financial rewards, salespeople 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). But to what extend is the development of a remuneration model still comprehensible for the individual salesperson? The difficulty with cross-selling is that salespeople, in addition to their regular goals, also need to take care of cross-selling goals. A promising measure is the consideration of product-mix goals.

"The salesperson is being prompted to sell a certain mix of products, even though some products lie outside of his division. Therefore, the problem can be decreased by special provisions which reimburse sales reps particularly for cross-selling activities."

—Head Sales and Marketing Germany,
Industrial Print-Machine Manufacturer

Another challenge exists in reimbursing all participants in the case of a cross-sale. The account manager, who opened the door for the sales rep, should be reimbursed the same way as the specialist, who later on directly addresses the customer's needs. Cross-selling budgets should be linked between account managers and specialists, therefore. Our research results prove that in the end there are three options to tackle this challenge. Option one would be to distribute individual provisions to all participating persons. The challenge with this approach is to assign fair criteria for remuneration (effort, revenue, targets) on single individuals. The second option is that the account manager and the specialist share the provision and both profit equally from realizing cross-selling potential. Here, it is difficult to decide whether or not the reimbursement actually corresponds to the actual performance of the individual. Therefore, the third option, the double commission, should be taken! Here, all people are reimbursed like in an individually made cross-sale. This is intended to encourage all participants to collaborate. The double commission pays off because the added value created by the professional coverage and consultation of each customer generates much more revenue than the occurring commission costs. Moreover, the double commission pays off for the account manager, because (s)he continuously involves experts of other business areas in sales projects, without risking his or her own commission. The double commission is suited well to accompany the cross-selling process for a certain time, to be released by another reimbursement alternative later on.

3.5.2 Challenge 2: Make Use of Customer-Focused Pricing

In many companies, pricing competence lies within divisions, which are integrated in the pricing process. Each division decides separately about its pricing policy. Because of that separation, especially with cross-divisional cross-selling, very long lasting processes for making offers are the result. It is not uncommon that they result in big trouble for sales reps. Because of the divisional fragmentation in individual organizational areas, companies often miss the chance to realize a cross-selling opportunity, because single divisions work against the common success with a customer.

Embrace the chance of customer oriented pricing! Create customer specific pricing and discount tables independent of the division, of which a product stems from, and communicate these prices specifically for the case of cross-selling opportunities. A good approach to a solution would be the delegation of price competence to the sales division. The goal should be that the sales division is able to answer the biggest part of cross-divisional enquiries on its own. Pricing and discount corridors which are defined across product groups for customer groups or single customers, accelerate the cross-selling process and avoid frustration with sales reps interacting with a customer. A possible shift in pricing competence towards the sales department tremendously enables product offering processes and avoids losing prospects. However, with this approach, attention needs to be paid to the amount of sales competence that is given up. Salespeople could accidently make discounts too high in order to maximize provisions on revenue.

3.5.3 Challenge 3: Collaboration Between Product Management and Sales

In order to actually realize anticipated cross-selling potential, many companies fight for a smooth collaboration between product management and sales. The sales department aims for short delivery times and large inventories, in order to fulfill customer expectations as fast as possible. Moreover, the sales department requires a great deal of flexibility in order to perform each sale quickly. Next to that, supportive sales documents play a key role. These range from product sheets with technical information on own or competitive products up to guidelines for a successful sales talk. It has been shown that missed cross-selling potential can be brought back to a deficient support of product management.

3.5.4 Challenge 4: Clear Responsibilities for the Customer

Because of badly coordinated cross-selling activities, many different salespeople are engaged. In this way, enormous coordinative and communicative difficulties arise towards the customer.

"A typical misconduct in cross-selling for example is the unannounced visit of a customer by multiple sales reps at the same time. In addition, salespeople make different statements at the customer and by that not only irritate the customer, but by giving heterogeneous answers also do harm to the company's image."

—Sales Representative Switzerland, Industrial Organization

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. Hence, it is recommendable to interlock the individual sales processes in an organization in such a way that the sales department only has "one face to the customer". In order to accomplish this, a common customer relationship between internal and external salespeople needs to be created. Sales staff need to be supported by internal staff in such a way that additional sales (cross-selling products) gain the same status as "normal sales". Important for each customer is a clearly defined sales team in its sales segment. A sales team with one account manager and a specialist to support would be feasible. The account manager has a general responsibility and creates customer contact for all segments. Moreover, the account manager has expert knowledge in a certain segment and can serve customers in this segment on his own. If she or he serves customers of another segment, she or he can bring in a competent colleague and can process the account together. 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).

3.5.5 Challenge 5: Realistic Investigation of Cross-Selling Probability

Up until now, the assessment of cross-selling potential has been based on a very broad spectrum of success factors, which descriptively portray how a cross-sale occurs. Only seldom are there advanced quantitative methods in use to determine the cross-selling probability (Schäfer, 2002). A few examples prove, however, that by a phase-wise analysis of the demand situation, cross-selling actions can be carried out more precisely (Li et al., 2005). That is because the buying behavior of the customer is taken into consideration. This insight contains important implications for managers, to strengthen the bridge between potential calculation and the actual realization in accordance with different customer needs. Important areas of interest are questions for salespeople with respect to their status of knowledge across different product groups outside their direct sales area. Moreover, the collaboration between divisions, as well as the effect of a special remuneration should be taken into the calculation. Thus, managers should create an overview of different potential calculation methods and undergo a critical assessment with them. Moreover, it needs to be distinguished between advantages and disadvantages of each method and the favorite should be chosen for constant improvement and advancement.

3.5.6 Challenge 6: Cultural Differences Between Organizational Units

Because of the intensive specialization of many companies, there exist discrepancies between single divisions, but also between salespeople and customers. Divisions develop their own culture, depending on region and degree of specialization; a large Swiss industrial manufacturer with divisions in many different cantons of the country serves as an example. Because canton-specific differences (culture, language, tradition) are decisive, especially for Swiss companies, this hinders the coordination and communication with realizing cross-selling business. Cultural differences bring about certain prejudices, collaborative distinction and competitive thinking. In addition, cultural differences between customers and sales reps (origin, values, language) need to be looked at, too. A misperception on both sides can have tremendous consequences for the success of selling additional products, because the sales rep often is the only point of access for the customer.

Kohli & Jaworski (1990) were able to prove that conflicts between divisions have a direct influence on the dissemination and receptivity for market information among employees. The exchange of employees between divisions, as well as cross-divisional coaching or intra-mural sporting events with cross-divisional teams are only a few recommendations to counter conflicts between departments and to develop a market oriented way of thinking within the organization.

3.6 Tasks for Management: Prioritize Cross-Selling Initiatives

Companies 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 presence possible. To do so, however, challenges need to be mastered, which companies 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. Our research portrays a multifaceted analysis of different fields of problems, which are distinctive for middle up to large industrial companies. 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 company.

4 Study II: A Salesperson's Cross-Functional Orientation: Antecedents and Effects on Cross-Selling Success

4.1 Abstract

This study investigates antecedents of a salesperson's cross-functional orientation and its effect on cross-selling success. Results indicate a strong effect of cross-functional orientation on cross-selling success. Moreover, results show a strong influence of salesperson-specific variables on cross-functional orientation and cross-selling success.

4.2 Introduction

In today's highly competitive and quickly changing global market environment, the race to grow current businesses has intensified. Manufacturers are struggling for market share, suppliers are contesting to win the next bid, and end consumers are pursuing the best deals and the highest value added. In such an environment manufacturers are faced with the challenge of handling two extremes: On the one hand they need to keep existing businesses up and running but on the other they have to look out for emerging business opportunities to grow current businesses and gain a strong competitive position in the marketplace. That is because competitors entering the market portray a serious threat to existing incumbents in the field as they usually are much quicker and more agile in selling customer-tailored solutions to the same customer segments (Christensen, 1997). Manufacturers have several available methods to counter competitive threats and prevent the loss of market share. For example, expansion into new markets, the acquisition of new customers, the differentiation of current offerings, and pursuit of new customer segments (Hutt and Speh, 2004). However, these strategies are all very cost-intensive and risky as they require large investments and a high degree of uncertainty.

Instead of following highly capital-intensive expansion strategies, research has revealed that leveraging current customer relations provides many growth opportunities with far lower initial investments and lower levels of risks (Hartline et al., 2000). It has become common marketer wisdom by now that it is "five times more expensive to acquire a new customer than to keep an existing one" (Homburg et al., 2000). Hence, companies are better off focusing on already existing customers instead of acquiring new ones. The benefits of exploiting the potential of current customers are manifold. By leveraging current customer relationships, thus selling more to the same customer, companies have the opportunity to extensively increase turnover rates and expand customer relationships into product areas a customer was not previously considering. When successful, manufacturing companies gain a higher share of discretionary income from a given customer which results in secure business growth rates, stronger customer ties, less customer churn and a sustainable competitive advantage (Ansell et al., 2007; Ritter, 1993). As Timothy et al. (2007) note, efforts to improve customer's share of spending can add as much as ten-times greater value to a company than focusing on merely retaining customers alone (e.g., by bonus or loyalty programs).

In order to improve a customer's share of spending, a key challenge manufacturing organizations face is to eliminate artificial barriers within their organization. Industrial manufacturers usually organize themselves and their sales force according to product areas and individual business units (Hutt and Speh, 2004). This creates hurdles for salespeople because they do not have the ability to sell products other than those they are directly responsible for. Hence, the customer's potential interest in other company products outside the salesperson's portfolio cannot be exploited. Salespersons are likely to be assigned a clear product sphere, and be rewarded by incentive schemes that focus only on that specific area of responsibility. Hence, many salespeople come to believe that sharing knowledge and combining sales efforts will hinder their own sales efficiency and effectiveness (Kane, 2005). Salespeople need to understand that by combining their knowledge with adjacent business units the possibilities for growing their sales success can rise dramatically (Brown and Peterson, 1994).

Conclusively, organizations face the dilemma of organizing their sales force to fully exploit their existing customers' potential. In other words, manufacturers need to establish a cross-selling strategy that enables salespeople to sell across the borders of their designated responsibilities in order to fully exploit their customers' purchasing power (Akcura and Srinivasan, 2005; Gulati, 2007; Kamakura et al., 2004; Kane, 2005; Mundt et al., 2006). Research has shown that realizing an effective cross-selling strategy is considered to be highly challenging, requiring strong intra-organizational ties between single business units (Akcura and Srinivasan, 2005; Gulati, 2007; Luo et al., 2006). Instead of aligning product areas to offer customers the best possible solution, sales managers and salespeople of different functions still have trouble working together and constantly compete for a firm's scarce resources (Luo et al., 2006). The work by Barnes, Fox, and Morris (2004) adds to this by highlighting the fact that without active and continuous internal cross-functional marketing efforts product or service quality will suffer, in return making customers’ defection rates rise. In addition research by Maltz & Kohli (1996) and

Gronroos (1994) implies that incumbents need to establish very well functioning internal processes that enable the flow of (sales) information and data between participating business units. Hence, the state of mind, or the cross-functional orientation (CFO) of the sales force seems to be a necessary ingredient for cross-selling success.

Surprisingly, despite the existing interdependence of a cross-functional orientation and the carrying out of cross-selling tasks, sales literature has yet to conduct research on its relationship and possible antecedents. Thus, the question this research paper answers is: What effect does a cross-functional orientation have on cross-selling success and which prerequisites need to be in place to establish a strong CFO? A better understanding of this question is assumed to contribute greatly to current theory and praxis in the field.

The remainder of this paper is structured as follows: First, existing literature and current knowledge of cross-selling and cross-functional orientation are discussed and possible outcomes are predicted. Next, our qualitative study and its outcome variables are presented, which convey the four distinct salesperson-specific traits assumed to affect CFO. This is followed by a literature review on these specific traits and the formulation of hypotheses. Next, the relevant factors are operationalized and brought together in structural equations. By gathering and analyzing sales data from a large multinational industrial supplier, the proposed effects are tested. Finally, the paper closes by discussing key findings, highlighting implications for theory and practice.

4.3 A Salesperson's Cross-Functional Orientation

As research results have shown, there are many obstacles to intrinsic motivation and many reasons why salespeople avoid cross-selling (Dellaferrera, 2003): (1) Salespeople are afraid that their customers will be mishandled: Many salespeople are convinced that once they leave a sale open to a colleague his or her potential misbehavior will automatically reflect back onto their own performance, not only in the past but also in the future. (2) Many salespeople simply do not have enough know-how about products and services sold in other divisions. (3) It is a common misconception that time spent coordinating with another division is wasted time better used for the division's own goals. (5) It seems as if there are no rewards for cross-sales. (6) There are no mechanisms in place which enable fast and easy coordination with other divisions.

Cross-Functional Orientation (CFO) has been as a coordinating philosophy that incorporates individual needs, relationships, network interactions and attitudes among employees by examining all activities involved in satisfying customers throughout the supply chain (Castro et al., 2005; Lings, 1999; Mudie, 2003). CFO is considered to be an individualistic concept with the single employee as the unit of analysis. It can therefore be characterized as having an anthropological focus, which it uses to build an understanding of the organizational environment, the organizational hierarchy, organizational politics and structures.

As organizations are growing, the need for dividing tasks into areas of excellence rises. Different departments are created and organized according to functional specialty. Therefore, salespeople need to cross their lines of responsibility in order to establish a customer-solution oriented way of selling (=cross-selling). The aim of CFO is to affect the structure of an organization in such a way that operations are organized around core business processes, which should ideally be driven from the end-customer point of view (Castro et al., 2005; Lings, 1999; Mudie, 2003). This idea goes hand in hand with Barnes, Fox, and Morris (2004) who find out that no single management function is effective if it operates in isolation. Moreover, current research by Kumar, Venkatesan, and Reinartz (2008) highlights the fact that cross-functional strategies can be directly linked to a firm's financial performance, increasing total incremental profits by more than $1 million. It follows that cross-functional strategies can have a positive effect on the performance of a company. In relation to cross-selling success, we assume that CFO is a necessary prerequisite for engaging salespeople in cross-selling actions.

To the best of our knowledge, no study has yet researched the antecedents of a CFO and its effects on cross-selling success. We conducted a primary qualitative study to explore the phenomenon of CFO in a real-world context and to gain general insights on factors influencing CFO. In the process, variables were discussed among workshop participants and focus group members until a common agreement of the underlying categories and potential indicators of all cross-selling and CFO related content was established. Results were used to establish detailed levels of analysis for each content block of the proposed conceptual framework and for the operationalization of measurement scales. The antecedents which we derived are: "Organizational Commitment" "Brand Identity" "Cross-Selling Motivation", and "Cross-Selling Readiness". Figure 4-1 portrays the conceptual model that was derived from the qualitative study.

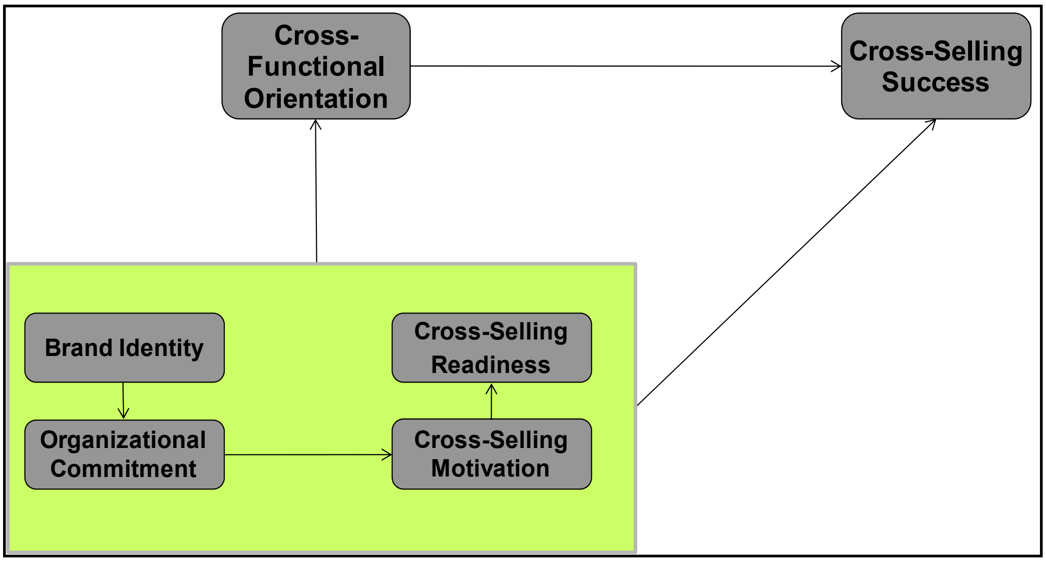

Figure 4-1: Conceptual Framework of Study II
Source: Own representation

4.4 Theory and Hypotheses

The following sections highlight the constructs and antecedents originating from the qualitative study. Each is discussed in detail after which a hypothesis formulation is given. Finally Figure 4-2 on page 47 portrays all the relationships in a structural equation model.

4.4.1 Organizational Commitment

Organizational commitment in this research is considered to be the strength of an individual's identification with and involvement in a particular organization (Porter et al., 1974). Such commitment can generally be characterized by at least three factors: (a) a strong belief in and acceptance of the organization's goals and values; (b) a willingness to exert considerable effort on behalf of the organization; (c) a definite desire to maintain organizational membership. Individuals highly committed to an organization's goals and willing to devote a great deal of energy toward those ends are assumed to proactively exert CFO-enhancing behavior compared to individuals who are less committed to the organization. This view goes hand in hand with research by Speier and Venkatesh (2002) who make use of a definition by Wallace (1995) defining organizational commitment as loyalty towards the employing organization. Hence, we propose:
Hypothesis 1a: Organizational Commitment is positively related to CFO.

As Jaramillo, Mulki, and Solomon (2006) state, organizational commitment reflects an individual's psychological identification and attachment to the organization. Such attachment is associated with greater performance. Hence, we propose:
Hypothesis 1b: Organizational Commitment is positively related to Cross-Selling Success.

Research by Meyer, Becker and Vandenberghe (2004) has revealed that the concepts of commitment and motivation are somewhat interrelated. Commitment is considered to be part of a more general motivational process and is distinguishable from other components of motivation within this process. Hence, we assume that the level of commitment a salesperson possesses towards an organization directly influences the motivational state of mind to engage in cross-selling activities. Hence, we propose:
Hypothesis 1c: Organizational Commitment is positively related to Cross-Selling Motivation.

4.4.2 Corporate Brand Identity

As Castro, Armario, and Del Rio (2005) state and verify, there is a significant positive correlation between the level of an employee's organizational belongingness and his or her cross-functional activities. Following that, drawing on the research of Ashforth and Mael (1989) it can be stated that from the moment a person's self-image is tied to a social category (e.g., a group, a community, or an organization) the person is likely to choose activities that are congruent with his or her salient role-identity (and the values tied to it). The self-image then becomes linked to membership in the social category resulting in actions supportive of the institutions embodying the identity. Hence, we propose:
Hypothesis 2a: Corporate brand identity has a positive effect on cross-functional orientation.

Other research states that a strong organizational involvement in company-specific actions generates high levels of commitment (Ahmed et al., 2003; Barnes et al., 2004; Castro et al., 2005; Foreman and Money, 1995; Lings, 1999; Mudie, 2003). Salespeople who highly perceive a corporate brand identity are likely to possess a higher level of involvement with a given task. It follows that salespersons with a high level of brand identity and thus a high level of involvement are more likely to be strongly committed towards their employer. Hence we propose:
Hypothesis 2b: Corporate brand identity has a positive effect on commitment.

As stated by Craig, Dibrell, and Davis (2008) brand identity can serve as a potential intangible resource, bestowing a differential competitive advantage that can influence personal performance outcomes (Dunn, 1995; Lansberg, 1999). In accordance with research on the relationships among intangible resources, strategy, and performance (Barney, 1991; Sirmon and Hitt, 2003) it is assumed that high levels of individual performance directly affect the sales success of a company. Considering cross-selling performance, we propose:

Hypothesis 2c: Corporate brand identity has a positive effect on cross-selling success.

4.4.3 Cross-Selling Motivation

We posit that 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. Hence, we hypothesize that:

Hypothesis 3a: Cross-selling motivation has a positive effect on cross-functional orientation.

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. That is, more cross-selling-ready with a given customer than others. Hence, we propose:

Hypothesis 3b: Cross-selling motivation has a positive effect on cross-selling readiness.

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 McAuley, Wraith, and Duncan (1991) to engage in cross-functional activities requires a high level of intrinsic motivation for cross-selling if the necessary incentive schemes do not fulfill the entire effect of a proactive search for adjacent sales opportunities. Hence, we propose:

Hypothesis 3c: Cross-selling motivation has a positive effect on cross-selling success.

4.4.4 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 customers 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. Therefore we assume that:

Hypothesis 4a: Cross-selling readiness has a positive effect on cross-functional orientation.

Hypothesis 4b: Cross-selling readiness has a positive effect on cross-selling success.

4.4.5 Cross-Selling Success

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. According to Schäfer (2002) there is no source of earlier publications that portray the operationalization of cross-selling success in such a way that it would have been accounted for reliability and validity. Moreover, past research on the operationalization of cross-selling success reveals that a main focus of interest thus far has only been on the customer's and not the vendor's point of view (Akcura and Srinivasan, 2005; Ansell et al., 2007; Kamakura et al., 2004; Kane, 2005; Li et al., 2005; Mundt et al., 2006). Finally, we propose:

Hypothesis 5: Cross-functional orientation has a positive effect on cross-selling success.

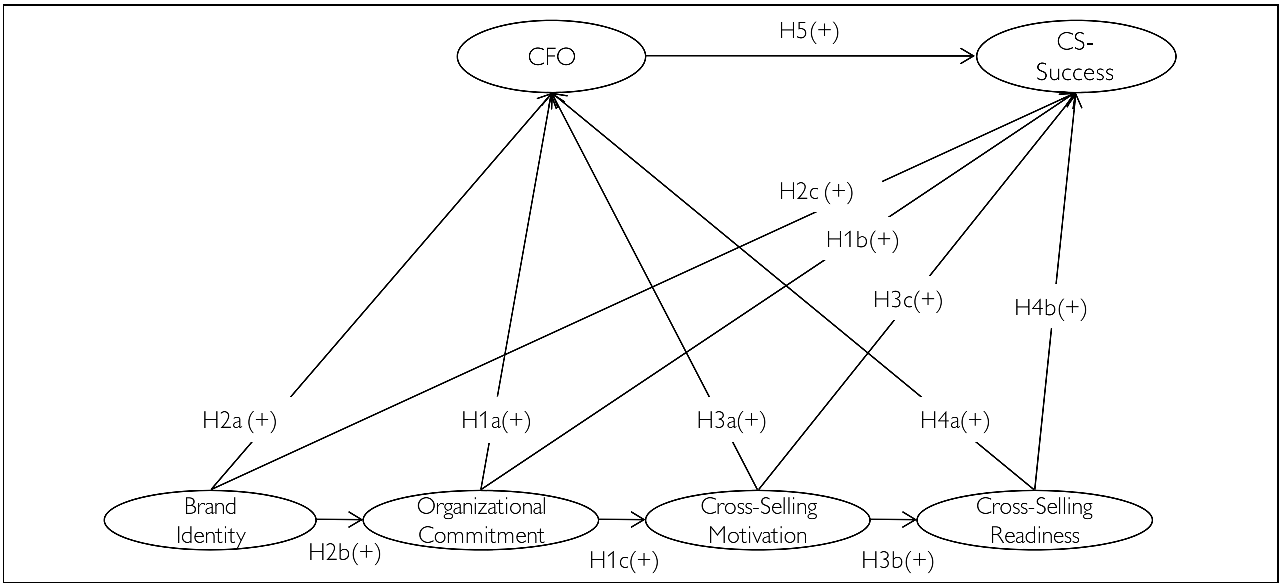

Figure 4-2: Structural Equation Model of Study II
Source: Own representation

4.5 Data Collection and Measures

To test the hypothesized model a quantitative study was carried out. Methods, procedures and results are described following.

The data collection for the quantitative study was done with the aid of a large industrial glass products manufacturer. We were provided with names and addresses of 288 salespeople. A total of 231 responses were received rendering a response rate of 80%. After discarding nine incomplete surveys, a total of 222 surveys were then included in the study at hand. Studies show that response rates of 60 percent or higher are normally obtained when the study is sponsored by a firm (Mulki et al., 2008). The constructs used in this study were operationalized partly by using established scales but also by using new scales developed by us. The newly constructed scales are based on established scales with modified wording to fit the topic of cross-selling. To validate our measures we performed a set of analyses. These were a reliability analysis (RA), an explorative factor analysis (EFA), and a confirmatory factor analysis (CFA) for the measurement model and the structural model.

To control for convergence validity, the average variance extracted (AVE) and factor reliabilities were considered. Average variance extracted with a proposed cutoff value of 0.5 focuses solely on parts of variance, while factor reliability (cutoff value = 0.6) also encompasses the covariance between indicators (Hu and Bentler, 1999). The results (Table 4-1) show that the measurement models bring about the necessary factor reliability and, except for one construct, also satisfy the Fornell/Larcker cutoff criteria for AVE (Fornell and Larcker, 1981). In terms of item and construct reliability, we eliminated items in favor of higher fit values for Cronbach's Alpha and factor reliability. Thus, items showing a low indicator reliability were eliminated. All together the fit of the measurement model is acceptable (χ^2 =331.3, degrees of freedom [df] = 280, p = 0.02, root mean square error of approximation [RMSEA] = 0.03, comparative fit index [CFI] = 0.97, tucker-lewis index [TLI] = 0.97).

Constructs and Items	**Mean (Std. Dev.)**	**CA**	**FR**	**AVE**
Cross-Selling Success (Schäfer, 2002)		0.82	0.82	0.53
Coverage of customer's needs on broad basis	3.94 (1.43)			
Customers obtain additional products	3.98 (1.38)			
Most additional products customers purchase	3.75 (1.27)			
Exploiting customer potential	3.87 (1.38)			
Cross-Functional Orientation (new scale)		0.73	0.73	0.36[4]
Customer is basis for thinking and acting	4.28 (1.64)			
Precise and current customer information	4.45 (1.34)			
Integration of support functions and sales	4.33 (1.46)			
Support of team-selling culture	4.42 (1.45)			
Enablement of cross-selling processes	3.53 (1.52)			
Brand Identity (Wittke-Kothe, 2001)		0.86	0.84	0.57
Clear what brand xy stands for in future	5.00 (1.33)			
Feeling well informed about identity of xy	4.85 (1.28)			
Know how to support brand in daily work	5.12 (1.25)			
Feeling strongly supported by brand xy	4.62 (1.45)			
Organizational Commitment(Speier and Venkatesh, 2002)		0.81	0.83	0.61
Satisfaction with job	5.55 (1.18)			
In general I like working here	5.76 (1.13)			
Proud to tell others to be part of ABC company	5.75 (1.21)			
I talk about ABC company to my friends	5.39 (1.30)			
I feel a sense of ownership for ABC company	4.94 (1.60)			
Cross-Selling Motivation (Sujan et al., 1994)		0.81	0.83	0.56
Importance of offering customers additional products	5.51 (1.49)			
Responsibility for optimal solutions	6.16 (0.90)			
Good feeling of providing additional products	5.97 (1.10)			
Fascination about offering additional products	5.64 (1.26)			
Cross-Selling Readiness (Spiro and Weitz, 1990)		0.83	0.85	0.59
Knowledge of products within other BUs	3.95 (1.51)			
Confident in offering products from other BU	4.16 (1.56)			
Modify sales presentation	4.65 (1.58)			
Flexible in offering wide range of products	5.05 (1.47)			
Notes: $\chi^2 = 367$, df = 282, p = 0.00, RMSEA = 0.04, CFI = 0.96, TLI = 0.95				

Table 4-1: Study II Measures

[4] The construct with a low AVE (CFO) was kept in the model because it resembles a phenomenon with a low overall level of discriminatory power in comparison to other constructs stemming from the marketing discipline. To illustrate, consider the two constructs of "company size" in comparison with "perceived relative company performance." The AVE for the latter will always be higher than that for the former, because the concept of "company size" contains items with higher discriminatory power than "perceived relative company performance," in that the content of the individual "company size" items relate to much simpler statements that are easier to grasp than for "perceived relative company performance." For the latter, a large body of items on perception and the relative measure of performance must be considered, which is harder to operationalize. The proposed cutoff value of 0.5 by Fornell and Larker is based on an investigation of marketing-related constructs in the first category. However, as more and more research on psychometrics combines with typical marketing constructs, the cutoff value has been used for all constructs, without differentiating between them. Because CFO is a newly constructed scale, based on traits that resemble a general orientation of a company, which makes them more psychometric in nature, we claim that the low AVE does not diminish the significance of our results.

4.6 Analysis and Results

The proposed measurement model was then investigated in a CFA (Muthen, 1989). The ML-method (maximum likelihood) of MPlus 4.1 was used to test the hypotheses implied in Figure 4-2. Hypothesis testing was conducted in two steps: First, the overall fit of the model was assessed with an evaluation of chi-square, RMSEA, CFI and TLI. Second, the signs and statistical significance of the path coefficients were used for hypothesis testing. The overall fit of the model was satisfactory (Hu and Bentler, 1999; Marsh et al., 2004): $\chi^2(285) = 378.04$, RMSEA = 0.04, CFI = 0.96, TLI = 0.95. The significance and signs of the structural paths were used to evaluate the hypotheses.

Combined results (Table 4-2) indicate that the impact on CFO is significantly influenced by four individual traits (brand identity, cross-selling motivation, cross-selling readiness, and organizational commitment). Only two of those individual traits show a direct effect on cross-selling success (commitment and cross-selling motivation). Surprisingly, there was no significant effect tested for the relationship of brand identity, cross-selling readiness and cross-selling success. Moreover, we found a negative correlation between the effect of organizational commitment on cross-selling success and between the effect of cross-selling motivation on CFO. A very strong correlation can be found between the level of CFO and cross-selling success. Finally, the individual traits in the proposed order did all show a positive significant effect on each other.

Hypothesis	Unstandardized Estimates	Standardized Estimates	z-Value	Result
H_5: CFO → CSSUC	0.57	0.58**	4.26	Supported
H_{2a}: IDENT → CFO	0.57	0.44**	4.14	Supported
H_{2b}: IDENT → COM	0.62	0.53**	6.26	Supported
H_{2c}: IDENT → CSSUC	0.06	0.05	0.42	Not supported
H_{1a}: COM → CFO	0.24	0.22**	2.24	Supported
H_{1c}: COM → CSMOT	0.24	0.27**	3.47	Supported
H_{1b}: COM → CSSUC	-0.19	-0.18*	-1.80	Not supported
H_{3a}: CSMOT → CFO	-0.32	-0.26**	-2.66	Not supported
H_{3b}: CSMOT → READY	0.51	0.47**	5.59	Supported
H_{3c}: CSMOT → CSSUC	0.24	0.20*	1.98	Supported
H_{4a}:READY → CFO	0.34	0.30**	3.02	Supported
H_{4b}: READY → CSSUC	0.10	0.09	0.92	Not supported
** $p \leq 0.01$. * $p \leq 0.05$.				
Notes: CFO= cross-functional orientation, IDENT= brand identity, COM= organizational commitment, CSMOT= cross-selling motivation, READY= cross-selling readiness, CSSUC =cross-selling success.				
χ^2 (285) = 378.04, RMSEA = 0.04, CFI = 0.96, TLI = 0.95.				

Table 4-2: Study II Results

4.7 Discussion and Research Directions

In a first instance this paper has shown that through effective brand identification mechanisms employees do in fact contribute to a higher level of CFO within the organization and through that to higher cross-selling success. This can be explained by the fact that through a feeling of ownership and self-identification with an organization, more time and effort is spent on the job making the establishment of a cross-functional orientation possible. That is, with CFO in place the dissemination of information or the formation of personal contacts happens with a higher frequency than without CFO, making organizationally based borders (lines of responsibility, BU specific goals) less important as individuals work in conjunction with the values and attitudes of the organization.

In the second instance this study has shown that a salesperson's high level of commitment has a significant positive effect on the cross-functional orientation of the organization. Surprisingly, the effect of organizational commitment on cross-selling success was negative. A possible explanation for this finding lies in the fact that questionnaire participants consider organizational commitment from a business unit perspective (their natural environment) and not from a company perspective. We assume that the negative effect of organizational commitment on cross-selling success can be related to salespeople highly committed to achieving their individual goals but not interested in cross-functional activities on a company-wide level.

Hence, managers should carefully distinguish the type of commitment that is in place when engaging in efforts to raise an individual's commitment. That is, weekly sales meetings or staff trainings should not be solely focused on individual BU-specific operations but should contribute to a higher commitment towards the entire organization and with that also to higher levels of CFO if information from other support areas were included in a salesperson's briefing. Hence, managers are advised to continuously gather information from critical interfaces in order to enhance an organization-wide level of commitment.

As a third instance, our results show that a high motivation for cross-selling has a strong negative influence on the cross-functional orientation of the company. Referring to the measurement of cross-selling motivation suggests that salespeople having a high cross-selling motivation proactively engage in offering customers the best possible solution. This means salespersons high in cross-selling motivation perceive the customer as the most important point of reference for their work. As cross-selling motivation was measured by also including BU internal cross-selling products the effect of CFO is negative because salespeople consider their own BU as the one which customers buy from. This might result in scenarios in which a special customer need that cannot be satisfied by the currently available products of the employer might be met by including products from only one BU. This implies that it is critical for managers to exactly define the meaning and purpose of cross-selling in the organization. Managers are advised to establish team-based selling approaches to cross-selling including salespersons from various business units.

In a fourth instance, this study has shown that cross-selling readiness strongly influences the level of CFO but not cross-selling success directly. Again, this result can be related to the business unit perspective of the key informants of the survey, implying that being cross-selling ready from a BU perspective does not automatically enhance the success of cross-selling for the company. Hence, in order to make use of the strong positive relationship on CFO managers are advised to make salespeople within individual business units more cross-selling ready to engage in sales activities on a company-wide level. Suggested strategies might involve combining fact sheets for different products and innovations from different business units and incorporating these within sales presentations on a company-wide level.

Finally, this study shows that cross-selling success relative to the cross-selling potential existing with a given customer is positively affected by the implementation of a cross-functional orientation. Therefore, it can be stated that CFO has a direct positive effect on the amount of cross-selling potential realized by an organization. This study contributed to the operationalization of the concept of CFO with respect to cross-functional coordinative and communicative mechanisms. However, there is still many other facets of the construct that need to be linked to cross-selling and employee affect and behavior.

5 Study III: Cross-Divisional Orientation: Antecedents and Effects on Cross-Selling Success

5.1 Abstract

Purpose: To determine which company internal prerequisites must be in place and managed to realize a successful cross-selling strategy and to find answers on how to overcome cross-selling obstacles.
Methodology/Approach: Qualitative and quantitative data from various industries provide insights into the implementation of a successful cross-selling strategy. Qualitative data serve to derive the hypotheses and constructs and design quantitative measures. Structural equation modeling with data from a management survey of an industrial glass manufacturer tests the proposed effects.
Findings: The cross-divisional orientation of a company affects the realization of cross-selling potential and the number of product divisions a salespersons sells. These factors then influence the salesperson's motivation and readiness to engage in cross-selling activities, which finally affect the company’s overall cross-selling success. A salesperson's state of mind has the greatest impact on cross-selling success.
Research Implications: Similar results might be expected for various other industries, which need to be tested. The findings could be enhanced by incorporating a wider range of customer characteristics into the analysis, as well as other mediating or moderating variables.
Practical Implications: There is a clear need to enable cross-divisional acting and thinking among salespeople. Managers should foster cross-selling motivation and invest in specific training and recruitment to increase the dissemination of knowledge across divisions and reassure salespeople about offering various products.
Originality/Value/Contribution: This contribution to current practice clarifies why cross-selling often does not work and why it remains so challenging to realize. The combination of three sources of data - qualitative, objective, and quantitative - advances cross-selling research by considering internal obstacles to cross-selling and revealing ways to overcome them.

Keywords: cross-selling, sales rep motivation, solution selling, share of wallet, customer lock-in and churn

5.2 Introduction

In the modern competitive, fast changing, global marketplace, the race for expanding business has become incredibly intense. Instead of capital-intensive expansion strategies, many firms therefore attempt to leverage their current customer relations, which provides growth opportunities with low initial investments and low levels of risk (Hartline et al., 2000). Conventional marketer wisdom holds that it is "five times more expensive to acquire a new customer than to keep an existing one" (Curasi et al., 2003, p.370; Kemp, 2004, p.75). Companies benefit from focusing on existing customers instead of constantly acquiring new ones, and a common sales strategy for doing so is cross-selling. Cross-selling leverages current customer relationships by selling additional products to the same customer, which gives companies the opportunity to expand their customer relationships into product areas the customer has not considered previously and thereby increase sales. When cross-selling is successful, manufacturing companies gain a greater share of the customer's wallet, which generally results in more stable business growth rates, stronger customer ties, less customer churn, and sustainable competitive advantages (Ansell et al., 2007; Ritter, 1993). As Timothy et al. (2007) note, efforts to improve its share of the customer's wallet can add as much as ten times more value to a company than focusing on just retaining customers.

However, cross-selling also comes with a downside, in that managers must find ways to eliminate barriers within their own organizations. Industrial manufacturers usually organize their production and sales forces according to product groups or technological divisions (Hutt and Speh, 2004), which creates hurdles for salespeople, who may lack the ability to sell products other than those that represent their main sales responsibility. In turn, salespeople are unaware of the customer potential for products of other divisions and cannot exploit it. When companies assign their salespeople clear product responsibilities, with incentive schemes that focus only on selected products, the sales force has little incentive to engage in cross-selling, because such activities might even hinder their measured sales efficiency and effectiveness (Kane, 2005). Managers therefore need to create an organizational selling environment in which pursuing adjacent business opportunities represents not a risk but rather a means to capitalize on a key opportunity (Brown and Peterson, 1994).

Extensive research supports the notion that cross-selling, despite being an attractive growth strategy, is difficult to implement in sales organizations with multiple product divisions (Akcura and Srinivasan, 2005; Gulati, 2007; Kamakura et al., 2004; Kane, 2005; Mundt et al., 2006). Salespeople often have trouble working with different product divisions and constantly compete for a firm's scarce divisional resources (Luo et al., 2006). As Barnes and colleagues (2004) show, without active, continuous, cross-divisional marketing efforts, product and service quality suffer, which increases customer defection rates. In addition, Maltz and Kohli (1996) and Gronroos (1994) argue that suppliers must establish internal cross-divisional collaboration to enable the flow of people, (sales) information, and data across organizational departments. In this sense, a cross-divisional orientation may represent a necessary prerequisite of cross-selling success.

Yet sales literature thus far has not researched the potential relationship between a cross-divisional orientation and cross-selling success or its possible mediators (Davis et al., 2008; Foote et al., 2001; Plouffe et al., 2004; Tuli et al., 2007). No study has tested organizational and salesperson-related variables in combination as antecedents of cross-selling success. Therefore, this study develops and tests a model of the antecedents and implications of cross-selling success.

The remainder of this article is structured as follows: First, the conceptual background derives from a review of existing literature on cross-selling and cross-divisional orientation. The literature review also reveals salesperson-specific variables that may influence cross-selling success. Second, we develop our research hypotheses. Third, we describe the data collection procedure, sample structure, and measurement scales. Fourth, after the presentation of the analysis results, this study closes with a discussion of key findings, implications for theory and practice, and limitations and further research directions.

5.3 Conceptual Background

5.3.1 Cross-Selling

From a customer perspective, cross-selling entails an offer of customized solutions or the provision of a full assortment of products and services. Instead of meeting a narrow need with a product from a single product division, customers can purchase products from a single vendor to cover a wide range of needs.

For the provider or vendor, cross-selling refers to a strategy of selling additional products to a customer who already has purchased, in an attempt to increase the customer’s reliance on the supplier and decrease the likelihood of switching to another provider (Ansell et al., 2007). The main idea of cross-selling is thus to sell more products to a customer by combining sales efforts for a broad scope of products (Glanforte, 2005; Mundt et al., 2006). To engage in cross-selling, salespeople need knowledge about more products and product divisions, as well as a good understanding of their customers’ broad-based needs, so they can offer appropriate additional products. These basic competencies are absolute requirements for a salesperson to exploit a customer's potential purchase of added products.

5.3.2 Cross-Divisional Orientation

As organizations grow, they must divide tasks into areas of expertise (Day, 2006; Gulati and Oldroyd, 2005). Product divisions then become very specialized, making it challenging for salespeople to obtain appropriate technical and commercial support from the various product divisions. This classical trap ensnares many companies trying to escape the perils of commoditization: They seek to solve customer problems but view those problems only through the lens of their self-defined, specialized product divisions, rather than from the customer's perspective (Gulati, 2007). Thus, many salespeople simply avoid selling across divisions (Dellaferrera, 2003). First, salespeople may lack know-how about products and services sold in divisions other than those in which they were initially hired. Second, a common misperception asserts that time spent coordinating with other divisions is wasted time. Third, there may not be discernible rewards for cross-sales. Fourth, in many organizations, no mechanisms enable fast and easy coordination with other divisions.

However, if product divisions can establish a cross-divisional orientation and share common goals of exploiting existing customers and aligning divisional actions for optimal support of salespeople, the firm should be able to encourage cross-selling behavior. A cross-divisional orientation refers to a coordinating philosophy that recognizes individual needs, relationships, network interactions, and collaborations among employees from different product divisions and attempts to align activities to achieve the goal of satisfying customers (Castro et al., 2005; Lings, 1999; Mudie, 2003). Such cross-divisional orientations usually form in response to stories told about successful customer projects or deals (Ahmed and Rafiq, 2003; Cahill, 1996) and cultural norms that prioritize treating employees like customers (Ahmed et al., 2003; Barnes et al., 2004; Foreman and Money, 1995). With these norms, employees adopt a cross-divisional orientation and a stronger customer focus because they want to, not just for financial rewards. Once in place, such norms and values become self-reinforcing, and employees begin acting on a cross-divisional basis, which helps break down organizational barriers to cross-selling.

5.3.3 Cross-Selling and Boundary-Spanning Roles

In business-to-business (B2B) markets, personal selling is the most common form of customer contact (Hutt and Speh, 2004). To be successful, B2B salespeople must span organizational boundaries (Ashill et al., 2001; Singh, 1993; Singh and Rhoads, 1991; Singh et al., 1996; Williams, 2002). That is, salespeople constantly operate between the boundaries of their employer and their customers, in which context they frequently interact with different people and constantly form and re-form both formal and informal relationships (Ferrell et al., 2007). Accordingly, salespeople must play many different roles during their normal work day, which can create high levels of role ambiguity and role stress (Behrman and Perreault Jr., 1984; Singh, 1993). Adding to their workloads by requiring salespeople to engage in cross-selling demands additional support from the organization. In particular, they need an organizational culture that supports cross-divisional acting and promotes it as a basic state of being in everyday business (Barnes et al., 2006; Chaisrakeo and Speece, 2004; Gulati, 2007).

However, establishing a cross-divisional orientation does not suffice to ensure cross-selling success (Hartline and Ferrell, 1996; Kuvaas and Dysvik, 2009; Miao et al., 2007). A cross-divisional orientation might encourage salespeople to suggest a broader product range, but successful cross-selling demands the motivation and ability of salespeople to not just offer but actually sell additional products to existing customers (Nohria et al., 2008; Spiro and Weitz, 1990; Vink and Verbeke, 1993). Therefore, the breadth of a salesperson's product portfolio should be an important mediator of cross-selling success, as should the firm’s ability to motivate and prepare salespeople to engage proactively in cross-selling activities. Figure 5-1 depicts the proposed relationships among cross-divisional orientation, salespeople-related variables, and cross-selling success.

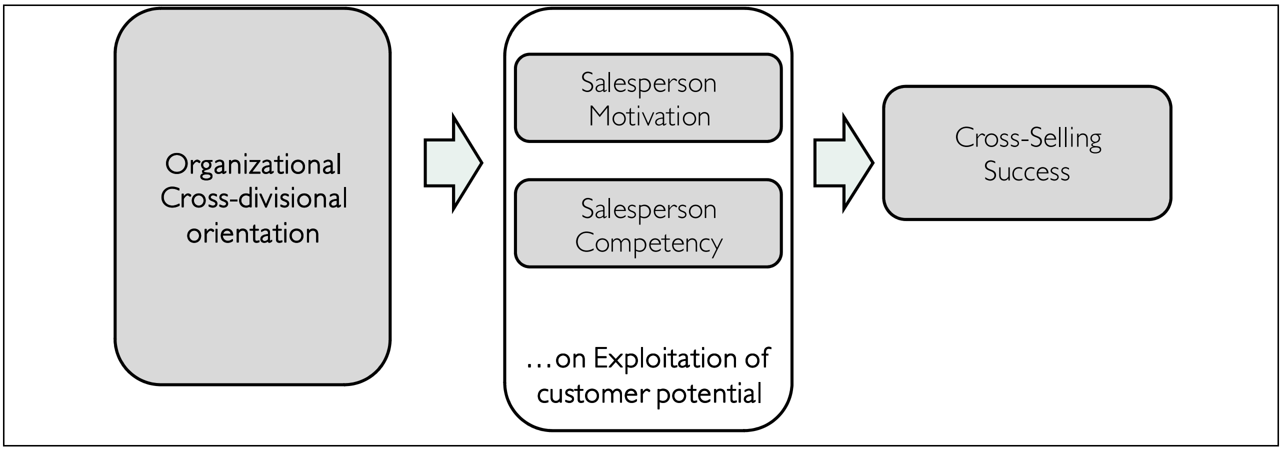

Figure 5-1: Conceptual Framework of Study III
Source: Own representation

5.4 Theory and Hypotheses

5.4.1 Cross-Selling Success

For this study, cross-selling success is defined as the degree to which the firm exploits customers' full cross-selling potential. To succeed in cross-selling, companies try to increase their share of a given customer’s wallet (Timothy et al., 2007). Accordingly, cross-selling success captures the firm’s effectiveness in selling additional products to existing customers. As Schäfer (2002) notes, no prior studies conceptualize or operationalize cross-selling success in a way that accounts for the reliability and validity of the measures. Instead, prior research reveals a central focus on strategic issues and customers, not the actual implementation from a seller’s point of view (Akcura and Srinivasan, 2005; Ansell et al., 2007; Kamakura et al., 2004; Kane, 2005; Li et al., 2005; Mundt et al., 2006).

5.4.2 Cross-Divisional Orientation

A cross-divisional orientation (CDO) helps establish and maintain close social and professional ties across product divisions. As a latent mindset, CDO is manifested in the behavior of divisional staff and salespeople, such as collaborations between technical support staff and salespeople, enactments of a team-selling culture, or organizational support for cross-selling activities by various product divisions.

In the long term, a functional CDO causes the organization to structure its operations around core business processes, ideally driven by the end-customer (Castro et al., 2005; Lings, 1999; Mudie, 2003). Accordingly, a CDO may be an antecedent of a customer-centric organization, which reflects Barnes and colleagues’ (2004) argument that no single management function is effective in isolation. Therefore, cross-divisional thinking should enhance the effectiveness of a company’s ability to make cross-divisional offers. If so, CDO may be a necessary prerequisite for companies’ cross-selling success.

H_1: A cross-divisional orientation has a positive effect on cross-selling success.

5.4.3 Cross-Divisional Sales Dispersion

When a salesperson sells products from different product divisions, he or she attains higher cross-divisional sales dispersion. From the salesperson's perspective though, a broader product range is risky and associated with doubt. Although few studies consider why a salesperson might not be willing to participate in cross-selling activities on a regular basis (Schäfer, 2002; Troilo et al., 2009), it is possible that salespeople are afraid to leave the comfort zone comprised of products they already know and sell, because they do not know

(1) what other product divisions offer, (2) how customers react to new products, and (3) how their image might change if they sell other products (Dellaferrera, 2003). A central theme from the salesperson's point of view therefore relates to the question of the product portfolio that a salesperson carries.

A salesperson willing to take on more risk is likely to sell products from more divisions than is a risk-averse salesperson. Furthermore, salespeople must decide among several different opportunities, such as cross-divisional, solution, long-term relationship, and multiple product opportunities (Dellaferrera, 2003). Each type of opportunity promises a likely return for a certain level of risk. If their firm adopts a cross-divisional orientation, the perceived risk associated with a cross-divisional portfolio opportunity likely declines, because this orientation facilitates internal processes, offers training about new products, and mitigates internal hurdles and requirements. In turn, a CDO makes it more attractive for salespeople to sell products from diverse divisions.

H_2: A cross-divisional orientation has a positive effect on cross-divisional sales dispersion.

5.4.4 Cross-Selling Motivation

The motivation to sell additional products to existing customers entails a personal attitude toward offering customers the best possible solution, even if doing so requires crossing divisional borders or lines of responsibility. Motivation is an internal psychological state that stimulates a person to engage in a particular behavior; it is thus central to conscious choices among different alternatives (Brown and Peterson, 1994; Jaramillo et al., 2007b). Within a sales environment, motivation often is a steering instrument that pushes salespeople to achieve desired job outcomes and fulfill the goals of the organization (Steers et al., 2004; Steers and Porter, 1991). A broader product portfolio pushes cross-selling–related results, which can increase salespeople's intrinsic and extrinsic motivation to fulfill cross-selling–related organizational goals. According to motivation theory, the expectation of achieving set goals increases motivation to work harder. Through a broad cross-divisional product portfolio, salespeople thus should be motivated to engage in cross-selling activities.

H3a: Greater cross-divisional sales dispersion increases cross-selling motivation.

Moreover, many personal selling studies show that motivation is fundamental for organizational success, because it directly affects attitudes, behavior, intentions, and performance (Grant et al., 2001; Pullins, 2001). Performance orientation research also states that levels of employee motivation have a direct effect on employee performance (Stele-Johnson et al., 2000), because motivated salespeople engage in extra effort to achieve their targets (Nohria et al., 2008).

H_{3b}: Higher cross-selling motivation leads to greater cross-selling success.

5.4.5 Cross-Selling Readiness

Salespeople develop beliefs about their own ability to sell additional products to existing customers. This sense of cross-selling readiness relates to their boundary-spanning abilities to identify customer needs and respond with appropriate sales behaviors during customer interactions (Robinson and Griffiths, 2005; Weitz et al., 1986). To do so, salespeople need to be aware of their company's entire product portfolio and able to use this knowledge flexibly in meetings and sales presentations with customers. Being ready to cross-sell thus means being able to offer a wide range of products and services from a multitude of product divisions to provide optimal solutions to customer problems.

Yet as Dellaferrera (2003, p.111) points out, salespeople often rely on "only a handful of tools and their knowledge of a limited set of products and services to hit near-term sales goals. As a result, they regularly fail to identify cross-selling leads and longer-cycle, complex and often more valuable sales opportunities." In contrast, salespeople who are knowledgeable about a broad array of products also should have greater cross-selling readiness, because their knowledge and experience with other product divisions gives them confidence to offer additional products.

H_{4a}: Greater cross-divisional dispersion increases a salesperson's cross-selling readiness.

As boundary spanners who fulfill both internal and external demands, salespeople are critical to any organization. Their ability and readiness to cross-sell in turn should affect the degree of cross-selling success they achieve. Several studies also link cross-selling readiness to self-reported and objective performance indicators (Fang et al., 2004; Park and Deitz, 2006).

H_{4b}: Greater cross-selling readiness increases cross-selling success.

Finally, salespeople who are motivated to cross-sell may be driven by the pleasure and satisfaction they gain from pursuing business opportunities and creating new solutions for customers. Accordingly, these salespeople likely perform their jobs at a higher level than their less motivated colleagues do (Grant et al., 2001; Ingram et al., 1989; Jaramillo et al., 2007b; Weitz et al., 1986). Because motivated salespeople want to offer the best possible solution, even if doing so requires risky, cross-divisional selling endeavors, they search for creative solutions and engage in behaviors that help them achieve better results (Pullins, 2001; Weitz et al., 1986), such as cross-selling, strategy-supportive behaviors (Sujan, 1986), risk taking (Ganesan and Weitz, 1996), and creativity (Cooper et al., 1999). Such behaviors often require a strong learning orientation and enhance the salesperson's ability to cross-sell (Sujan et al., 1994).

H_5: Higher cross-selling motivation leads to higher cross-selling readiness by a salesperson.

Figure 5-2 summarizes the proposed relationships across the variables of interest.

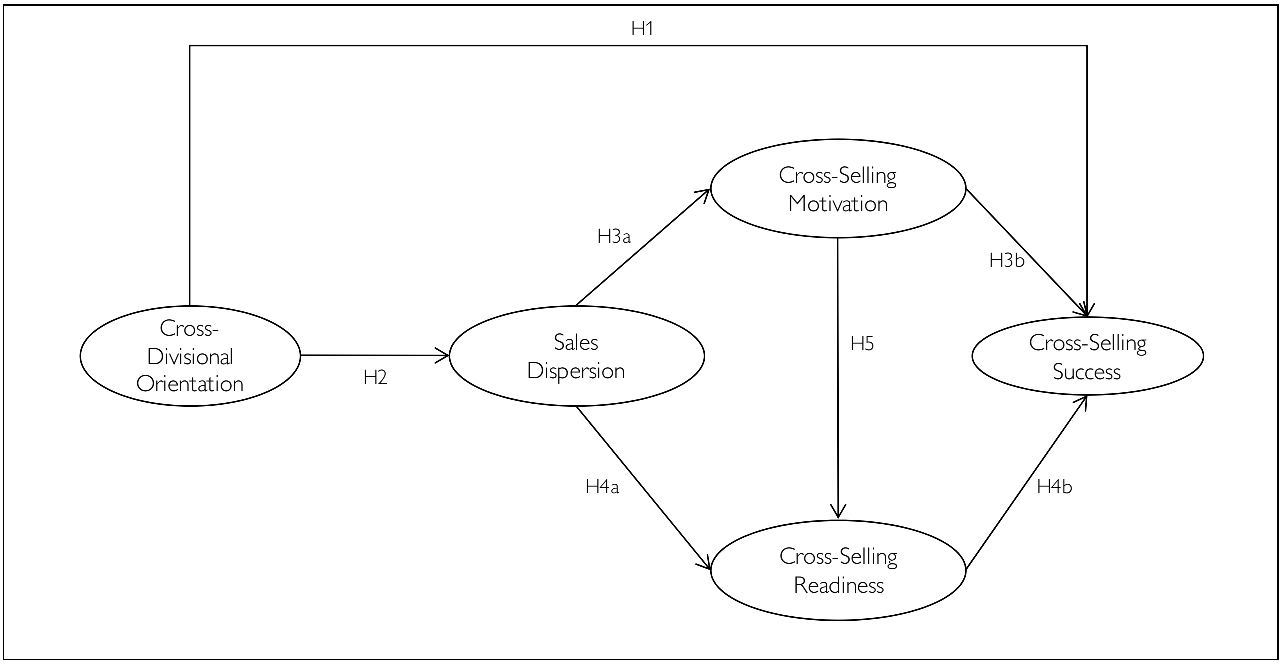

Figure 5-2: Hypotheses and Proposed Model of Study III
Source: Own representation

5.5 Methodology

5.5.1 Qualitative Interviews and Focus Groups

Seventeen semi-structured interviews involved salespeople and sales managers of seven industrial manufacturing companies. Ten interviews were conducted face-to-face, in personal meetings of approximately 90 minutes each; seven interviews were conducted by telephone. The locations of the interviews were chosen according to convenience. The survey questions were identical for each interview, including for example, "How do you define cross-selling in your company?" "What are the key challenges towards realizing cross-selling potential in your organization?" and "Are there any risks you can think of that are associated with cross-selling?" The aim of this exploratory qualitative research was to generate and identify possible facets and dimensions for the cross-divisional orientation construct, as well as gain an idea of how to adapt the wording of the individual items for the other constructs. The resulting measurement scales then were implemented in the quantitative study. The results were used to test the proposed model and operationalize the cross-divisional orientation scale.

As a check of the consistency of the CDO scale, seven salespersons participated in a focus group discussion on the topic of cross-selling implementation, at the researchers' university. These participants represented a multitude of backgrounds and professional experience. At the time of the investigation, the focus group members were employed by four different companies, operating in heterogeneous industries. Single variables stemming from the previous interviews were discussed among the focus groups participants until they reached a common agreement about their underlying meaning. This approach ensured the discriminatory power of every item used in the quantitative study.

5.5.2 Data Collection and Sample Structure

The collection of quantitative empirical data proceeded with the assistance of a large industrial glass products manufacturer. The company sells products from 24 product divisions, specialized according to technology or product groups. Surveys were administered to all salespersons, and objective data were obtained from company records (for cross-divisional sales dispersion).

The survey was preannounced by company management, after which the research team distributed the questionnaires directly to salespeople via e-mail, with the option of returning the file by e-mail, fax, or postal mail. The message assured respondents of the anonymous treatment of their responses. Nonrespondents received a reminder with a new deadline. Of the 288 questionnaires distributed to company salespeople, 231 responses were received for an 80% response rate, similar to or higher than response rates in previous marketing studies involving salespeople (e.g., Ahearne et al., 2005; Bolton et al., 2008; Brown and Peterson, 1994; Chandon et al., 2005; Ganesan, 1994; Jaramillo et al., 2007a). After discarding 9 incomplete surveys, 222 surveys remained for the main analysis. The average respondent had worked for the company for 8.6 years ($SD = 7.36$), and 94% were men, which is typical in this industry.

The measure of nonresponse bias involved a comparison of the means of all relevant constructs between the early (Quartile 1) and late (Quartile 4) respondents (Armstrong and Overton, 1977). This comparison revealed no significant differences ($p < .10$).

5.5.3 Construct Measurement and Assessment

The construct measurement employed both well-established and new scales. The newly constructed scales were adapted from established scales to refer to the specific context of cross-selling. All scales indicated strong psychometric properties, in support of the reliability and validity of the measurements. Table 5-1 includes the descriptive statistics, Cronbach's alpha, factor reliability, and average variance extracted (AVE) values for each scale.

- Cross-divisional orientation was measured on a seven-point rating scale, from "strongly disagree" (1) to "strongly agree" (7). Some CDO items came from the scale provided by Schäfer (2002). Sample items include, "The divisions in our organization enable easy cross-selling processes" and "The degree of integration between divisional support and sales is very good."

- The measure of cross-divisional sales dispersion used objective data collected from company records that indicate the total number of product divisions from which each salesperson has sold. If a salesperson sells from one product division, the degree of cross-divisional sales dispersion is very low, and the sales concentration is very high. These values ranged from 1 to 19 (out of 24), with a mean of 3.15 (SD = 3.32).

- The measure of cross-selling success was based on a four-item, seven-point rating scale (Schäfer, 2002), translated from German to English. After the scale was translated, a professional translator checked it for consistency and translated it back to German. The wording was adapted slightly to fit the meaning of the German scale.

- Cross-selling motivation was measured with a three-item scale adapted from Sujan and colleagues' (1994) original nine-item measure of learning orientation. The items were modified to match the topic of cross-selling motivation. For example, item 8 from the original scale ("Learning how to be a better salesperson is of fundamental importance to me") in a cross-selling context became "Offering customers additional products from other divisions can be important."

- The cross-selling readiness scale was based on a six-item measure of adaptability by Hartline and Ferrell (1996) and a three-item measure of self-efficacy by Mulki and colleagues (2008), using a seven-point rating scale (1 = “strongly disagree;” 7 = “strongly agree”). The wording of five items was adapted to the topic of cross-selling. For example, the original item, "I feel confident that I can effectively change my approach when necessary" (Hartline and Ferrell, 1996) became, "I feel confident about offering products not being sold within my division."

Constructs and Items	Mean (SD)	CA	FR	AVE
Cross-divisional orientation (own scale)		.62	.72	.59
The degree of integration between technical support and sales is very good.	4.33 (1.46)			
Our company is very keen on supporting a team-selling culture.	4.40 (1.47)			
The divisions in our organization enable easy cross selling processes.	3.53 (1.51)			
Cross-divisional sales dispersion (objective measure)		n/a	n/a	n/a
Number of product divisions a salesperson is selling from (24 product divisions in total)	3.15 (3.325)			
Cross-selling success (Schäfer 2002)		.81	.88	.72
We cover our customers' needs for additional products already on a broad basis.	3.93 (1.42)			
Our customers obtain additional products they require in most cases from us.	3.95 (1.37)			
Most additional products we offer, our customers purchase from us.	3.71 (1.28)			
We exploit the customers' potential with regard to additional products extensively.	3.84 (1.38)			
Cross-selling motivation (adapted from Sujan et al., 1994)		.81	.89	.73
Offering customers additional products from other divisions can be important.	5.48 (1.50)			
Sales persons should take responsibility for optimal solutions for their customers.	6.15 (0.89)			
I feel good about providing customers additional products.	5.92 (1.10)			
Offering customers additional products fascinates me.	5.62 (1.26)			
Cross-selling readiness (adapted from Hartline and Ferrell 1996; Mulki et al., 2008)		.84	.91	.73
I know the products we offer for different applications within other divisions.	3.92 (1.51)			
I feel confident about offering products not being sold within my division.	4.15 (1.55)			
I can easily modify my sales presentation if customers ask for additional products	4.63 (1.59)			
I am very flexible in offering a wide range of different products and services depending on my customer's needs	5.01 (1.49)			
I feel very insecure in offering a wide range of different products and services, if they are not from my division.	4.46 (1.82)			
$\chi^2 = 222.77$, df = 113, $p = .00$, RMSEA = .06, CFI = .92, TLI = .91.				
SD = standard deviation; CA = cronbach's alpha; FR = factor reliability; AVE = average variance extracted, RMSEA = root mean square error of approximation, df = degrees of freedom, p = level of probability, CFI = comparative fit index, TLI = tucker-lewis index				

Table 5-1: Study III Measures

The measure validation featured a set of analyses, including a reliability analysis (RA), explorative factor analysis (EFA), and confirmatory factor analysis (CFA) for the measurement model and the structural model. To control for convergent validity, the AVE and factor reliabilities were considered; the former (cutoff value = .5) focuses on variance, whereas the latter (cutoff value = .6) encompasses covariance between indicators (Hu & Bentler, 1999). The results show that the measurement models achieve the necessary factor reliability and satisfy Fornell and Larcker's (1981) cutoff criteria for AVE. The only exception is that the CDO measure produces a Cronbach's alpha slightly below the .70 cut off. Overall though, the fit of the measurement model was acceptable (χ^2 = 227.42, df = 116, *p* = .00, root mean squared error of approximation [RMSEA] = .06, confirmatory fit index [CFI] = .92, Tucker-Lewis index [TLI] = .91), and each indicator loaded significantly on the appropriate factor. These results supported the posited relationships among constructs and indicators and confirmed the convergent validity of the constructs.

5.6 Analysis and Results

Structural equation modeling (SEM) in MPlus 4.1 with a maximum likelihood estimation tested the hypothesized model, in a three-step approach (Muthen, 1989). First, the factor structure of all the variables was examined to determine if the model fit the observed data, according to a CFA. Second, the overall fit of the model was assessed according to chi-square, RMSEA, CFI, and TLI. Third, the analysis considered the strength, signs, and statistical significance of the path coefficients. The overall fit of the model again was satisfactory (Hu and Bentler, 1999; Marsh et al., 2004): χ^2 (115) = 215.31, RMSEA = .06, CFI = .93, and TLI = .92. The results of the structural paths are summarized in Table 5-2.

The impact of CDO on cross-selling success is significant (H1: $\gamma1$ = .43, $p < .01$); moreover, CDO influences the level of a salesperson's cross-divisional sales dispersion (H2: $\gamma1$ = .15, $p < .05$). Significant direct effects emerge between cross-divisional sales dispersion and cross-selling motivation too, as well as between cross-selling motivation and cross-selling success (H3a: $\gamma1$ = .29, $p < .01$; H3b: $\gamma1$ = .17, $p < .05$). The same findings hold for the relationships between cross-divisional sales dispersion and cross-selling readiness, as well as between cross-selling readiness and cross-selling success (H4a: $\gamma1$ = .22, $p < .01$; H4b: $\gamma1$ = .15, $p < .05$). Hypothesis 5 receives support, in that the analysis shows a significant direct effect between cross-selling motivation and cross-selling readiness (H5: $\gamma1$ = .38, $p < .01$).

In addition to the proposed model, this study tests a rival model to determine which model fits the data best. The alternative model adds a direct effect of cross-divisional sales dispersion on cross-selling success. The path coefficient between cross-divisional sales dispersion and cross-selling success does not achieve statistical significance ($p < .10$). A chi-square difference test also shows no statistical significance for the rival model (proposed model: $\chi 2 = 215.31$, df = 115; rival: $\chi 2 = 215.19$, df = 114). Therefore, the results suggest rejecting the rival model in favor of the proposed model. The principle of model parsimony also recommends adopting the model with the fewest paths specified, and the rival model does not explain a significant portion of additional variance.

Three main results emerge from the test of the proposed model for the statistical significance of the indirect effects between cross-divisional sales dispersion and cross-selling success. First, there is a significant indirect effect between cross-divisional sales dispersion and cross-selling success when controlling for cross-selling motivation ($\gamma 1 = .48$, $p < .05$). The direct effects among the three variables are significant. By rejecting the rival model with a direct effect between cross-divisional sales dispersion and cross-selling success, this model shows that cross-selling motivation fully mediates the path from cross-divisional sales dispersion to cross-selling success. Cross-divisional sales dispersion in itself does not foster cross-selling success; only through motivation does it enhance cross-selling success.

Second, a significant indirect effect arises between cross-divisional sales dispersion and cross-selling success when controlling for cross-selling readiness ($\gamma 1 = .33$, $p < .01$). Cross-selling readiness thus does not lead to cross-selling success; does cross-selling motivation alone suffice to encourage cross-sales? Third, in response to this question, the test indicates a significant indirect effect between cross-selling motivation and cross-selling success when controlling for cross-selling readiness ($\gamma 1 = .58$, $p < .05$). This finding implies that with cross-selling motivation, a sales force contributes to the cross-selling success of the company through its cross-selling readiness. A firm with cross-selling–motivated employees is likely to be successful in cross-selling. To achieve cross-selling readiness, salespeople first need a motivation for cross-selling.

Table 5-2 provides the standardized estimates and significance levels for all direct and indirect effects.

Hypothesis	Estimate	z-Value	Result
H_1: CDO → CSSUC	.43***	4.81	Supported
H_2: CDO → CDSD	.15**	1.77	Supported
H_{3a}: CDSD → CSMOT	.29***	3.96	Supported
H_{3b}: CSMOT → CSSUC	.17**	2.03	Supported
H_{4a}: CDSD → CSREADY	.22***	3.32	Supported
H_{4b}: CSREADY → CSSUC	.15**	1.83	Supported
H_5: CSMOT → CSREADY	.38***	5.24	Supported
INDIRECT EFFECTS:			
SD → CSMOT → CSSUC	.48**	1.82	Full mediation
SD→ CSREADY → CSSUC	.33*	1.60	Full mediation
CSMOT → CSREADY → CSSUC	.58**	1.75	Full mediation
***$p \leq .01$; **$p \leq .05$; *$p \leq .10$.			
Notes: CDO = cross-divisional orientation, CDSD = cross-divisional sales dispersion, CSMOT = cross-selling motivation, CSREADY = cross-selling readiness, CSSUC = cross-selling success			
$\chi^2(115) = 215.31$, RMSEA = .06, CFI = .93, TLI = .92.			

Table 5-2: Study III Results

5.7 Discussion

This study has investigated the internal preconditions that must be in place to realize cross-selling potential among existing customers. Specifically, the boundary-spanning role of salespeople and the organizational culture may have key influences on cross-selling success. The importance of such an investigation is clear, considering that cross-selling represents a cost-efficient, effective sales strategy with low initial investments and low levels of risk for the company (Hartline and Ferrell, 1996). By implementing a cross-selling strategy, an organization can expand its customer relationships and gain a higher share of wallet, resulting in more stable business growth rates, stronger customer ties, less customer churn, and sustainable competitive advantages (Ansell et al., 2007; Ritter, 1993).

To accomplish the aims of this study, the proposed model outlines internal preconditions of and effects on cross-selling success, in two ways: (1) incorporating organizational culture (cross-divisional orientation) and (2) testing salespeople's behaviors and mindsets. Therefore, this study helps advance research into cross-selling with a unique focus on implementation issues in the sales organization.

Accordingly, this investigation confirms that cross-selling success is enhanced by the implementation of a cross-divisional orientation. That is, a CDO has a direct positive effect on the amount of cross-selling potential realized by an organization. Moreover, this study suggests an operationalization of CDO with respect to cross-divisional coordinative and communicative mechanisms. Establishing a cross-divisional orientation can help companies implement cross-selling.

Beyond such organizational conditions, this study adopts a salesperson's point of view to clarify some of the challenges associated with realizing cross-selling potential. In contrast with other research on cross-selling (Akcura and Srinivasan, 2005; Ansell et al., 2007; Byers and So, 2007; Kamakura et al., 2004), this investigation considers the salesperson's influence closely, because from a salesperson's perspective, broad product ranges and cross-selling activities often prompt negative feelings, doubts, and fears (Dellaferrera, 2003). Yet through the implementation of a CDO, an organization can enable salespeople to sell more products from different product divisions. This finding is imperative, in that prior assumptions suggest salespeople simply avoid leaving their comfort zone (Dellaferrera, 2003), whereas these results show that organizations can influence cross-divisional sales dispersion by establishing a CDO. In a cross-divisional context, establishing the right organizational culture has a tremendous influence on the behaviors and job performance of salespeople (Gulati, 2007). Changes in the organizational culture can encourage the cross-divisional selling of products and break down the strong internal boundaries among salespeople.

In a similar finding, cross-selling readiness not only is influenced by the level of cross-divisional sales dispersion but also has a strong influence on cross-selling success. A high rate of cross-divisional sales dispersion makes salespeople more ready to engage in cross-selling because of their increased knowledge and confidence in their ability to offer a broad product portfolio and adapt flexibly to changing customer needs much quicker. This finding provides an answer to key obstacles, because cross-selling readiness enables salespeople to (1) realize what other product divisions offer and (2) grow more agile in reacting to customer needs or new demands. Accordingly, the ease with which salespeople can sell solutions increases when they have a broad product portfolio. The study results show that cross-selling readiness fully mediates the relationship between cross-divisional sales dispersion and cross-selling success. That is, cross-selling readiness needs to be established first to drive cross-selling success.

Furthermore, the motivation for cross-selling activities is not only influenced by the level of cross-divisional sales dispersion but also has a strong influence on cross-selling. The finding that salespeople with a high rate of cross-divisional sales dispersion are more motivated is imperative, because it confirms the impact of a large product portfolio. Salespeople selling from many different product divisions are highly motivated and able to engage in cross-selling activities, because they can offer customers optimal solutions from a broad product portfolio. In addition, cross-selling motivation fully mediates the relationship between cross-divisional sales dispersion and cross-selling success. In line with prior research, motivation emerges as a key lever for managers to induce employees to achieve results and support organizational goals (Steers et al., 2004; Steers and Porter, 1991). The mediation effect also suggests that cross-selling motivation should be established first to drive cross-selling success.

Finally, cross-selling readiness depends on cross-selling motivation, which means that by establishing motivated employees, the firm ensures their readiness to engage in cross-selling. To train a flexible salesperson who can adapt to customer needs and sell the broadest range of different products to customers, the firm needs to ensure a certain level of cross-selling motivation. In accordance with prior research (e.g., Jaramillo et al., 2007b), this study reveals a fully mediated relationship of cross-selling motivation and cross-selling success, through cross-selling readiness. Even if salespeople are highly motivated, they must be ready to cross-sell to be successful. Overly motivated salespeople might even produce negative outcomes for cross-selling success if they are not sufficiently ready, because they could oversell or make false promises to customers. The combination of cross-selling motivation and cross-selling readiness allows companies to realize their cross-selling potential.

5.8 Limitations and Further Research

This study has certain limitations that should be considered when interpreting the results. The data collected for the study were based on a single company in a single industry. Additional research should assess the proposed model and its relationships in other settings. Moreover, scales were adapted to apply to a cross-selling context. Therefore, additional research could attempt a broad validation of those scales in other contexts. The organizational structure of the focal company might have biased the results or induced group-specific answers. Further research is needed to compare the results with those from companies that are set up differently.

In addition, cross-selling motivation and cross-selling readiness are the mediating variables in this study, with the assumption that they are necessary prerequisites of cross-selling success. Further research could advance insights into these two antecedents, as well as cross-selling-specific skills. This study suggests that the boundary-spanning salesperson plays the most important role in cross-selling success; more effort therefore should be devoted to developing their necessary skill set.

Moreover, further research should address the potential downside of cross-selling. Despite the finding that cross-selling motivation has a positive influence on cross-selling success, this relationship could be curvilinear, such that after a certain level of motivation, it becomes counterproductive. Perhaps a very highly motivated cross-selling salesperson makes so many offers that customers become annoyed or think the salesperson is not an expert in the original product group. Moreover, salespeople might make too many concessions if they are overly motivated.

Finally, the new measure of cross-divisional sales dispersion needs further investigation: What is the optimum level? Is it sufficient for a salesperson to be an expert in some divisions and have intermediate levels of knowledge in others? Can too much cross-divisional sales dispersion harm cross-selling motivation and readiness, and eventually cross-selling success? Interesting results might emerge from an analysis of cross-divisional sales dispersion or sales concentration in terms of sales volume across different product divisions Implications for business marketing practice.

5.9 Implications for Business Marketing Practice

Successful cross-selling is crucial for firm growth and competitiveness. In B2B markets, selling across intraorganizational borders often requires selling products across product categories or product divisions, creating challenges for coordination and remuneration, because companies usually are organized according to products or technologies, not customer needs. Therefore, many companies still struggle to realize their full cross-selling potential. In addition, few companies understand exactly how to leverage the cross-selling potential they have among their customer base.

This study develops several guidelines firms can use in this context. First, managers should create a cross-divisional orientation in their organization. To start, top management should express support and foster cross-divisional activities. This effort may require managers to rethink their organizational alignment with the market and their organizational culture. In so doing, they can encourage cross-divisional orientation by instituting team-selling mechanisms and close interactions across product divisions, such as through team events. Telling success stories about cross-divisional behavior and requiring employees to behave according to cross-selling goals are likely instruments.

Second, managers might consider their sales force motivational mechanisms carefully. They should establish adequate remuneration and recognition for cross-selling activities, as well as reconsider the deployment of the sales force. Because cross-selling is a complex task that often requires strong cognitive, technical, and social skills, not every salesperson is well suited for it. Managers could classify the sales force according to relevant skill levels. Employees who possess very sophisticated selling skills can take more responsibility for cross-selling, especially on a cross-divisional basis. Moreover, managers should identify which customers have the highest cross-selling potential.

Third, motivation alone cannot make a company succeed in cross-selling; the sales force must be ready for it too. Managers need to find a good balance between cross-selling motivation and cross-selling readiness. Without such balance, motivated employees might even be counterproductive and destroy customer trust. Thus, employees need training to ensure they understand the products available and can make flexible use of their knowledge to close a deal. Managers must disseminate such knowledge throughout the organization and across divisions, perhaps through cross-divisional training or job rotations for salespeople who lack cross-selling readiness. Designing specific job profiles and hiring salespeople with cross-selling skills also would enhance cross-selling readiness levels overall.

5.10 Conclusion

Internal prerequisites associated with both the organization and salespeople can leverage the successful implementation of cross-selling and lead to cross-selling success. This study provides insights into not just the relationship of a salesperson's state of mind with cross-selling success but also on the interplay between the organization and the salesperson. The results highlight the importance of cross-selling and should encourage managers to tackle the barriers that frustrate their sales force from achieving cross-selling success.

6 Study IV: Determining, Quantifying, and Weighting Critical Cross-Selling Incidents: A Holistic Approach

6.1 Abstract

Purpose: To address the theoretical and practical question of how to realize cross-selling potential among existing customers, according to a holistic perspective on the organization.

Methodology/Approach: This study examines typical cross-selling situations for salespersons, sales managers, and top managers of eight companies operating in four industries (IT, financial services, industrial goods, and entertainment). Their descriptions indicate critical incidents (positive and negative) with particular customers in the recent past. These critical incidents are categorized, labeled, quantified, and weighted.

Findings: Salespersons with strong technical skills exert the greatest influence on cross-selling success. Performance management by the organization to ensure customer satisfaction is critical and a high-priority challenge. Coaching by sales managers to ensure the sales force recognizes relevant cross-selling tactics also makes a difference. Contrary to expectations, compensation does not represent a high priority for cross-selling; other leadership principles instead appear more decisive. Finally, the culture and training established by top management earns a surprisingly low score, suggesting the need for decentralized development of both.

Research Implications: The critical incident technique can be used effectively to determine, quantify, and weight the key challenges associated with cross-selling in a holistic research context. Consideration of intragroup effects and categorical isolation (e.g., respondent type, points of view, business types) might expand the implications even further.

Practical Implications: By providing priority guidelines and practical implications for each cross-selling challenge, this study helps managers develop effective cross-selling strategies. If they separate high- and low-priority challenges, managers can quantify and assess the potential risks and returns of cross-selling and determine how to allocate resources when designing cross-selling strategies.

Originality/Value/Contribution: This research contributes to current theory and practice in three ways: First, the holistic view on cross-selling realization reveals the challenges throughout the organizational context. Second, by identifying and weighting the relevant levers for cross-selling, this study distinguishes low- from high-priority challenges. Third, it establishes three perspectives (top management, sales managers, sales personnel) for strategy implementation.

Keywords: cross-selling, critical incidents, change management, customization, performance management, relationship management, personal selling.

6.2 Introduction

In recent years, Toyota's automotive sales began to decline, in response to the ever-increasing globalization of markets and greater internationalization of competitors. Discount battles, slow economies, and strict quality standards increased demand for differentiation and growth. Thus, the company turned to a cross-selling program with its dealers to offer insurance services through its financial division. Dealers not only sold cars but could offer financial products too (Müller, 2010). By expanding its product portfolio into financial services Toyota increased its sales volume and effectively leveraged its existing customer base.

Other companies similarly have realized that cross-selling provides an important means to leverage existing sales potential, such that it represents a viable alternative to expensive, risky market growth initiatives (e.g., new market or product development, new customer acquisition programs, expanding/optimizing the lifecycle of existing products) (Harding, 2002; Harding et al., 2004). Although cross-selling is thus a widely accepted sales-boosting strategy (Glanforte, 2005; Gulati, 2007), it rarely is clearly defined in an organizational context. Salespeople often confuse the meaning of cross-selling with overselling: Overselling intends to offer the customer more than he or she needs, such as when salespersons promise a solution but ultimately cannot deliver it. Cross-selling instead aims to offer customers more and more products from varied business areas, such that it requires revealing hidden customer needs and providing solutions to their problems by combining the offerings of the different business areas (Schäfer, 2002). When applied in its defined sense, as "the additional selling of products and services from adjacent business areas" (Kuß et al., 2007, p.141), cross-selling is a well-known and accepted method to grow existing businesses.

Yet even when firms understand and embrace the principle of cross-selling, many of them still struggle with its realization (Belz, 1999; Bielski, 2007; Malms and Schmitz, 2011; Palmatier et al., 2008), largely because formal processes that emerge between and among groups in an organization tend to lead to formal management control systems that define their relationships. If cross-selling is not a core business process, it does not get included into the formal processes of the organization, because doing so would demand rethinking or changing established processes (Harding, 2002). For example, changing compensation plans to include cross-selling goals would likely result in complex incentive structures, in which salespersons must consider not just their own individual sales goals but also cross-selling goals (e.g., product mixes, connect rates, commissions). When remunerating cross-sales across business units, firms should pay commissions to all salespersons involved (Malms and Schmitz, 2008), which increases their costs while also creating ambiguity about sales personnel's role in the organization (Balkin and Gomez-Mejia, 1990; Onyemah, 2008). The confusion becomes acute in formal organizations, because cross-selling requires a free and creative spirit, whereas formalization diminishes it, in the sense that "Strategic thinking is about synthesis ... the outcome of strategic thinking is an integrated perspective of the enterprise" (Mintzberg, 1994, p.106). Traditional sales planning approaches tend to rely on formal processes, which undermine rather than support or integrate strategic thinking, such that ultimately they impair organizational adaptation (Lawrence, 1999).

Overcoming formalization often entails risks, because it involves managing internal power struggles between divisions or setting up sales offerings across multiple business units (Homburg et al., 2009). Further risks originate in the buyer–seller context: The buyer is unsure whether the seller has the capacity to provide an effective solution or if it only wants to sell additional products (Dellaferrera, 2003). The seller is uncertain about the buyer's perception of its knowledge or sense of trust with regard to offering a good deal. In the worst case, the salesperson risks losing a customer if cross-selling is unappealing.

So what is the best way to realize cross-selling, such that the firm overcomes the hurdles of formalization without suffering high risk and personnel costs? Because it is difficult to identify a single hurdle as the most crucial, it seems inevitable to view the challenge of cross-selling from a holistic point of view, which enables the recognition and analysis of levers to support cross-selling by accounting for implementation difficulties due to the formal processes in an organization. The challenge for management then is implementing holistically derived levers into their everyday business. Accordingly, this chapter aims to answer the following main research questions:

1. What are the exact levers that ensure cross-selling realization for a company?
2. How should each lever be handled by management, and how can it be implemented effectively?

The answers to these questions also offer three practical contributions to managers:

1. To eliminate improper and misleading heuristics about cross-selling, this study collects critical incidents across various industries and structures them into categories.
2. Assigning names to each identified lever, in combination with outcomes from existing literature, leads to propositions that offer “to do” options for managers.
3. The weights assigned to these collected levers, structured according to impact, enable managers to choose between high- and low-priority challenges.

This research thereby creates a guide for action; with its results, managers learn how to tackle the complexity of cross-selling realization effectively. The methodological setup of this research appears in the next section, followed by a presentation of results according to salespeople, sales managers, and top management. The results combine with a literature review to offer recommendations for practice. Finally, this chapter summarizes the key findings and outlines implications for theory and practice, including some limitations of this research.

6.3 Methodology

This chapter aims to develop a practical approach to managing cross-selling and determining the appropriate allocation of managerial resources to ensure cross-selling realization. Its theory-building foundation thus is interpretivistic (anti-positivistic) (Kuhn, 1996). Interpretivists argue that simple fundamental laws are insufficient to understand the complexity of social phenomena. Moreover, an objective observation of the social world is impossible, because the social world has meaning for humans and thus is constructed by their intentional behaviors and actions (Blumberg et al., 2005, p.19). Each insight can be proven correct only from the point of view of a single observer but never be valid in general. Interpretivistic research often applies qualitative methods; Despahndé (1983) thus recommends exploratory research to develop innovative approaches to theory. Qualitative research investigates relationships in their natural contexts and uses interpretations of relevant enacting participants to explain relationships. As Dyllik and Tomczak (2007, p.11) reveal, qualitative research leads to "dense" descriptions and interpretations of interactions, processes, and meanings and intensifies understanding of the relationships examined.

Interpretivism usually follows inductive theory building to establish a framework based on prior observations of a phenomenon in its environment (Day, 1994). Unlike deduction, induction cannot establish a strong relationship between reasons and conclusions (Blumberg et al., 2005). That is, a deductive approach adopts the notion that all observations are objective and that the social world consists of elements, to which it can be reduced. An inductive approach instead refuses to identify a single reason as the only cause of a certain outcome.

Because cross-selling has not been sufficiently clarified or explained yet (Homburg and Schäfer, 2006), an inductive and interpretivistic research approach is best suited to addressing the three main research questions. Just as a holistic perspective on the organization supports the break from formalization, induction allows for conclusions based on one or more particular facts or pieces of evidence, instead of relying on pre-established theories.

The critical incident technique (CIT) method for inductive theory building, first introduced by Flangran (1954), provides a common foundation for social science research. Flangran proposed the method as an instrument for observation, to analyze critical incidents and their outcomes. Data collection using CIT involves a semi-structured, open-ended survey (Appendix III), then categorizes the results into content clusters. The loose data acquisition structure helps ensure that respondents answer in unprejudiced ways. The primary principle of CIT is that it captures a situation, as described by the personal views and experiences of each respondent. Respondents think about a series of specific events in the past in which they were either successful or unsuccessful. Next they describe the critical incidents in positive or negative terms, which enables them to report, in their own terms, how they experienced the situation (De Saram et al., 2004). The narrative of a specific event thus becomes the basis for theory development, in line with an interpretivistic research approach, because the person reporting the narrative also was part of the event.

6.3.1 External Validity

The problem with qualitative research techniques such as CIT stems from the sparse availability of validity measures (Backhaus and Bauer, 2001; De Saram et al., 2004; Flangran, 1954; van Dolen et al., 2001). This study aims to address external validity concerns through variation in the sources: 13 interviews with sales managers and salespersons working for eight different companies that operated in four different industries. One interview, which contributed to the research merely in an exploratory sense and did not directly contribute critical incidents, was excluded from the final analysis. Thus the ultimate analysis depended on 12 interviews (Table 6-1) with a convenience sample of men between the ages of 27 and 55 years. Each interview lasted about 90 minutes and was tape-recorded. In combination, the interviews provided 328 critical incidents to which participants contributed to varying extents. The overall mean equaled 29.2 incidents per person, with a standard deviation of 8.2, of which 67% relate to positive situations (cross-selling could be realized) and 33% to negative situations (no cross-selling possible).

Respon-dent	Position	Industry	Company	Location	Incidents
1	Power leader, general business	IT	1	Germany	13
2	Team leader, substantial private equity	Banking	2	Switzerland	44
3	Chief sales officer	IT	3	Switzerland	36
4	Sales representative, private equity	Banking	2	Switzerland	25
5	Sales representative, imaging and printing	IT	4	Germany	31
6	Senior key account manager, industrial	IT	1	Switzerland	41
7	Global business unit manager	Industrial	5	Germany	34
8	Key account manager and CMO	Enter-tainment	6	Switzerland	28
9	Distinguished engineer	IT	1	Germany	22
10	Sales leader, private equity	Banking	2	Switzerland	25
11	Sales representative	Industrial	7	Switzerland	28
12	Regional sales manager	Industrial	7	Germany	26

Table 6-1: Overview of Interview Respondents and Critical Incidents of Study IV
Source: Own representation

According to Backhaus and Bauer (2001), CIT can test the effect of positive and negative incidents on different customer satisfaction outcomes. They argue that negative incidents have stronger influences on final outcomes, because people tend to remember them better than positive incidents. However, this effect emerges in their study because of the unidimensionality of their research, in which they test a single, specific outcome: customer satisfaction. For this chapter, there are multiple potential (cross-selling) situations across the varied companies analyzed, in which various people engage. This multidimensionality should make the potentially stronger influence of negative incidents less relevant for this study, because the incidents relate to multiple levers, not just one outcome. Each incident, whether positive or negative, thus contributes equally to a better understanding of the unit of analysis and offers the same depth of understanding.

6.3.2 Internal Validity

"To be critical, an incident must occur in a situation where the purpose or intent of the act seems fairly clear to the observer and where its consequences are sufficiently definite to leave little doubt concerning its effects."

—Flangran, 1954, p. 327

Following the collection of the incidents, this study undertook a categorization procedure. Two independent judges performed the categorization, to ensure the accuracy of the themes identified. The single incidents all were allocated to content clusters and sorted into several categories: three main categories, ten subcategories, and nineteen sub-subcategories (referred to as elements), as Table 6-2 shows. For example, the category "salesperson" contains the subcategories skills, attitude, and personality, and the "skills" subcategory further contains the elements salesmanship skills, technical skills, and interpersonal skills. To calculate the impact of each category on cross-selling realization, the research method involved summing the critical incidents in each category and determining an impact ratio based on the relative number of incidents in each category. This procedure led to the assignments of weights for every type of category. For example, the salesperson skills subcategory accounts for 55% of cross-selling realization within the salesperson category. In other words, the 105 incidents for salesperson skills, of the 190 incidents in the category overall, achieve an impact ratio of .55. Calculations of the relative category impact and element impacts were similar. The percentage weighting always reflects a relative category perspective, such that the impact of customer satisfaction on the performance management subcategory, which represents 14 of the 29 total incidents in the category, produces an impact ratio of .48. These ratios can help managers identify high- and low priority challenges to their cross-selling strategies.

To ensure the reliability of each category, Rust and Cooil's (1994) proportional reduction in loss (PRL) measure is applicable. The measure indicates the accuracy of each formed category by eliminating any variability due to judgmental bias. A judgmental bias might emerge because judges have different perceptions of the world and interpret incidents differently. In accordance with generalizability theory, PRL assessments are similar to those for Cronbach's alpha (Cronbach et al., 1972), with a cutoff value of .70. The proportion of interjudge agreement in this study reached .86. Rust and Cooil (1994) also provide reliability measures for five formed categories, such that for this study, the proportional reduction in loss is .91. Drawing on research by Perreault and Leigh (1989, p.141-142) and in line with Kleijnen and colleagues (2009),the number of categories in this research is far beyond the statistically tested five categories published by Rust and Cooil (1994). Because more categories should lead to higher reliability, a reliability value of .91 (far beyond the threshold) appears more than satisfactory.

6.4 Results

The categorization process yields a total of three categories, ten subcategories, and nineteen elements. Table 6-2 shows each category's incident count (∑), followed by the impact ratio (calculated as described in Section 2.2) in parentheses. The category salesperson attains the greatest impact (.58) on cross-selling realization, followed by sales manager (.26) and top management (.16). Among the subcategories, customer value (.57), salesperson skills (.55), coaching (.47), and sales coordination (.39) have the greatest impacts. The lower-impact subcategories include attitude (.23), personality (.22), incentives (.14), sales training (.18), company culture (.14), and company image (.12).

Categories	∑ (%)	Subcategories	∑ (%)	Elements	∑ (%)
Salesperson	190 (.58)	Skills	105 (.55)	Salesmanship skills	20 (.19)
				Interpersonal skills	21 (.20)
				Technical skills	64 (.61)
		Attitude	44 (.23)	Customer orientation	29 (.66)
				Sales orientation	15 (.34)
		Personality	41 (.22)	Extraversion	5 (.12)
				Intuition	3 (.7)
				Individual initiative	9 (.22)
				Conscientiousness	15 (.37)
				Experience	9 (.22)
Sales Manager	85 (.26)	Coaching	40 (.47)	Cross-selling mindset	11 (.28)
				Cross-selling enablement	15 (.38)
				Cross-sale planning	14 (.35)
		Sales coordination	33 (.39)	Employees	15 (.45)
				Areas/departments	18 (.55)
		Compensation	12 (.14)	n/a	12 (1.00)
Top Management	51 (.16)	Performance management	29 (.56)	Product range	5 (.17)
				Payment equity	6 (.21)
				Customer's education	4 (.14)
				Customer satisfaction	14 (.48)
		Sales training	9 (.18)	n/a	9 (1.00)
		Company culture	7 (.14)	n/a	7 (1.00)
		Company image	6 (.12)	n/a	6 (1.00)

Table 6-2: Categories of Critical Incidents for Cross-Selling Realization of Study IV
Source: Own representation

To prioritize the categories generally, all subcategories with an impact greater than .30 constitute high-priority challenges; subcategories with impact scores less than .30 are low-priority challenges. Each category was defined by the judges (Table 6-3).

Level	Label	Definition
Category	Salesperson	The perspective of a salesperson in an organization
	Sales Manager	The perspective of the sales manager (intermediate management level; e.g., sales leader within a business unit) in an organization
	Top Management	The perspective of leaders and members of the senior management of the organization
Sub-category	Salesperson skills	The selling skills of a salesperson
	Attitude	The attitude by which a salesperson manages his/her own sales endeavors
	Personality	The personality of the salesperson
	Coaching	Coaching of salesperson by sales managers (e.g., in a business unit)
	Sales coordination	Coordinating sales endeavors by middle management (sales managers)
	Compensation	Compensating salespeople for their cross-selling endeavors
	Performance management	Managing the performance of a product or cross-selling solution for the customer
	Sales training	Sales training provided by top management in a centralized manner (general sales training)
	Company culture	The general culture within the organization (formal, informal rules)
	Company image	The image of the company, as perceived by the customer
Elements	Salesmanship skills	Knowing how to make a presentation and how to close a sale
	Interpersonal skills	Knowing how to cope with and resolve conflicts
	Technical skills	Knowledge of product features and benefits, engineering skills, and the procedures required by company policies
	Sales orientation	The level of sales orientation (box-moving) by the salesperson
	Customer orientation	The level of customer orientation (solving the customer's problem) of the salesperson
	Experience	The level of experience a salesperson has gained over his/her entire career in sales (same company/other companies)
	Extraversion	The level of extraversion of the salesperson in conversations with a customer
	Intuition	The intuition of a salesperson about customer cues and needs and the potential for cross-sales
	Individual initiative	The initiative of the salesperson to take on cross-selling initiatives on his/her own
	Conscientiousness	The conscientiousness of the salesperson with regard to cross-sale products or solutions: selling according to promises, no overselling?

	Cross-sale planning	Sales managers' coaching about how to plan a cross-sale (e.g., need identification, product portfolio assessment, potential analysis)
	Cross-selling mindset	Sales managers' coaching about the importance and benefits of cross-selling (reducing fear, helping salespeople understand that cross-selling can be beneficial)
	Cross-selling empowerment	Sales managers' coaching about how to behave in cross-selling situations and make choices instead of relying on strict measures or prepared suggestions
	Areas/departments	Coordinating sales areas/departments to realize a cross-selling endeavor
	Employees	Coordinating employees (e.g., salespersons, service personnel, managers) to realize a cross-sale
	Product range	Managing the product range to offer solutions (cross-sales) to customers, with as few products as possible but as many products as necessary
	Payment equity	Organizing a transparent and clear-cut way for customers to pay for cross-buying products (time, length, rates)
	Customer's education	Educating customers about interesting or new products and thus including the customer into product development and cross-selling processes
	Customer Satisfaction	Guaranteeing the customer's satisfaction with cross-selling as a first priority (i.e., without a satisfied customer, no cross-selling endeavor makes sense)

Table 6-3: Definitions of Categories Derived from Critical Incidents of Study IV
Source: Own representation

The next sections present each category's impact, the relationship among categories, and the meaning for business practice.

6.5 Cross-Selling Challenges for Top Management

Four subcategories constitute the top management category (Figure 6-1):

1. Company image (12%)
2. Company culture (14%)
3. Sales training (18%)
4. Performance management (56%)

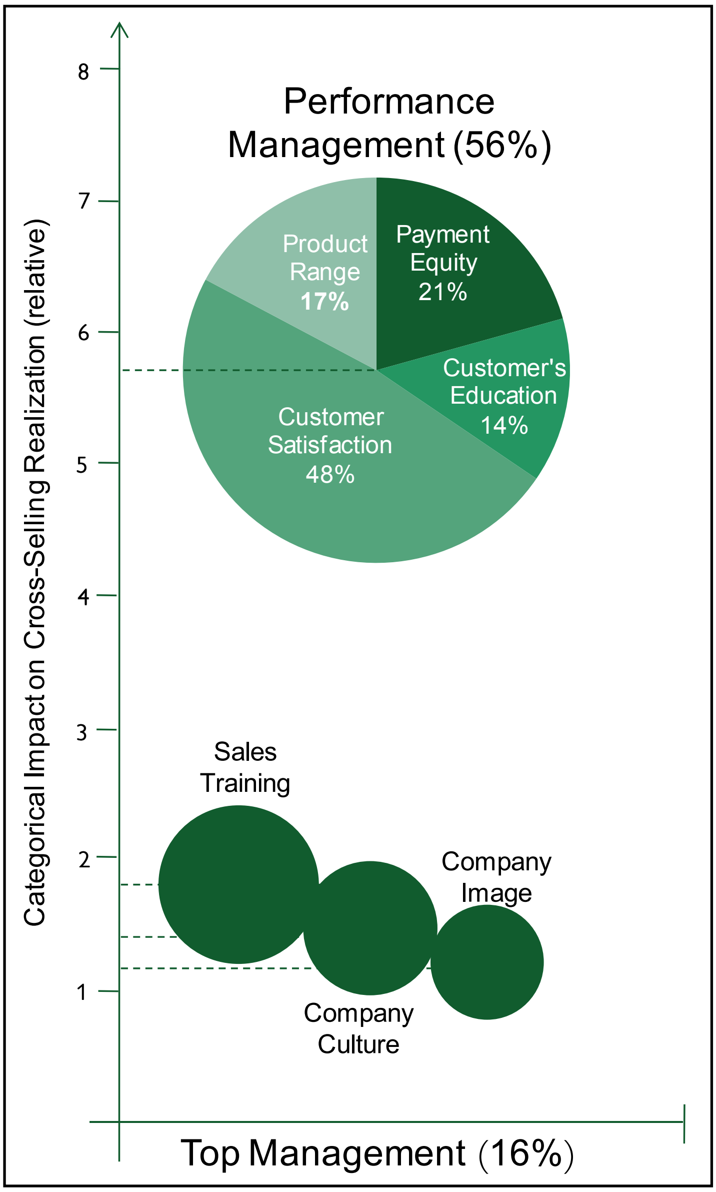

Figure 6-1: Challenges of Cross-Selling Realization: Top Management's Perspective
Source: Own representation

6.5.1 Company Image

"The company's image is decisive. With complex problems you would rather go to well-known companies like IBM. This not only has to do with the assumption that the quality of well-known companies is better, but to a large extent also with political decision making in the buying organization. Imagine a company like IBM failing with a cross-selling project! Then our managers can say: Hey, we had the most renowned company for the job, if even they can't handle it, who else will?"

—Respondent 3

The company's image plays an important role in determining the likelihood of realizing cross-selling potential, perhaps especially as a potential excuse for failure. However, the results also show that a company's image has a relatively weak impact on cross-selling success (12%), mainly because corporate image rarely directly influences buying decisions (Palmatier et al., 2007). Instead, salespeople or sales teams tend to have much greater impacts on buying decisions; the company brand plays a supporting role and merely aids in resolving trust-related issues or reducing the customer's decision complexity during the search for a provider. This assessment receives support from the findings regarding the impact of the salesperson's personality (22%) and attitude (23%), within the salesperson category (58%). The salesperson thus has a much stronger influence on overcoming trust and complexity issues than does the company's image.

However, the ability to refer to "a successful past project" (CI)5 can help salespeople during the launch of a cross-selling project. In this sense, the company's image can generate positive customer response (growth and profitability) and "minimize perceived customer risk" (CI). Creating a strong company image requires strong cultural skills among top management, which should communicate about the success of past cross-selling projects through stories, heroes, rituals, ceremonies, or cultural networks (Barnes et al., 2006). Being able "to show the customer a performance record of past projects" (CI) substantially increases the company's trustworthiness and thus the chance of realizing cross-selling endeavors. In line with Ahmed et al. (2003) and Barnes et al. (2004), this study reveals that through communication initiatives, top management can establish a brand image that implies a cross-selling focus, such that the "company becomes known for establishing risky cross-selling projects" (CI).

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[5] Statements from the interviews that represent a critical incident appear in quotation marks throughout this chapter, identified by a CI (critical incident) tag in parentheses.

Conclusions

Company image exerts a marginal effect on cross-selling success, especially compared with salesperson-related image generation tactics. Yet company image might push the cross-selling negotiation over the top, in that it can help reduce customers' perception of the risk of a cross-selling project. Considering the low impact of 12% though, managers should not invest much effort to generate a cross-selling company image.

Recommendations

Managers are advised to

- Generate a positive company image by referring to successful prior cross-selling projects. An image of cross-selling competence thus will build from the bottom up, without significant investments.
- Refrain from making company image a high-priority issue and instead tackle other, higher-priority problems first.

6.5.2 Company Culture

"You have to foster a mindset of teamwork. However, you cannot enforce it. Therefore, you need to establish a culture of team thinking. In order to do that, each salesperson or employee needs to have the freedom to choose his team and his colleagues himself. In short: An interdisciplinary culture needs to be established. The factor of well-being and feeling good at work is very important here."

—Respondent 9

Culture does not have a strong impact. This result is unexpected, because various scholars have postulated that organizational culture strongly influences employee behavior and attitudes (Barnes et al., 2006; Gulati and Oldroyd, 2005; Harding et al., 2004; O'Reilly III and Tushman, 2004; Shah et al., 2006). Cross-selling requires "a cooperative environment in which people are rewarded for busting through silos to deliver customer solutions" (Gulati, 2007, p.103), and even the interview respondents suggest that "cross-selling is only possible if management has a long-term sales perspective and does not cancel cross-selling activities that seem too expensive or too hard to accomplish" (CI). So why does culture exert only a weak impact on cross-selling realization?

The explanation requires consideration of the entire organizational context. In the sales manager category, the cross-selling mindset subcategory achieves a very high score, with a share of 28%. The organization's culture and the mindset of employees are inextricably interwoven (Shepherd et al., 2009); thus it seems that the cross-selling culture must be established from within the sales organization if it is to lead to organization-wide acceptance. Prior research concurs: "A more unitary view of culture applies to specialized selling organizations where the sales functions perform the primary work of the firm and the sales culture defines the organizational culture" (Barnes et al., 2006, p.256). That is, individual sales managers employ different types of cultures, depending on their line of business or organizational responsibility. The subcultures of the organization thus seem more important for cross-selling than is the overall organizational culture, which is influenced by top management. Different functional units require different types of cultures to perform effectively (Tushman and O'Reilly III, 1997), and if these individual subcultures are strong, they influence the organizational culture from bottom up. Strong cultures of this type can influence and motivate organizational members and create pervasive agreement about the importance of organizational values (O'Reilly, 1989). Weak cultures instead lead to symptoms such as a lack of motivation among salespeople (Skinner, 2000).

For cross-selling, this finding has important implications that contradict the conventional wisdom: Top management should not work to establish a strong cross-selling culture from the top. Rather, this management level should create the conditions for sales managers to be able to create individual subcultures that align with their individual business units. Motivating employees with one overall cross-selling strategy is virtually impossible, due to differences in products, customers, and salespeople. The aim should be to create strong individual subcultures that form the overall organizational culture, from bottom to top. Top management cannot focus too much on the company culture subcategory, considering its low impact of 14%, but it should provide the freedom to establish cross-selling subcultures within sales units. How can managers do so exactly?

One critical incident suggested the need to "allow a certain percentage of mistakes to be made" (CI). Cross-selling projects usually comprise complex projects and high risks, such that mistakes are likely. Sales managers in turn must allow their salespeople some leeway to make mistakes during cross-selling projects. If top management instead employs management by accounting, sales managers will have a hard time reaching their targets and must report all mistakes to top management. Funds then get blocked quickly, leaving no room to establish a cross-selling mindset. Companies need to recognize that mistakes, if fixed immediately, likely produce minimal damage (Iansiti, 2000; Iansiti and West, 1999;

Schoemaker and Gunther, 2006); as Schoemaker and Gunther (2006) find, companies that permit a certain percentage of mistakes acquire new knowledge must faster, because they avoid following unprofitable ideas and try new notions more frequently than do companies that reject the idea of mistakes altogether.

Another option for top management to encourage a cross-selling culture is to organize the sales organization such that "communication paths between salespeople are kept short and bureaucracy is kept to a minimum" (CI). For example, top management might devise physical cross-selling teams that operate beyond organizational borders. Critical incidents in an operative realm also suggest that top management should tend to "the working atmosphere" (CI); 44% of all critical incidents in the culture subcategory refer to the idea that cross-selling fails when employees do not feel comfortable at their workplace. In addition, incidents from a strategic perspective emphasize the need for top management to lead by example and embrace a cross-selling culture. Without such an approach, salespeople are unlikely to accept the extra burden of cross-selling activities. This point still relates to the amount of influence a subunit culture has, compared with that of the overall organizational culture. If top management accepts temporary setbacks in sales results or actively enforces a certain amount of "slack" for employees, the chance of a cross-selling culture becoming the company culture is much higher. For example, top management at American Express views cross-selling as a defense strategy to preserve the firm's share of wallet, rather than a way to find new sales opportunities or expand the business (Rosen, 2001). Research notes that "At least half the battle of promoting cross-silo, customer-focused cooperation lies in the 'softer' aspects of culture, including values and the way the company communicates them through images, symbols, and stories" (Gulati, 2007, p.103), and similarly, an interview respondent recognized that "most cross-selling endeavors fail because top management does not have a strong cross-selling vision" (CI).

Conclusion

Despite its low score, the culture subcategory has important management implications. Management cannot impose a cross-selling culture on the entire organization. Rather, the cross-selling culture should be established by the middle level of management. By designing a decentralized cross-selling culture for each business unit or line of business, the company plays on the individual strength of each culture, which are much greater than that of an overall generic culture. Culture and employee behavior mutually influence each other, so cross-selling cultures are most likely to develop from within individual sales subunits and then, if top management is open, spread throughout the organization. Top management therefore should not put too much emphasis on developing a cross-selling culture artificially from the top down but rather create the necessary space to accept it from the bottom up. Managers are advised to rethink their attitudes toward mistakes, as well as the mindset they bring to cross-selling. How result-driven is the firm? Does it allow mistakes to happen, or does it cancel cross-selling endeavors immediately upon any hint of failure? Enabling conscientious salespeople to handle their own mistakes and helping them understand the effect of mistakes on their own behavior seems the more viable strategy.

Recommendations

Managers are advised to

- Ensure a motivational and compliant working atmosphere.
- Enable the creation of individual cross-selling cultures in business units (bottom-to-top).
- Lead by example and live a cross-selling culture by
  - Communicating an acceptance of mistakes.
  - Describing cross-selling projects as a long-term investment and persuading the accounting department of the need for flexible investments.
- Organize the sales force in close physical proximity.

6.5.3 Sales Training

"It is important that top management supports its cross-selling strategy by implementing specific cross-selling modules into sales classes. This way the strategy is not only something put upon the sales force from top down but actually something each individual can work on."

—Respondent 6

With an 18% influence, sales training ranks directly behind performance management in terms of top management cross-selling impact. However, the discrepancy of 38% means that it does not belong to the group of heavy impact challenges. For example, financial institutions provide little or no cross-selling training; thus 55% of all incidents in this subcategory relate to “companies not teaching their sales staff the required knowledge about cross-selling” (CI), which leads to their failure to cross-sell. Even if salespeople lack the ideal skills or personality traits for cross-selling when they are hired, training can diminish these drawbacks, in the sense that "whom one recruits is … probably not as important as what one does with the recruits … after they have been hired" (Leigh, 1987, p.39). One critical incident therefore related to "teaching sales staff to orchestrate the right people for a cross-selling project" (CI). Moreover, in conjunction with the company image (12%), top management can take the lead in "educating employees in rhetorical skills and storytelling" (CI). Being able to exhibit professionalism and integrity to customers, regardless of any uncertainty about critical roles, can convince the customer to trust the vendor. When combined with "success stories of past projects [that] can be told" (CI), this notion puts cross-selling realization just a step away.

Conclusion

It is more important to ensure salespeople have strong selling skills, behaviors, and personalities, instead of providing extensive cross-selling training. Yet companies still can increase their cross-selling success if they provide specific training, without choosing specific sales personalities. The low impact score of 18% suggests that top management should take sales training seriously but rely on it as the primary tool for boosting cross-sales.

Recommendations

Managers are advised to

- Pick the right sales personalities instead of providing extensive training.
- Devise training carefully to
  - Ensure that the sales force is empowered to make its own decisions related to cross-selling activities.
  - Allow the sales force to orchestrate its own cross-selling team.
  - Teach rhetorical skills and storytelling.
  - Derive skill-sets for cross-selling products and match them with salesperson and product groups.

6.5.4 Performance Management

The performance management subcategory achieves an impact factor of 56%. Compared with all other top management categories, it exerts the greatest impact on cross-selling realization. The challenges for performance management consist of four elements (Figure 6-2):

1. Customer's education (14%)
2. Product range (17%)
3. Payment equity (21%)
4. Customer satisfaction (48%)

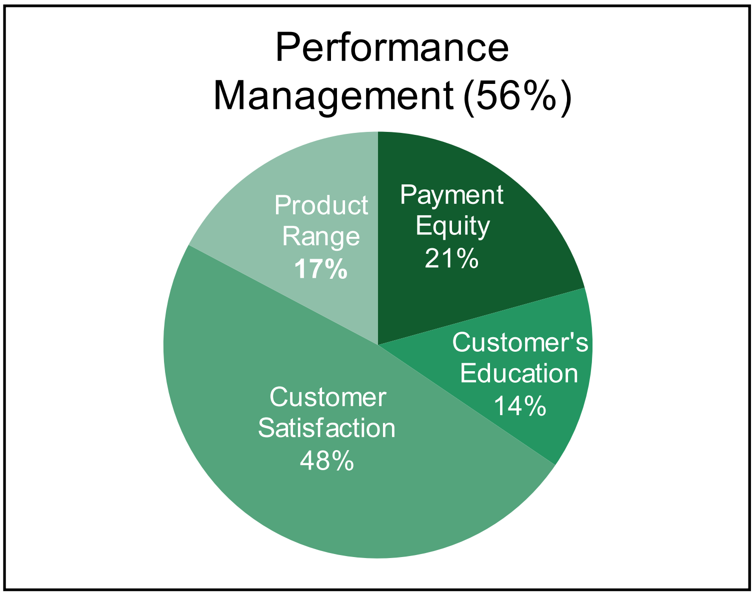

Figure 6-2: Performance Management Subcategory Elements
Source: Own representation

6.5.4.1 Customer's Education

> *"Customers don't know what they need! How can a customer know what he needs? If Henry Ford asked customers what they need, they would have answered, "A faster horse." So what you need to do is to educate your customers and integrate them into the product development communication process. We had a customer over and provided him with a training session on our solutions and the possibilities of combining them."*
>
> —Respondent 12

Customer education is the least influential element in the performance management subcategory (14%). By educating customers about products and new possibilities for product combinations, the firm can integrate customers into the development process, which should enable it to sell cross-selling solutions faster (Bell and Eisingerich, 2007). The clearly defined roles of actors (e.g., suppliers, buyers) in business-to-business markets are becoming more and more blurred as a result of major business discontinuities, such as deregulation, globalization, and the evolution of the Internet, which means "companies have to recognize that the dialogue with their customers is a dialogue of equals" (Prahalad and Ramaswamy, 2000, p.81). The individual roles in industrial buying centers are not always clearly defined, so adding to the customer's knowledge is valuable. It creates a win–win situation: (1) The customer can define responsibilities better, and (2) the vendor knows whom to talk to for cross-selling projects. Customer education programs should be specific to cross-selling and "classes are held at the vendor's offices so that customers are getting an onsite experience" (CI). Asking customers about their understanding of the seller's internal themes and determining their needs and wants makes the creation of cross-selling processes much easier. Congruent information also is critical, "because sometimes customers are told the same thing twice or sometimes not at all" (CI). Keeping track of customer's knowledge makes a decisive difference between success and failure.

Conclusion

Customer education programs can be valuable ingredients to performance management. By providing knowledge, the firm creates value for both the customer and itself, because it better defines business center roles and contact persons. In the performance management subcategory, customer education thus plays a decisive role; managers in turn should integrate sales problems into their education programs. Thus not only does the customer learn something, but the seller also receives direct feedback.

Recommendations

Managers are advised to

- Design customer education programs to determine customers' current knowledge, expand their knowledge, and teach about cross-selling opportunities.
- Ensure customer education programs are coherent and avoid overlap.
- Incorporate the customer into the sales/production process.

6.5.4.2 Product Range

> *"In order for cross-selling to work, it does not suffice to just go ahead and do it; you need to fine-tune the individual products with each other. Hence your product range needs to fulfill your customers' needs."*
>
> —Respondent 9

The product range element accounts for 17% of the total incidents collected in the performance management subcategory. Critical incidents suggest that a "necessary prerequisite for cross-selling is to carry a product range large enough to offer different combinations of cross-selling products to the customer" (CI). However, prior research suggests an empirical paradox: When choosing among assortments, consumers opt for the variety offered by larger assortments, but they are less confident about choices made from larger, as opposed to smaller, assortments (Chernev, 2006). This paradox creates problems for companies, which prefer to reduce complexity by minimizing the assortment size (Gottfredson and Aspinall, 2005; Ingram, 2004; Sivadasan et al., 2002).

Thus, companies face a choice: simplicity versus the risk of losing customers by changing the assortment. From a company perspective, cross-selling combines products to satisfy customer need, usually in the form of a product bundle or combination of different products. In a perfectly streamlined, customer-centric organization, multiple products or bundles constitute the solution. The customer then gets integrated into a set of customer–supplier relational processes that include (1) customer requirement definition, (2) customization and integration of goods and/or services, (3) deployment, and (4) postdeployment customer support (Tuli et al., 2007). Accordingly, management must be careful when streamlining product portfolios to avoid complexity. Products that otherwise might be candidates for rationalization can be combined with other existing products to make cross-sales more attractive. Often product portfolio rationalization is driven solely by accounting and sales standards, such that it may reduce complexity but it also leads to a damaging loss in complementarity (Kamakura et al., 2004; Li et al., 2005; Paun, 1993).

Conclusion

The main message for management is that a holistic customer approach is always necessary. The dynamics of the business environment often make this perspective difficult; cross-selling realization is troublesome. Yet managers still should to adapt their product range to ensure that a complete customer experience is possible. Sales managers also should try to investigate the appeal of their product portfolio for customer solution programs and consult with accounting and logistics to determine ways to handle costs (e.g., inventory). Customers rate cross-selling projects on the basis of the service delivered before, during, and after the sale. Thus management should view cross-selling potential as a chance to redefine the sales processes and sales organization. As a start, it should consider the impact of cross-selling first and only then begin to reduce the product portfolio.

Recommendations

Managers are advised to

- Carefully check their cross-selling options and adapt their product portfolio accordingly.
- Decide whether the product portfolio can be streamlined to the simplest combination of products and services possible.
- Integrate the idea of product complementarity into product development processes, because the time to market is much shorter when new products can be combined with existing ones that customers may have already purchased.
- Consider the dynamics of the business environment and think about cooperative combinations of the sales force to sell solutions.

6.5.4.3 Payment Equity

"Often cross-selling projects fail because we did not consider the customer's liquidity. We were talking about great solutions and in the end the customer said he doesn't agree with our prices or conditions for payment. Paying in rates for example is one possibility to break a big project down into its subparts."

—Respondent 12

The second largest element in the performance management subcategory, payment equity involves a series of critical incidents related to the "customer's perception of fairness of the exchange of payment or service usage" (Bolton and Lemon, 1999, p.172). The collected critical incidents generally refer to “payment conditions, pricing strategies and the ability to work out an adequate pricing plan with the customer” (CI). Bolton and Lemon (1999) state that payment equity determines customer value creation and inherently affects performance management. Perceptions of payment equity support extending relationships over time, and because relationship length determines cross-selling opportunities, it is imperative that companies “ensure price consistency not only within a certain region but throughout the entire organization (across borders)” (CI), which also ensures the ability to establish cross-selling opportunities overseas. Companies also often employ different pricing schemes for various customer types to enhance customer equity; for example, prices for loyal customers often are lower than those for other customers (Verhoef et al., 2001).

Determining the right pricing strategy is rarely easy, especially for new-to-the-world projects. Most prior research on customer value has adopted a transactional approach, focusing only on product-related issues and neglecting relational dimensions (e.g., Parasuraman et al., 1985). It might be helpful for managers to consider the price equity of a project from a relational point of view though. Payne and Holt (1999) suggest considering value from a relational viewpoint, to establish relationship value. Relationships always involve give-and-take (e.g., goods, services, money, recognition), which means payment equity should be balanced if both parties find the value of the exchange clear. Market exchanges occur because all parties involved expect to gain value (Kotler and Pfoertsch, 2007). Finally, to design selling solutions, managers can reduce the risk of cross-selling by communicating prices for entire solutions or adopting a total cost of ownership approach. Thus they can not only earn higher margins but also orchestrate multiple sales reps from various business units more easily, to pursue one major project instead of several small ones.

Conclusion

Managers should view the design of pricing schemes from a relational perspective and clearly demonstrate the potential value for both the customer and the company. This approach can help justify cross-selling risks and expenditures, as well as inform customers in detail about the rationale for the price of a particular project.

Recommendations

Managers are advised to

- Lay out payment terms in a precise and consistent manner.
- Ensure price consistency across (company) borders.
- Carefully negotiate pricing schemes for cross-selling projects, because pricing influences customers' perceptions of trustworthiness.
- Refrain from making special price concessions for loyal customers.
- Negotiate a workable price frame early in the project.
- Confirm that the price resembles the value of the solution (i.e., total cost of ownership), not that of the individual products.

6.5.4.4 Customer Satisfaction

"With cross-selling, sometimes really strong power struggles evolve and loyalty questions arise. We had the case for example that a salesperson complained about a contact person at the customer via e-mail by putting his boss in copy. This way anti-trust issues are fostered, and customer satisfaction can be severely damaged."
—Respondent 3

With a share of 48%, customer satisfaction dominates the performance management subcategory. No matter the kind of cross-selling endeavors undertaken, in the end the customer's satisfaction determines the success or failure of the cross-selling match (Hallowell, 1996; Loveman, 1998; Timothy et al., 2007). Most companies hope to excel in customer satisfaction, but by failing to attend to details, they often end up not even delivering the core service. As Zeithaml and Bitner (2003) state, customer satisfaction could take on three states, depending on their perception of the sale: (1) When delivered according to expectations, customer satisfaction is neutral to positive; (2) when not delivered according to expectations, customer satisfaction is negative; and (3) when delivered beyond expectations, customer satisfaction is very positive. This categorization has implications for cross-selling too: Cross-selling projects contain much uncertainty, which means their vulnerability to failure is much higher than that of regular sales projects (Harding, 2002). A cross-selling project also is much more challenging than other types of sales; every mistake hurts not just the salesperson but the company overall. Even neutral customer satisfaction is challenging, which implies that expectations should not be set too high (Zeithaml and Bitner, 2003). However, “a common risk is to make false promises, just to get the customer into the deal (overselling)” (CI). Failing to live up to expectations sets the entire cross-selling project at immediate risk of cancellation, as buyers lose trust in the vendor very quickly. The “problem of image generation” (CI) is closely related to this issue, because once salespeople start to oversell, they gain a reputation for talking people into things they do not need.

Conclusion

If the company cannot meet, or even better exceed, a customer's expectations, it should not undertake cross-selling activities. The costs for doing so are higher than the benefits. In an uncertain situation, managers retreat to their own realms of action and initiate power struggles for revenue and profit (Belz and Bieger, 2004, p.188). Thus, the professionalism and integrity of the vendor suffer, because of the lack of coordination.

Recommendations

Managers are advised to

- Make absolutely sure they can deliver the cross-selling product/service exactly as promised; if they cannot, cross-selling increases the risks of customer churn and damage to the company's reputation.
- Try to improve the customer experience by surprising the customer with extraordinary service in a few instances, which builds trust early on and mitigates the impact of potential mistakes later.
- However, only try to delight the customer with extraordinary service if basic service delivery can be ensured without problems.
- Match the price of the solution to its (perceived) value.
- Educate customers about the unique selling proposition of the cross-selling products.

6.5.5 Discussion of Challenges for Top Management

With its 56% score, performance management exerts the highest impact on cross-selling realization among the four top management subcategories. This score is impressive; typical sales-related themes such as sales training (Attia et al., 2005; Leigh, 1987) score much lower. Similarly, though company culture has been cited as decisive for sales success in many publications (Aiken and Keller, 2009; Barnes et al., 2006; Chaisrakeo and Speece, 2004; Tellis et al., 2003; Vink and Verbeke, 1993), it accounts for only 14% of the total impact. The only element to score in line with previous research is company image, with the lowest level of 12%. As Craig et al. (2008, p.367), state "image appears to play only an indirect role in customer's buying behaviors."

Customer satisfaction is the most influential of all elements contained within the performance management subcategory. This finding also is remarkable, because other topics traditionally have been the centers of performance management attention, including share of wallet (Timothy et al., 2007), time of sale (Li et al., 2005), segmentation analysis (Ansell et al., 2007), mathematical analysis and forecasting methods (Byers and So, 2007; Harrison and Ansell, 2002; Kamakura et al., 1991), or potential and product metric analyses (Mundt et al., 2006). Three other elements appear in the performance management subcategory though, of which payment equity takes up the next-largest part (21%). Their weights also are congruent with prior literature; terms of payment and product range are common topics in relation to cross-selling (Lymberopoulos et al., 2004). The only topic with an unusual weight is customer education (Kamakura et al., 2004).

6.6 Cross-Selling Challenges for Sales Managers

The cross-selling challenges that are most important for sales managers consist of three subcategories (Figure 6-3):

1. Compensation (14% impact)
2. Sales coordination (39% impact)
3. Coaching (47% impact)

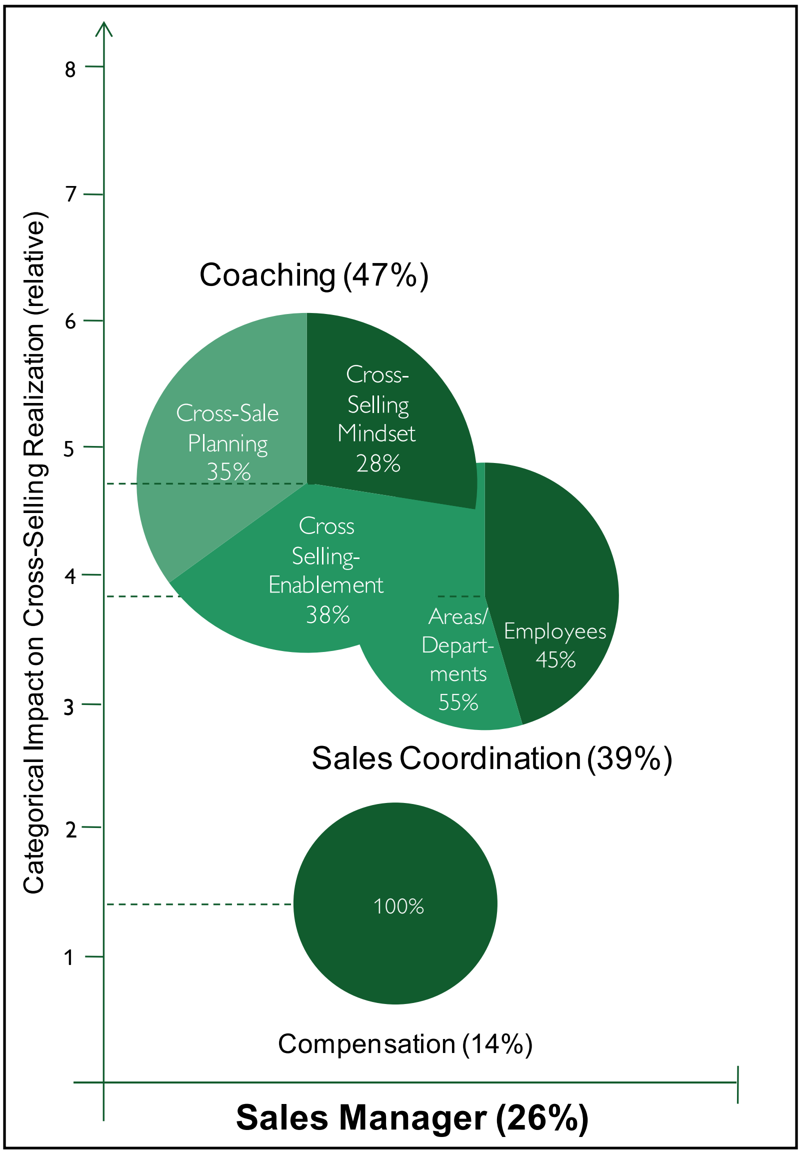

Figure 6-3: Challenges for Cross-Selling Realization from a Sales Manager Perspective
Source: Own representation

6.6.1 Compensation

"Actually I don't see how to compensate cross-selling in a fair manner. You have to do a double commission or something. But this way everything becomes really complicated. Well, I believe we are still beginning to figure out this whole cross-selling thing."

—Respondent 7

In line with prior research, the critical incidents reveal that controlling salespeople's activities is particularly difficult, because salespeople spend most of their time in the field (Panagopoulos and Avlonitis, 2008). Strikingly, this common form of control has an impact factor of only 14% and thus does not belong to the high priority topics for cross-selling realization. This result is very unusual; salespeople often claim that cross-selling success relates directly to their compensation scheme (Churchill Jr. et al., 1985; Harding et al., 2004; Homburg and Schäfer, 2006; Kamakura, 2008; Miao et al., 2007). The interview results show instead that it is not the compensation scheme itself that creates the challenge but rather the duality of having to compensate people for additional work. For example, one critical incident failure resulted because the company did not "transparently distribute funds between participating salespeople when doing a cross-sale" (CI), and furthermore, "no clear product focus is defined for salespeople and goals of the salesperson are not clearly matched with customer requirements" (CI).

Work by Misra and colleagues (2005) highlight the importance of compensation though, stating that commissions combined with team selling offers an interesting approach. Cross-selling demands the distinction between compensation schemes for the individual and specific incentives for joint cross-selling endeavors. Any co-working units (e.g., business units, employees) must achieve an equal understanding of their compensation, and provisions across units should be shared equally. Cross-selling across different business units thus should begin to establish fair compensation by setting clear goals related to both products and customers for each participating sales dyad - that is, not salesperson-specific but dyadic goals.

The low impact score likely reflects the theorization by Gatignon (2002) and Leonard-Barton (1992), both of whom state that the problem of fair compensation relates to cognitive processes about how things are done, as well as the behaviors likely to be rewarded. The problem is that cognition and behavior co-evolve to form a routine. Objective views of employees thus are not possible, because the firm cannot distinguish whether employees act in their self-interest or act in a certain way due to their personal cognition. The problem with designing adequate compensation structures stems from what management and employees come to believe (Kaplan and Henderson, 2005). These cognitive frames shape the interpretive processes of an organization.

Therefore, incentive structures likely are based on the knowledge an organization accumulates over time, which means compensation is always subject to past behavior or routines. Implementing a new incentive structure without historical behavioral data is fairly difficult (Kaplan and Henderson, 2005). To initiate cross-selling, no historical data exist, because there have been no cross-selling processes previously in the organization. Managers then should tend to base their expectations on commercial success in old collective frames, without developing appropriate compensation schemes for cross-selling.

Overall then, sales management needs to develop a shared set of beliefs (collective frames) about how to reward cross-selling. The failure to do so results in leadership mistakes, because organizations do not put enough effort into analyzing the needs of their sales force or managing their relationships with salespeople (Amyx and Alford, 2005). Consequently, salespeople’s commitment to the organization declines, leading them to reject organizational goals and achievement targets. Management in response forms inaccurate beliefs and cognitive scripts about them. Moreover, salespeople might be more focused on looking out for their own well-being or pursuing personal goals, such as gaining selling skills that will make them more attractive to other employers, rather than earning achievements with their current employer (Bernstein, 1998). Various respondents from our interviews confirmed that their main problem was that “cross-selling actions are not getting adequate incentives” (CI).

Conclusion

Especially for cross-selling, it seems imperative to clarify which exact actions the sales force must take, then compensate those actions adequately. Doing so indicates to salespeople that the company is looking out for them and is interested in their personal development, beyond just cross-selling realization. The impact on cross-selling seems small from a sales manager's perspective, but the impact on the entire organization, and thus on a sustainable cross-selling strategy, is stronger.

Recommendations

Managers are advised to

- Break out of sales force inertia to develop behavior-based reward schemes for cross-selling activities.
- Refrain from compensating business units too much for cross-selling but rather define a clear product and customer focus to involve participating business units in the cross-selling process; thus, there will be no accounting-related business unit overarching discussions later in the cross-selling process.

6.6.2 Sales Coordination

The sales coordination subcategory contains two main high priority elements for cross-selling realization (Figure 6-4):

1. Coordination of employees (45%)
2. Coordination of areas/departments (55%)

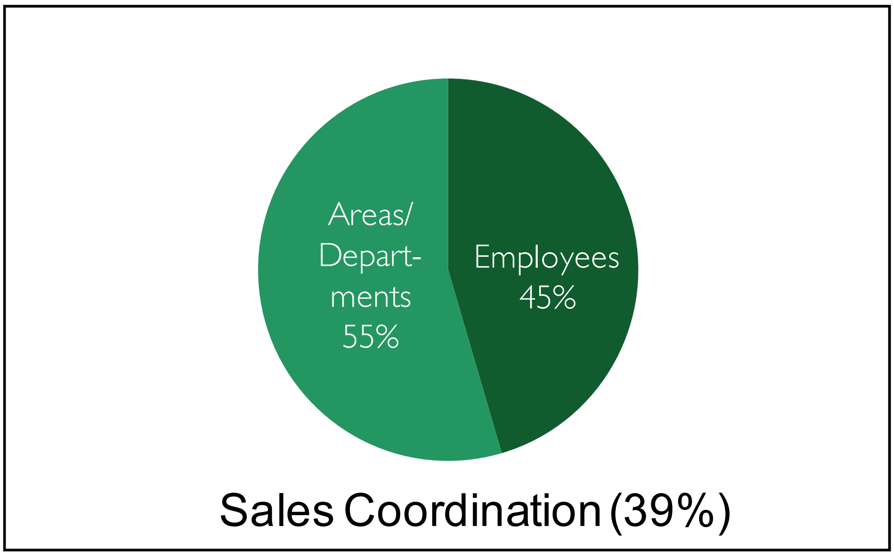

Figure 6-4: Sales Coordination Elements
Source: Own representation

6.6.2.1 Coordination of Employees

> *"You need to take care of your employees! The product portfolio needs to be aligned with the personal interests of the salesperson. Moreover, you should have a positive fit between sales reps and customers."*
>
> —Respondent 10

With an impact rate of 45%, employee coordination makes up about half of the sales coordination subcategory. A strong focus on employees enables managers to tackle several problems, including the challenge that arises when the “seller's personality does not match the one of the buyer” (CI). Inconsistencies in personality can prevent cross-sales, as also might be true for regular sales activities; it appears especially important for cross-selling though, considering the trust issues related to complex and risky projects such as cross-selling. Research into seller–buyer dyads recognizes that greater similarity or attraction between these parties increases the likelihood of the successful completion of a transaction (Henthorne et al., 1992). Sales managers in a cross-selling context must perceive the interplay between matchmaking and organizational buying behavior: “Since sales managers formulate strategy at the account management level, the appropriate inclusion of knowledge on initial impressions will strengthen the overall effort” (Henthorne et al., 1992, p.62). In another form of consistency, “cutting the product portfolio of employees towards their individual preferences and likings” (CI) is critical to cross-selling success.

Yet buyers often complain about a variety of sellers knocking at their doors, which means companies also must take care that they “only have ‘one face to the customer’ and that salespeople have correct and sufficient information” (CI) before they cross-sell. Managers should define lead functions - in line with research by Thompson (1973) and Weitz (1981), who suggest segmentation increases sales effectiveness by overcoming an atomistic approach in which all sales contacts involve different human problems and salespeople match their sales approach to the situation. Instead, the solution should create heterogeneous market segments in which all customers have equal requirements and then allocate resources (e.g., salespeople) accordingly. This approach minimizes expensive match and need procedures. Furthermore, according to another incident report, “internal salespeople need to understand that they have an obligation to proactively provide information towards sales reps in the field” (CI). Without such effective coordination, valuable cross-selling leads get lost, and customers likely receive multiple visits from different sales representatives, all promoting the same product or idea.

6.6.2.2 Coordination of Areas/Departments

"Cross-selling is an organizational phenomenon. Historically our company was extremely decentralized. We had a very extreme split up of individual units and strong line managers with much authority. Internally we had such strong competition that even one of our own divisions intended to work against us."

—Respondent 7

As Shah and colleagues (2006, p.116) state, "an ideal customer-centric organization implies having all functional activities integrated and aligned to deliver superior customer value. In contrast, in a product-centric organization product or sales managers may end up pushing different product offerings to the same customer without first determining what the customer's true needs are". Similarly, the critical incidents reveal that "salespeople need to master unit-overarching sales in order to prevent silo selling behavior" (CI). That is, cross-selling requires salespeople from different business units to coordinate and provide a coherent, consistent message to customers with multiple product needs. Multiple comments reinforce this point: "For cross-selling to work, competition between individual areas needs to be reduced" (CI) and "Often internal account systems create complexity and hinder salespeople to cross-sell because provisions are not being distributed equally among business units" (CI). Critical in this respect is the sales manager's role, who often is not "able to master the sales of two different business areas" (CI), even if it is the highest priority. Perhaps the reason is the issue of project affiliation, in that "Often sales reps do not want to share their project with other salespersons because it is their 'baby' " (CI). The goal is to help them understand that their baby can grow even more if they participate in adjacent sales opportunities. Accordingly, managers clearly need to define line responsibilities and establish well-coordinated internal sales service. Instead, "companies have customer service representatives answer customer problems from a centralized office offshore" (CI), which creates extra layers of communication within the organization and makes cross-selling even more daunting.

Conclusion

The coordination of both employees and departments exemplifies how sales coordination influences the establishment of functional cross-selling procedures. Both elements are high-priority challenges for cross-selling and exert approximately the same impact. Research pertaining to departmental coordination suggests cross-selling success requires a reduction in internal power struggles. The employee coordination results emphasize that cross-selling works only with streamlined customer organizations. In other words, customer visits must be coordinated to present only one face to the customer. Finally, that one face should match the personality of the buyer.

Recommendations

Managers are advised to

- Create a cross-selling coordination roadmap of all parties involved (e.g., departments, areas, business units, internal sales) and specify their relationships and goals.
- Create customer-specific selling teams and specify lead roles for single sales representatives to offer one face to the customer, similar to key account management, where one manager takes the lead for one or a few key accounts (Belz, 1999).

6.6.3 Coaching

Salespeople are a unique group of employees with critical implications for customer relationships and customer loyalty (Palmatier et al., 2007); in many organizations, they also account for the largest portions of marketing personnel and the marketing budget (Cravens et al., 1993). Coaching them correctly can be costly, but it also makes the sales force a powerful marketing instrument that can generate close ties with customers, increase customer loyalty, and improve the chances of cross-selling more products to existing customers (Belz, 1999).

As a high impact challenge, coaching is the most important focus for sales managers. According to managerial scholarship and practice, organizational learning and member knowledge are key competitive assets, which reinforces the importance of coaching as a major responsibility for managers (Ellinger et al., 2003). When done correctly, that knowledge created during coaching fosters cross-selling processes and thereby increases cross-selling growth and breakthrough potential (Nonaka and Takeuchi, 1995). Yet many sales implementation processes rely too much on measurements and sales results, without considering employee involvement or motivation (McAdam and Lafferty, 2004).

Critical coaching incidents comprise both conceptual and operational forms. Mukherjee and colleagues (1998) declare that these two types of coaching are most effective for salespeople engaged in high-quality projects. Conceptual coaching involves conveying why an event occurs (i.e., know why); operational coaching involves the implementation of changes and an assessment of the results (i.e., know-how) (Hagen, 2010). Each form of coaching appears in the three elements that constitute the coaching subcategory (Figure 6-5):

1. Cross-selling mindset (28%)
2. Cross-sale planning (35%)
3. Cross-selling enablement (38%)

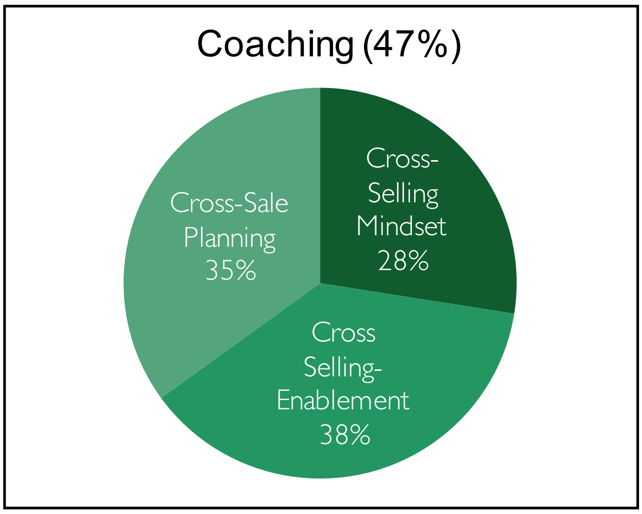

Figure 6-5: Coaching Elements
Source: Own representation

6.6.3.1 Cross-Selling Mindset

> *"You need to create a mindset for cross-selling among your employees. If sales reps constantly think about 'What's in for me' they will not follow cross-selling activities for long. You need to make them aware of the fact that cross-selling makes everyone better off."*
>
> —Respondent 7

At 28%, the cross-selling mindset element is fairly important for successful coaching. Significant attention has focused on the individual and organizational attributes associated with developing an entrepreneurial mindset among managers (Hornsby et al., 1999; Hornsby et al., 2002). Literature on developing a collaborative mindset reveals that "many of the finest organizations spend hundreds of hours learning about and interviewing applicants" (Linden, 2010, p.59). These organizations do not invest in large change programs or try to establish certain mindsets. Instead, they start from the beginning and critically screen for people who already have a collaborative mindset. But managers still can coach sales staff to encourage a certain mindset, especially in a cross-selling context, which helps salespeople understand the cross-selling philosophy. Salespeople should understand that in the long run, cross-selling means not extra effort but rather more chances and higher product turnover. This kind of mindset needs time to develop. Scholars thus find interdependencies between a person's mindset and organizational culture (i.e., culture subcategory).

If individual mindsets change to a cross-selling way of thinking, the culture is likely to change accordingly. As this process evolves, a change in culture reinforces the change in the minds of the individual salespeople, and vice versa. This process likely takes time and endurance (Aiken and Keller, 2009). A quote from research into the banking industry acknowledges this challenge: "Bankers by nature are risk-averse, so this process is not easy. It takes clear vision, strong leadership, and the willingness to stay on course. The question is not 'Is your institution ready?' but rather 'Are you, as a leader, ready to face the cultural challenge?'" (Rosen, 2001, p.2).

Conclusion

Establishing a cross-selling mindset in the sales force is a high priority for sales managers. Coaching differs from training, in that it focuses directly on the individual salesperson in a specific business unit, with a specific customer and product portfolio. If managers succeed in coaching a cross-selling mindset, the culture of the organization should change accordingly, making cross-selling realization easier in the long run.

Recommendations: Conceptual coaching

Managers are advised to

- Clarify to salespeople why cross-selling is important.
- Explain to salespeople why they should pursue sales for other divisions/areas.
- Explain the relevance of cross-selling.
- Clearly communicate the cross-selling philosophy.
- Create messages that are easy to understand.
- Promote acceptance of the cross-selling mindset.
- Promote awareness of quality.

Recommendations: Operational coaching

Managers are advised to

- Explain the complexity of cross-selling to salespeople who remain unsure about the costs and benefits of cross-selling.
- Explain the relevance of the base product as a means to open the door to cross-selling.

6.6.3.2 Cross-Sale Planning

"Sales reps need to have their own agenda. If management tries to enforce a way of how to do the sales job, sales reps will only look at their goals and will not follow cross-selling activities. You need to give sales reps the required freedom to e.g. define their own rate of customer visits."

—Respondent 2

Coaching cross-sale planning accounts for 35% of the coaching subcategory; it encompasses delivering knowledge to salespeople in such a way that they can plan and administer their cross-selling endeavors systematically. Coaching cross-sale planning means teaching the idea of identifying product groups that go well together and make good potential cross-sale candidates (conceptual coaching). Some critical incidents provided include the following:

- “the identification of cross-selling potential for the largest product group.”
- “investigating the influence of different products on the final outcome.”
- “leveraging the entire planning horizon.”

Often planning bottlenecks are not identified early enough or windows of opportunity are not used to gain an advantage. Thus, “the time frame for cross-selling projects often is set too narrow, producing slow results” (CI), which makes it critical that “specific cross-selling goals are set” (CI) prior to the customer meeting; without them, the drive and assurance needed to pursue cross-selling options diminishes. Database mining and customer relationship management (CRM) might support cross-selling in this context (Kamakura, 2008; Kamakura et al., 2004; Kamakura et al., 2003; Kin-Nam et al., 2004; Mundt et al., 2006; Tao and Rosa Yeh, 2003). The critical incident findings similarly suggest that cross-selling should be considered according to a database or CRM context, because otherwise salespersons suffer the risk of negative customer feedback. For example, “Customers were most annoyed when service reps continue to sell after the customer says he is not interested, when they are obviously reading from a script, and they try to push products that are not useful to the customer" (Kamakura, 2008, p.44). Cross-selling should not be driven just by the planning side, because it diminishes the chance for potential projects, yet some planning still needs to be done.

Critical incidents pertaining to operative coaching suggest "keeping the time frame for a certain project small, thereby enforcing quick results" (CI). Yet the incidents imply that "apparently cross-selling is still seen as something one does when the option presents itself" (CI). The interview results confirm that salespeople need cross-selling guidance to align their personal ambitions with those of the organization and those of the customer. Therefore, "managers are advised to systemize their weekly meetings with sales staff" (CI); with a large sales force, systemized meetings with just cross-selling sales staff might be preferable. When it comes to cross-selling, many salespeople think "anything goes," without any systemized approach, time frame, milestone, or process to follow. This lack of planning makes it difficult to implement cross-selling.

Conclusion

With its high impact factor, coaching cross-sale planning is a high-priority challenge for sales managers. Cross-selling cannot focus entirely on planning processes or historical data, but the results suggest that for sales managers, coaching cross-sale planning among individual salespersons constitutes a strong success factor. Managers should educate their sales force about planning cross-sales and not expect them to establish cross-selling knowledge on their own.

Recommendations

Managers are advised to

- Teach the sales force how to determine the best sales success for a certain product group.
- Help the sales force understand that time is money; the higher the time pressure within a project, the better.

6.6.3.3 Cross-Selling Enablement

"A huge mistake you can make with cross-selling is to hinder the enablement of cross-selling activities among your sales force. That is, setting certain stimuli for cross-selling might make sales reps follow you, but it does not help the overall strategy. You need to take the fear about cross-selling away from your salespeople!"

—Respondent 2

The third, and strongest, element of coaching is enabling employees to engage in cross-selling. The right cross-selling technique and mindset have no effect if employees cannot actually carry out the cross-selling initiatives. The main ideas within this element include

1. Refraining from setting poor incentives for cross-selling by artificially pushing sales of certain products.
2. Taking away the fear of doing cross-selling.
3. Having the salesperson available at all times.

Employees often perceive cross-selling as a short-term push measure by the company to gain more revenue. Yet they fear cross-selling, because it threatens their connection with customers and their reputation (Dellaferrera, 2003). Cross-selling requires salespeople to break free of their preexisting beliefs and lose their fear, as well as make themselves available over more hours than usual (Harding, 2002). The problem is, according to the critical incidents, that even when promoting cross-selling throughout the company is perceived as important, it often gets neglected due to its reputation for risk and need to change old habits.

Enabling cross-selling and breaking out of old habits is difficult not only for salespeople but also for sales managers, because sales managers have major responsibilities to shareholders and constantly must justify their expenses and business procedures (Benner and Tushman, 2003; Leonard-Barton, 1992). Their internal norms and values are based on operative behaviors, with little understanding of risky cross-selling projects (see discussion on formalization in the introduction section of this study on page 72). To enable cross-selling, managers must be willing to provide both formal learning opportunities and opportunities for experimentation (Robinson and Griffiths, 2005). Accordingly, they have to not only focus on current capabilities but also be willing to cannibalize existing sales processes. Chandy and Tellis (1998) and Nijssen and colleagues (2005) reveal that injecting inefficiencies (e.g., cross-selling) fosters internal competition, with a positive impact on inertia destruction, which can lead to the establishment of a sustainable competitive advantage.

Sales managers thus must reduce fear of cross-selling among their sales forces and grant them the right to create their own agenda in a cross-selling project. Yet salespeople still need to contribute something from their side. A critical incident regarding the “availability of salespeople during a project” (CI) implies that managers should help salespeople understand that they have freedom to act but still must be fully committed to cross-selling, even if it means longer working hours. A similar finding might hold for regular sales activities, but for cross-selling, salesperson availability appears even more important, considering the complexity and unpredictability of cross-selling projects. Additional requirements in this element include “a self-confident appearance at the customer and an excellent preparation for the sales meeting” (CI).

Conclusion

Sales managers should aid their salespeople and themselves in breaking out of old habits and embracing cross-selling as a new mindset (or possibly even a new culture) that will be implemented in their sales organization. Cross-selling does not happen by itself; it needs to be taught, such that the sales force learns the processes and procedures required of them. Each salesperson must possess the personal freedom to engage in cross-selling activities how he or she chooses, so managers should not apply standardized cross-selling procedures across the sales force. Instead, they can enable salespeople to choose from a variety of methods that fit their individual sales approach and the strategic context of their sales environment.

Recommendations: Operational Coaching

Managers are advised to

- Create long-term cross-selling goals for their organization and incorporate a cross-selling mindset into their everyday business culture.
- Design a plan to buildup cross-selling competence systematically in a certain time period.

Recommendations: Conceptual Coaching

Managers are advised to

- Systematically incorporate cross-selling themes in sales meetings.
- Hold regular workshops to teach cross-selling skills/techniques.

6.6.4 Discussion of Cross-Selling Challenges for Sales Managers

With its 26% score, the sales manager category is the second largest entry in this research (top management 16%; salesperson 58%). For sales managers, coaching is highly important (impact factor = 47%) and should be regarded as a support function for their sales force. This element is not to be confused with sales training, defined as the training offered the sales force by the organization. The difference is that coaching implies that sales managers support certain aspects of the salesperson's job and take roles as mentors. Centralized training instead pertains to special topics that the organization thinks are relevant. Unsurprisingly then, sales training by top management accounts for only an 18% impact on cross-selling realization, whereas coaching is far more customized for specific cross-selling challenges than general training by the organization. Coaching carried out by sales managers relates more directly to cross-selling, because of the close market proximity of a business unit.

Coaching on the sales manager level is so important that of all the subcategories in this study, it exerts the third highest impact on cross-selling realization. This result is interesting, and somewhat unexpected, in that managerial factors such as compensation and sales coordination seemingly should score higher than coaching, because they entail direct contact with the idea of cross-selling (Akcura and Srinivasan, 2005; Mundt et al., 2006; Verhoef et al., 2001). Yet sales coordination scores 39% and compensation’s impact is only 14%. The somewhat high score for sales coordination is expected; cross-selling is largely a coordination challenge. Salespeople from different product silos must cooperate to cross-sell different products, showing only one face to the customer (Kumar et al., 2008). The decisive question for sales managers thus asks, What exactly needs to be coordinated, and how can we do it? In contrast, sales literature states that compensation schemes are powerful steering instruments, which means it is quite unusual for compensation to score only 14% on the categorical impact scale (Avlonitis and Panagopoulos, 2007; Balkin and Gomez-Mejia, 1990; Cravens et al., 1993; Heide, 1999; Herzberg, 2003; Misra et al., 2005; Pullins, 2001).

6.7 Cross-Selling Challenges for Salespeople

The challenges that are most important for salespeople can be divided into three areas (Figure 6-6):

1. Personality (22%)
2. Attitude (23%)
3. Salesperson skills (55%)

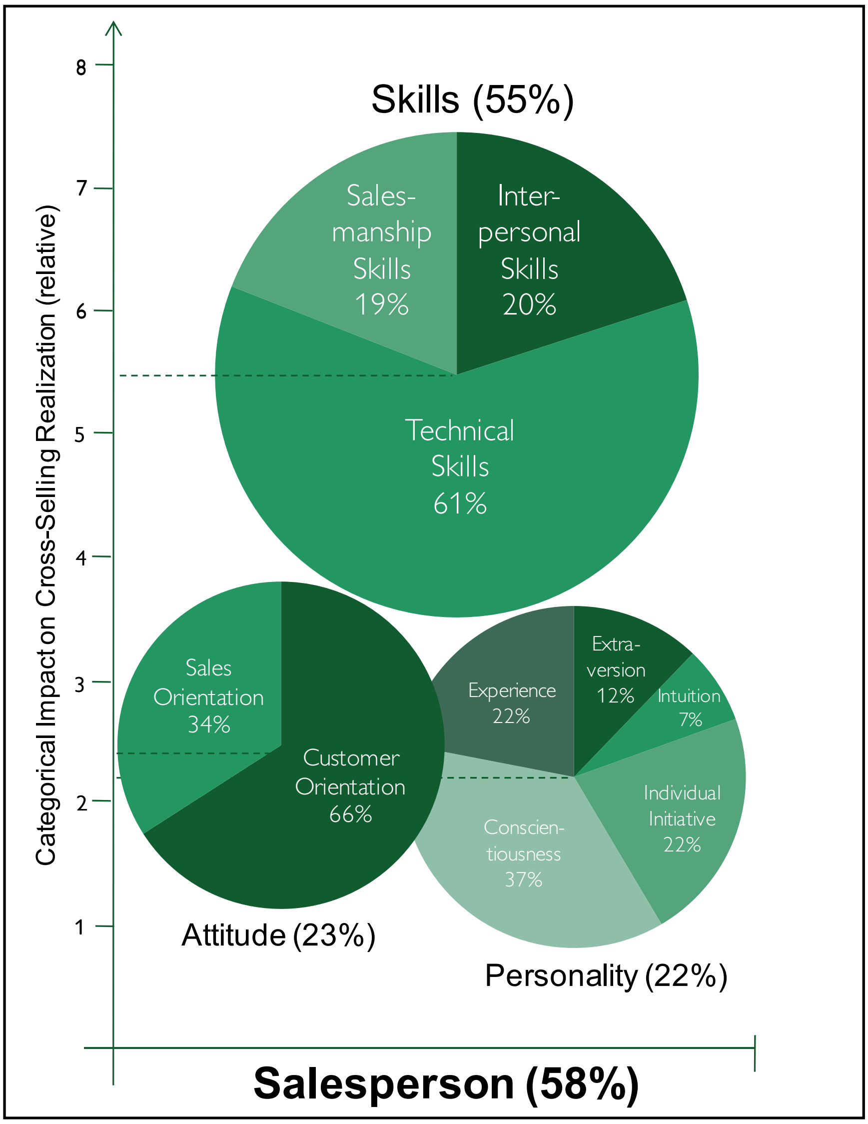

Figure 6-6: Challenges for Cross-Selling Realization from a Salesperson Perspective
Source: Own representation

6.7.1 Personality

"You as a salesperson need to transport the enthusiasm for your product to your customer. You need to be able to fascinate your customer."

—Respondent 11

The salesperson's personality subcategory in turn comprises five elements (Figure 6-7):

1. Intuition (7%)
2. Extraversion (12%)
3. Experience (22%)
4. Individual initiative (22%)
5. Conscientiousness (37%)

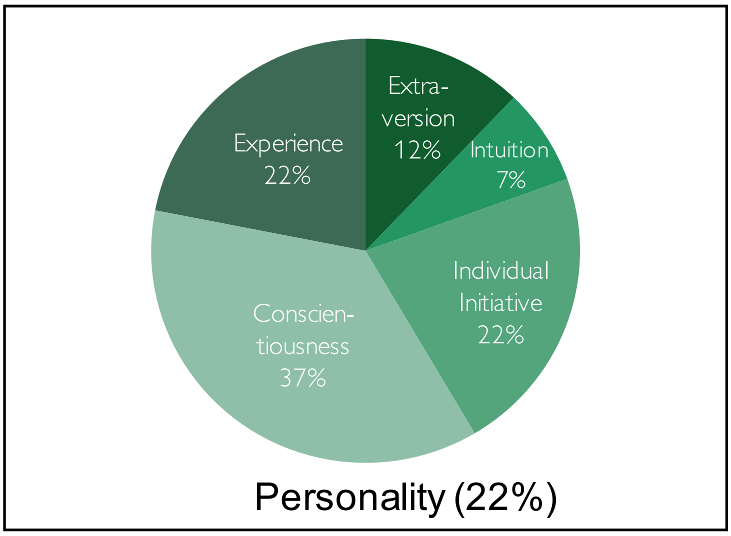

Figure 6-7: Salesperson Personality Elements
Source: Own representation

Personality traits have long been a focus of sales management literature, which includes a debate about the effects of personality on performance (Bartkus et al., 1989; Ingram et al., 1989). Weitz and colleagues (1986) assert that personality variables offer only questionable predictions of performance; other researchers have found that personality is a relevant and valid predictor of on-the-job performance (Crant, 1995). Personality influences individual attitudes and performance (Neubert et al., 2006), and individual personality traits (e.g., extraversion, emotional stability, agreeability, conscientiousness, openness to experience) have been linked directly to job performance (Barrick and Mount, 1991). For cross-selling performance, typical sales personality traits, such as intuition and extraversion, only account for a small portion of personality's impact on cross-selling though. The greater impact stems from experience (22%), initiative (22%), and conscientiousness (37%) traits.

Intuition, in a cross-selling context, appears closely associated with entrepreneurial thinking, which in turn can be linked to acting autonomously, expressing a willingness to innovate and take risks, and being aggressive toward competitors or proactive toward marketplace opportunities (Frank et al., 2010). Intuitive salespeople possess a holistic understanding of themselves and the buying organization, which enables them to determine easily the appropriate next steps with a customer. These salespeople understand the relevance of various topics and know how to guide customers in the right direction. Yet its low cross-selling impact score of 7% also implies that intuition's role is probably a "door-opening" (CI) one, without great impact on cross-selling realization.

Extraversion (or its opposite, intraversion) is the most transparent personality trait in extant literature, because extroverts tend to be sociable, gregarious, assertive, talkative, and active (Barrick and Mount, 1991). Extroverted people do not play humble in interactions with others but rather gather energy by talking about and presenting themselves. The results of this study show that salespeople with the courage to ask questions of the customer (i.e., likely to be extroverted) "develop more cross-selling success than others" (CI).

Cross-selling managers also should look for experienced salespeople. Prior research has identified three experience dimensions: organizational tenure, or the length of time with the organization; job tenure, or the length of time in the current job with the current organization; and job experience, which indicates the length of time in the profession (Dong-Gil and Dennis, 2004). In sales and industrial sales settings, job tenure affects customer selling orientation (O'Hara et al., 1991), which then affects performance (Saxe and Weitz, 1982). Job tenure plays a critical role in cross-selling as well; one respondent explained for example that credible cross-selling requires the ability to speak from experience.

> *"You know, I have about 20 years of experience in the field. And my advantage is that I was once sitting on the other side of the table. So I know how a buyer thinks. This gives me lots of credibility and lots of opportunities I would not have gotten without"*
>
> —Respondent 3

Such experience is important for trust and for credibility, which in turn affect each other. Especially valuable in this context is the ability to speak from experience (e.g., telling success stories). Moreover, job rotation appears beneficial; when salespeople have more experience in different areas of the company, they can consult with a customer much better than those with a singular focus (Markus, 2001).

Regardless of their experience though, salespeople need to act on their own initiative. For cross-selling, self-initiative drives the salesperson to gain credibility with the customer and work more on cross-selling projects. This element has been called "openness to experience" in other research (Barrick and Mount, 1991), often interpreted in terms of intellect or being imaginative, cultured, curious, original, broad-minded, intelligent, and artistically sensitive. Someone who is not interested in potential or creative solutions has a hard time finding cross-selling opportunities. Initiative also encourages making the right choices, such as providing support functions to provide relevant feedback and reacting appropriately to external influences. A willingness to spend time with colleagues to obtain referrals is another important feature that fits this context.

Finally, conscientiousness (or conscience) plays a strong role in cross-selling. The disparity in labeling this dimension has created some disagreement regarding its essence (Barrick and Mount, 1991). For cross-selling, the interview results suggest it pertains to "being reliable as a salesperson, to be able to quickly respond to customer requests and providing help in critical situations when the customer demands it" (CI). In other words, being committed to the project with good conscience (e.g., no overselling, no sales tricks) is the key, together with smaller details such as being accessible or promptly reacting to customer requests.

Conclusion

Paying attention to salespeople's personality traits can help managers achieve cross-selling success. The key is mixing and weighting different personality traits. The wealth of different personalities, which can match a variety of professions and jobs, suggest there is a general salesperson "type" that fits cross-selling, yet it might be hard to find a "one and only" salesperson who possesses all the preferred personality traits. Thus a two-step procedure seems useful: To increase cross-selling realization, prioritize a more or less equal mixture of conscientiousness, experience, and initiative in salespeople. Then consider extraversion and intuition, which play important but less decisive roles. If it is not possible to identify salespeople with all the desired traits, a cross-selling team might be another effective solution. The team can possess all five important traits, even if any individual member of the team does not. Task and customer requirements also should be formulated accordingly.

Recommendations

Managers are advised to

- Avoid depending on intuition too much, because it is merely a door opener.
- Test salespeople for curiosity and openness for experience before employing them in a cross-selling job.
- Assign only experienced salespeople to perform cross-selling.
- Help the sales force understand that only conscientious selling will lead to cross-selling success.

6.7.2 Attitude

The salesperson's attitude subcategory consists of two elements (Figure 6-8):

1. Sales orientation (34%)
2. Customer orientation (66%)

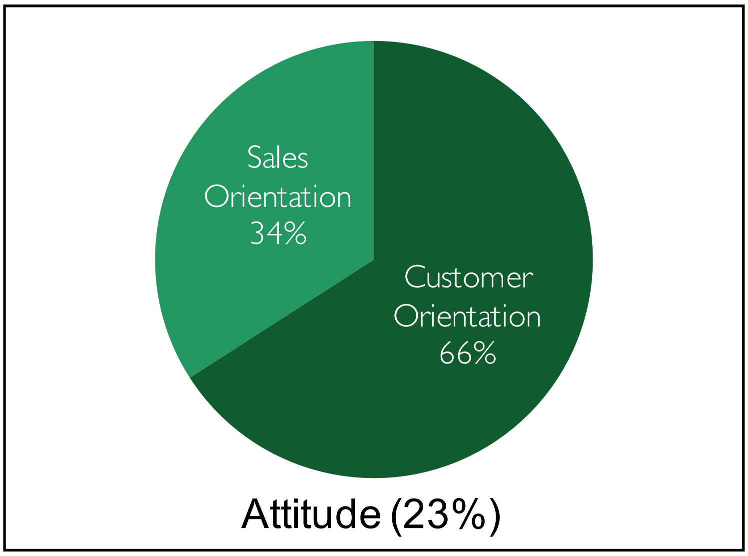

Figure 6-8: Salesperson Attitude Elements
Source: Own representation

"A guarantee for failing in cross-selling is to oversell to the expectations of your customer. You shouldn't make false promises or heighten the expectations of your customer only to win the deal. You will have to pay for this sooner than you might think."

—Respondent 8

Both sales and customer orientation, from a salesperson's perspective, exert direct influences. A sales orientation describes salespeople who engage primarily in getting the sale. Customer-oriented salespeople instead focus their efforts on understanding customers' individual needs and helping them identify and evaluate alternatives to select the best solution (Jaramillo et al., 2007a; Johnston and Marshall, 2006). Furthermore, customer-oriented salespeople work to increase long-term customer satisfaction by avoiding short-sighted sales tactics that would harm the customer (Saxe and Weitz, 1982). Rather than using tricks and techniques, effective customer-oriented salespeople provide valuable solutions, which they determine through their understanding of customers' needs (Jaramillo et al., 2007a). Saxe and Weitz (1982) combine these dimensions in their SOCO (Sales Orientation–Customer Orientation) scale - a contribution that ranks among the top ten sales-related articles of the twentieth century (Leigh and Marshall, 2001). But the SOCO scale also produces some widely varying results.

The application of the SOCO scale to cross-selling suggests the need to balance customer- and sales-oriented attitudes of salespeople. The customer-orientation dimension captures a salesperson's ability to help customers assess their needs, offer products that satisfy those needs, adapt sales presentations to match customer interests, reject deceptive or manipulative tactics, and avoid the use of high pressure selling (Jaramillo et al., 2007a). Most of the critical incidents in this research imply a "failure of sales reps to clarify the value of an offer to the customer" (CI) or "making false promises about what one can deliver and thereby 'oversell' to customer expectations" (CI). A sales orientation instead emerges as a pure "box-moving" (CI) activity, provoking little interest among salespeople to establish a level of trust.

Thus the results do not support a combined effect, in that cross-selling naturally requires more customer than sales orientation. Interesting in this respect is that a sales orientation still accounts for 34% of the impact. This finding implies two things: (1) The two dimensions cannot exist in isolation, and (2) cross-selling apparently still requires salespeople to focus one-third of their attention to a sales orientation. This result may indicate that for cross-selling, a pure customer orientation is obstructive, because the salesperson hypothetically never closes the deal, in the interest of investigating every customer need. Such an overly extensive customer analysis and consideration of customer needs would lead to a hyper-extended acquisition phase. That is, salespeople must be somewhat sales oriented, especially for cross-selling, to close the deal when the opportunity arises.

Conclusion

Even though cross-selling is a customer-oriented strategy, it still requires some box moving (i.e., sales orientation) by the salesperson. This finding is intriguing, considering the widespread suggestion that a pure customer orientation is key.

Recommendations

Managers are advised to

- Establish a working balance between the customer and sales orientation of their sales forces, with an emphasis on customer orientation.
- Outline that customer orientation comes first but explain that focusing only on long-term relationships, without delivering on time, will not lead to cross-selling success.

6.7.3 Skills

Stabilizing cross-selling skills plays a major role in realizing cross-selling potential. But what are the necessary cross-selling skills? This research identifies three categories (Figure 6-9):

1. Salesmanship skills (19%)
2. Interpersonal skills (20%)
3. Technical skills (61%)

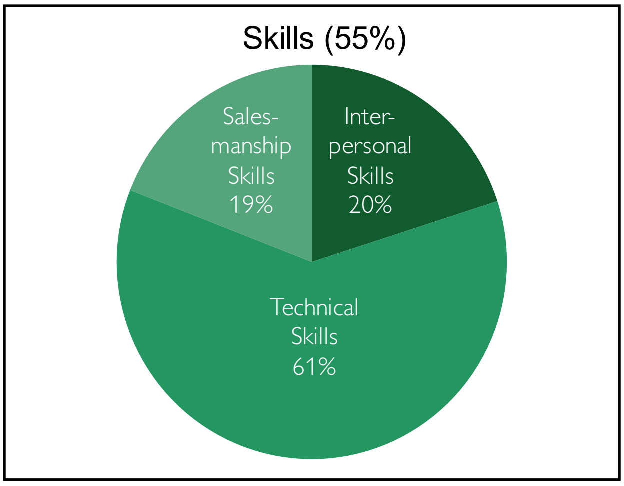

Figure 6-9: Salesperson Skill Elements
Source: Own representation

All three types of skills are selling skills, such that they reflect "the individual's learned proficiency at performing the necessary tasks for the sales job" (Ford et al., 1987). However for cross-selling, some skills seem more decisive than others. Salesmanship and interpersonal skills account for only about one-fifth of the entire impact on cross-selling realization, for example.

> *"Your customer needs to understand precisely what value you are going to sell him. You as a salesperson need to be able to explain that value to him. Moreover, you need to be able to educate your customer about potential risks and alternatives."*
>
> —Respondent 2

> *"Usually cross-selling is done with existing customers. If you have a new customer usually you first try to get to what the customer needs. This skill of identifying not only the customer's needs but also his pains is tremendously important for the chances of cross-selling."*
>
> —Respondent 9

6.7.3.1 Salesmanship Skills

Salesmanship skills account for 19% of the entire share of salesperson skills; together with interpersonal skills, it represents the smallest contributor to salesperson skills. Salesmanship has been defined as knowing how to make a presentation and close a sale (Churchill Jr. et al., 1985; Rentz et al., 2002), but the critical incidents suggest that it involves more than that. Incidents pertain to whether a salesperson can “fulfill the expectations of the customer” (CI) or “clearly show the benefits of a cross-sale” (CI). Salesmanship skills mainly have been discussed in relation to customer adaptability, a prerequisite for cross-selling, because highly adaptable salespeople can pick up on customer cues, even subtle ones (e.g. Spiro and Weitz, 1990; Sujan et al., 1994; Weitz et al., 1986). This skill also relates to the consultative character recommended by Pelham (2006) and the respondents: Salespeople who can adapt are more likely to consult and cooperate with the right persons to close the deal early in the negotiations.

6.7.3.2 Interpersonal Skills

Interpersonal skills are defined as the ability to cope with and resolve conflicts (Rentz et al., 2002), which often requires abilities such as listening, empathy, and optimism (Boorom et al., 1998; Sujan, 1999). According to an interview respondent, “Companies should take care that their salespersons are sensitive enough to spot customer needs” (CI). Seemingly such skills should be crucial for cross-selling, considering the discussion of the “street smart” salesperson who can gain "an in-depth understanding of the context in which they operate" (Sujan, 1999; p.18). Cross-selling should require exactly such an understanding; it thus seems all the more astonishing that interpersonal skills account only for a small percentage of the impact on cross-selling realization.

6.7.3.3 Technical Skills

Technical skills entail knowledge of product features and benefits, engineering skills, and the procedures required by company policies (Szymanski and Churchill Jr., 1990) - that is, how well a salesperson can perform the technical aspects of the sales job (e.g., knowing customers’ buying centers, identifying customer evaluation cues, managing the buyer–seller relationship, having competitive information available). Technical skills account for 61% of the selling skills required for cross-selling. In their study Rentz et al. (2002) argue that knowledge of the product line, including product features and benefits, is the greatest determinant of technical skills, which aligns with the idea that salespeople who “know their company's product portfolio” (CI) are better suited to cross-selling, because they can connect customer cues to a wide range of product options. Moreover, Szymanski and Churchill (1990) elaborate on technical skills in the context of evaluation cues. Similar to salesmanship skills, salespeople with strong technical skills can better structure, evaluate, and weight customer cues. Whereas salesmanship only focuses on identifying cues, technical skills adds in the use of these cues, which is important for cross-selling. Thus, "understanding the customers' buying center" (CI) and "knowing how to get to a certain customer need" (CI) are the keys.

Conclusion

Salesmanship and interpersonal skills do not have the highest priority when it comes to cross-selling realization - perhaps because cross-selling projects are highly complex and thus demand technical selling skills. Managers should not invest too much in special training for salesmanship or interpersonal skills. Such skills may be important for adapting or sensing a customers' needs, but the results show that it is much more important to tackle any gaps in the technical skills of the sales force.

Recommendations

Managers are advised to

- Ensure that salespeople are sensitive to customer cues (interpersonal skill).
- Ensure that salespeople are eager to adapt themselves to a customer's requirements and communicate effectively (salesmanship skill).
- Hire people with technical skills, including:
  - Highly educated salespeople.
  - Salespeople highly skilled in coordinating internal and external parties (boundary spanners).
  - Salespeople with high degrees of product knowledge.
  - Salespeople with a profound understanding of the customer (buying center).
  - Salespeople highly skilled in managing complex buyer–seller relationships.

6.7.4 Discussion of Cross-Selling Challenges for Salespeople

The salesperson has the most impact on cross-selling realization (58%). Compared with top management (16%) and sales managers (26%), it scores orders of magnitude higher in its effect. The subcategory that emerges with the highest categorical cross-selling impact is salesperson skills (55%). Thus, salesperson skills are high priorities, in line with performance management (56%) and coaching (47%). However, the overall category impact of salesperson skills is much higher, which means it deserve particular respect: It is the most important subcategory for cross-selling realization overall. The personality and attitude elements, which score 22% and 23%, respectively, sit in the middle, seemingly equitable to the low-priority challenges of the top management and sales manager categories, yet with a higher impact because of the overall high category impact of salespeople.

Within the salesperson skills subcategory, the technical skills element accounts for nearly two-thirds (61%) of the impact. Sales literature does not predict such an effect of technical skills (i.e., knowledge of product features and benefits, engineering skills, procedures required by company policies) - higher than that of salesmanship skills (knowing how to make a presentation and how to close a sale) or interpersonal skills (knowing how to cope with an resolve conflicts). Knowing how to present cross-selling products and close a deal seem as if they should be more important than understanding company procedures or engineering skills. Yet the high score for technical skills reflects the cross-selling demand for balanced momentum: Cross-selling functions well only if the right product is being offered at the right place and at the right time (Kamakura, 2008). However, some of the results are in line with prior publications (Crosby et al., 1990; Ganesan, 1994; Palmatier et al., 2006; Ramsey and Sohi, 1997) that investigate the strong relationship of trust and sales success, such that it is not unusual that the seller's conscientiousness (37%) and experience (22%) score highest among all personality-related elements. The finding that sales orientation scores 34% is still surprising though. Even though not the majority impact, it still comprises one-third of the attitude subcategory, beyond the influence of customer orientation.

6.8 Discussion

Comparing critical incidents across categories and points of view reveals evident that performance management (56%) and salesperson skills (55%) exert the greatest impacts on cross-selling realization. Moreover, regarding the impact of all three categories, it emerges that the salesperson has the strongest effect on cross-selling success, followed by the sales manager and top management. This result is significant: Many organizations instead follow a top-down, management-focused approach to selling instead of a bottom-up, salesperson-focused one (Day, 1994; Linden, 2010). But cross-selling requires a different approach (Belz and Bieger, 2004). Piercy (2006) confirms that the modern sales organization has shifted from a pure sales organization to a value-selling function that features cross-functional relationships and clearly defined customer groups. In this modern service era, many organizations have shifted their approach from pure product-based to service-oriented selling (Vargo and Lusch, 2008). As Piercy (2006) recommends, this approach can use the intelligence developed by the sales force as the basis for a competitive advantage, derived from developing the sales organization from bottom to top. The 58% impact of the salesperson, compared with 26% for the sales manager and only 16% for top management, goes directly in line with this idea.

The calculation of a relative categorical impact ratio also reveals a rank order of these topics. For example, sales coordination scores on an intermediate level (.39) in the sales manager category, but it also has been a focal topic in sales research for decades (Day, 2006; Edstrom, 1977; Gulati, 2007; Roth and Nigh, 1992). Technical skills in contrast have not been a high priority topic in sales literature (Jaramillo et al., 2007a), which instead prioritized interpersonal and salesmanship skills, along with typical selling tactics such as listening to the customer and empathy (Rentz et al., 2002). Yet technical skills account for 61% of the highest priority challenge (salesperson skills). Overall the results confirm some existing beliefs about cross-selling realization (e.g., salesperson skills are highly important) but contradict others (e.g., the importance of compensation).

An overview of the results in Figure 6-10 portrays the relationships across categories, in the form of a pie chart that differs in size according to its the impact on cross-selling realization. Each subcategory (where applicable) is segmented into its respective elements. To facilitate a hands-on approach to cross-selling, Table 6-4 summarizes relevant recommendations for each organizational level. This summary should help managers across the board realize their cross-selling strategies, with minimum levels of risk and maximum returns on investment, to master the change process toward a cross-selling organization. Finally, the top three key results of this study are summarized for management practice in Table 6-5.

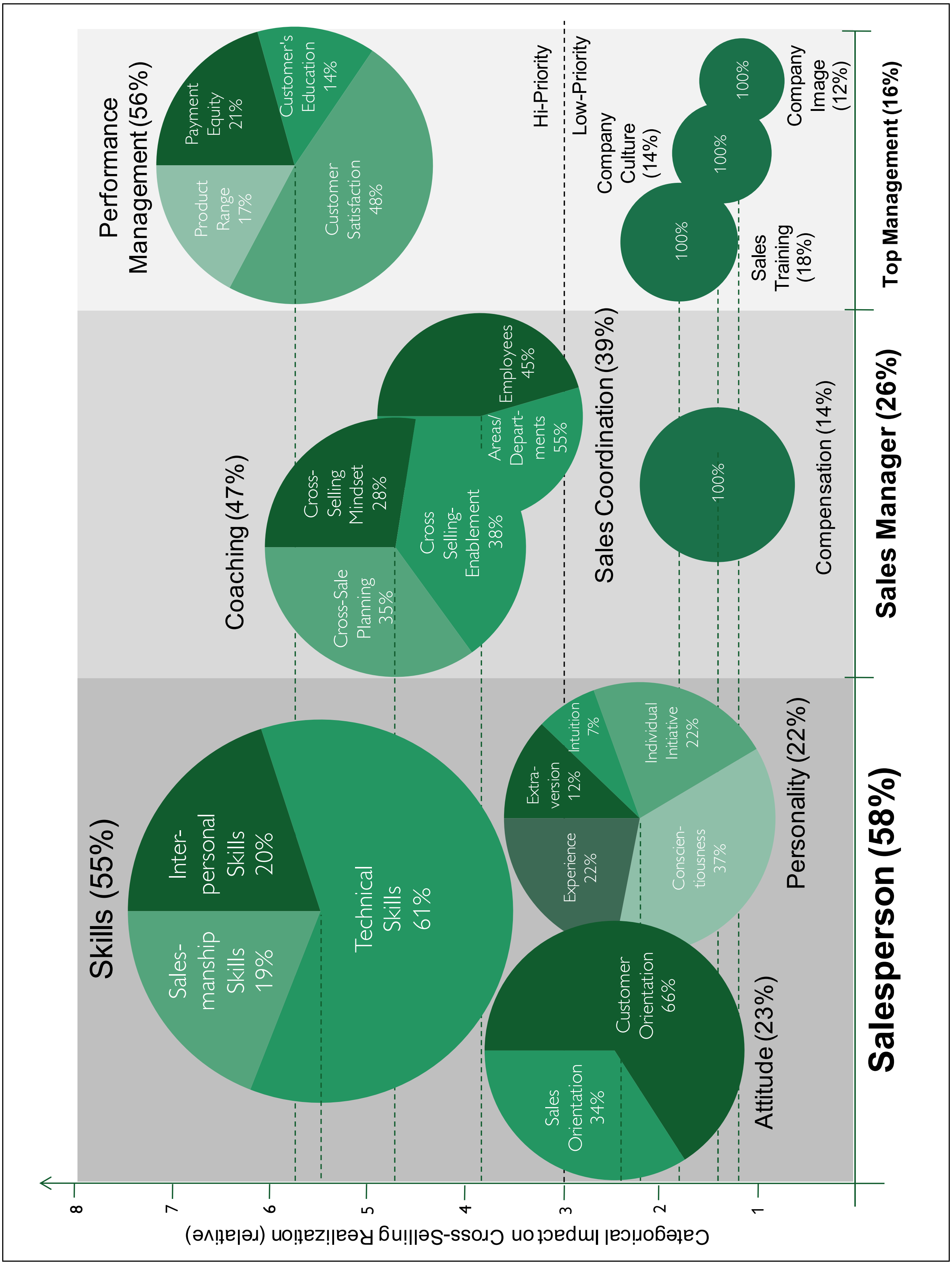

Figure 6-10: Critical Incidents for Cross-Selling Realization: Three Perspectives
Source: Own Representation

<table>
<tr><th>Category</th><th>Recommendations</th></tr>
<tr><td>Top Management</td><td>
Refrain from making the company image a high-priority issue and instead tackle other, high-priority problems first.
Enable the creation of a cross-selling culture from within individual business units (bottom to top).
Lead by example and live a cross-selling culture:
Communicate the acceptance of mistakes.
Explain that cross-selling projects are a long-term investment and try to persuade accountants of the need for flexible investments.
Organize the sales force in close physical proximity.
Pick the right sales personalities instead of providing extensive training.
Design customer education programs to check their current knowledge, expand their knowledge, and teach about cross-selling opportunities.
Decide whether the product portfolio can be streamlined to the simplest possible combination of products and services (solution selling).
Integrate product complementarity into the product development process.
Consider the dynamics of the business environment and think about cooperative ways to combine the sales force to sell solutions.
Negotiate a workable price scheme early on in a project.
Carefully negotiate pricing schemes during cross-selling projects, because pricing influences perceived trustworthiness.
Avoid the number one killer of cross-selling: overselling and failing to deliver on promises.
Conduct risk assessment tests prior to a cross-selling project to ensure that it can deliver on promises.
Improve the customer experience by surprising customers with extraordinary service and thereby minimize the impact of potential mistakes later.
Only surprise the customer if basic service delivery can be ensured.
</td></tr>
<tr><td>Sales Manager</td><td>
Free the sales force from inertia and develop behavior-based reward schemes for cross-selling activities.
Create a cross-selling coordination roadmap for all parties involved (departments, areas, business units, internal sales) that specifies their relationships and goals.
Create customer-specific selling teams and specify lead roles for sales representatives to ensure a single face is presented to the
</td></tr>
</table>

	customer.
	• Promote acceptance of the cross-selling mindset.
	• Explain the complexity of cross-selling to salespersons unsure about its costs and benefits.
	• Teach the sales force to determine the highest sales success for a certain product group.
	• Create long-term cross-selling goals for the organization and incorporate a cross-selling mindset into everyday business culture.
	  • Refrain from setting improper incentives by artificially pushing sales for certain products.
	  • Eliminate the fear of cross-selling.
	  • Have salespeople available at all times.

Salesperson	• Test salespeople's curiosity and openness to experience before employing them.
	• Assign experienced salespeople to cross-selling.
	• Make the sales force understand that only conscious selling leads to cross-selling success.
	• Establish a balance between customer and sales orientation, with an emphasis on customer orientation.
	• Ensure salespeople have good technical skills, according to
	  • Education.
	  • Highly skilled in coordinating internal and external parties (boundary spanners).
	  • Strong degree of product knowledge.
	  • Profound understanding of the customer (buying center).
	  • Skilled in managing complex buyer–seller relationships.

Table 6-4: Recommendations for Realizing Cross-Selling Potential: Three Perspectives
Source: Own representation

Five Key Findings of Study IV	
Customer Satisfaction	Cross-selling initially creates high risks and costs for both suppliers and customers. On the supplier side, there are salesperson, customer relationship, and company image–related risks. Costs for the supplier include coordination of departments and employees, reallocation of resources, portfolio management, and organizational change. Customers face the risks of getting locked in and the costs of finding a new supplier in case of cross-selling failure. Therefore, cross-selling must create value for both the customer and the supplier. The results show that the most important aspect for performance management is customer satisfaction. There is a single top premise for cross-selling: Only do it when you can guarantee customer satisfaction (no overselling!).
Technical Skills	Technical skills account for almost two-thirds (61%) of the most influential subcategory, salesperson skills. This result is surprising, because salesmanship and interpersonal skills seemingly should have stronger influences on cross-selling success. Managers must enforce the teaching of technical skills to their sales forces.
Compensation	Sales force compensation, from a sales manager perspective, has low priority for cross-selling realization. Sales managers should concentrate on higher-priority challenges first.
Sales Training	Sales training at the top management level - which implies a centralized approach to training, mandated by top managers or the organization - has no significant influence on cross-selling realization. In contrast, coaching by sales managers in the separate divisions of a company is highly relevant for cross-selling realization.
Company Culture	Contrary to expectations, a company's culture from a top management perspective has no serious influence on cross-selling realization. A cross-selling culture cannot be imposed on the organization from the top down. Rather, such a culture develops from within the individual sales units and then rises through the organization, bottom up. To establish a cross-selling culture, sales managers should encourage their sales force to establish a cross-selling mindset.

Table 6-5: Five Key Results of Study IV
Source: Own representation

6.9 Implications for Theory and Practice

6.9.1 Theoretical Implications

This research contributes to theory in several ways. First, it demonstrates that analyzing the challenge of cross-selling holistically leads to interesting, sometimes intriguing results. Three critical categories (top management, salesperson, sales manager) emerge, but the clear focus is on the salesperson (58%). Different subcategories are critical for cross-selling success. Prior literature has considered and tested single category elements but never adopted an overall, holistic research approach (Schäfer, 2002). The difference between a single-element view and a holistic view is decisive for cross-selling realization. This topic simply is too complex and touches on too many different categories (and subcategories) to consider it only a CRM challenge (e.g., Kamakura et al., 1991; Kamakura et al., 2003).

Second, this research contributes to current theory by exemplifying the use of the critical incident technique. By forming categories, assigning weights, and establishing priorities, this study expands the current usage of CIT.

Third, this research discounts false heuristics about sales success by deriving actual recommendations from a comparison of the study results with extant literature. By incorporating a categorical and resource-based view (prioritization of resources) with the internal and the customer perspective (inherently included in each incident), it contributes to current sales literature and advances the theory of cross-selling realization.

Fourth, this study quantifies relevant topics for cross-selling realization, using CIT in a statistical manner, which further demonstrates the adaptability and extensive uses of CIT.

6.9.2 Managerial Implications

Formal processes within the organization must be broken up to realize cross-selling potential. This first direct implication calls on managers to decide which competences to prioritize. To avoid competency traps and inefficient investments, managers can use the current research findings to determine the competences needed to attain cross-selling realization. It also indicates how to refrain from acting *between* levers and move to acting *upon* them. That is, this study demonstrates that cross-selling realization is a challenge of prioritization. To realize cross-selling, managers must consider three perspectives (top management, sales managers, salespersons) *at the same time* while also prioritizing among high- (performance management, skills, coaching, coordination) and low- (training, culture, image, personality, attitude) priority challenges.
Furthermore, managers should assess their cross-selling strategy according to a priority analysis; each identified subcategory and element carries its own weight that can be incorporated into the plan for realizing a cross-selling strategy. A detailed cost-and-benefit analysis makes it possible for companies to assess the potential risk. In turn, managers can perform a self-assessment of their current cross-selling endeavors and recognize the areas in which they should invest most. This article thereby provides great advice regarding how

to leverage current capabilities with greater confidence. Finally, risks can be minimized and functions such as finance and accounting can be made to understand the need for cross-selling, which means that the overall organizational and human assets get better capitalized.

In particular, this research shows that salesperson skills are the most relevant element of cross-selling success; the salesperson has the greatest influence, followed by the sales manager and then top management. Thus managers must realize that it is not salesmanship nor interpersonal skills but rather technical skills that determine the success of cross-selling. They must carefully investigate the skills of their sales forces and determine which skills they might teach, as well as which they should include in hiring profiles. In the performance management subcategory, companies that succeed clearly differentiate themselves by assigning great importance to customer satisfaction. In this sense, managers are advised to undertake customer satisfaction surveys during cross-selling. Yet compensation does not play an influential role; it appears cross-selling cannot be realized through extrinsic motivation. Rather, leadership principles such as coaching (e.g., enabling cross-selling, creating a cross-selling mindset, coaching cross-sale planning) are more relevant for sales managers. Sales training and establishing a cross-selling culture at the top management level have little effect though. Managers can refrain from developing expensive, company-wide cross-selling endeavors or establishing a company-wide cross-selling strategy and devote those resources instead to other, more influential areas, such as coaching a sales unit. In conclusion, this research shows managers how to differentiate cross-selling measures that generate high versus low returns on investments. Managers should sense less risk of engaging in cross-selling activities, because they have more assurance about their actions. The key to cross-selling realization may be reducing the (perceived) risks connected with it.

6.10 Limitations and Further Research

The results of this research focus on one particular point in time, which excludes the dynamics usually associated with business environments. Research that incorporates change management could create measures that assess the degree of dynamics in cross-selling over a period of time.

The nature of this research creates several other limitations as well, considering the relevant categorization issues. The three categories (salesperson, sales manager, top management) emerged from 12 interviews with respondents who mainly hold sales or sales manager positions. Although they provided answers pertaining to the top management realm, they do not represent this perspective, such that their answers might be biased toward sales management and sales. To substantiate the results, the individual categories would need to be reinvestigated separately: three studies, one for each category. If other functions or departments were included, the results might differ and improve the holistic approach of this research even more.

The various business types (e.g., product producers, service providers, original equipment manufacturers) included in this research suggest the need to conduct separate studies for each industry type. In that case, managers could describe an even more precise allocation of their resources to themes that matter most for their business. Accordingly, such a study could identify high and low priority challenges but also assess cross-selling options according to business type; for example, for an original equipment manufacturer, businesses performance management might earn a heavier weight than it would for a service provider.

Additional research should test the effect of different salesperson-related variables (e.g., technical skills) with a median split of high- and low-performing salespeople, to gain insights into the interplay between performance and skill levels. Intragroup relationships among the high-priority topics, such as the effect of salesperson skills on performance management, could be tested as well. More research also should address the proportion of, say, technical skills that cannot be taught. By distinguishing precisely what companies can do to increase technical skills and what employees must bring with them, it becomes possible to establish clear hiring profiles. The developed skill profiles can combine teachable skills with personal talent, and weighted dyads can define the strong impact skill sets for cross-selling.

Finally, a more heterogeneous sample composition might affect the results. Only male respondents participated in this research. The proposed recommendations are based on a sample of 328 critical incidents, but more incidents might lead to different compositions of the categories, including varying proportions and percentages. Also, this research did not control for cultural aspects, though the focus on certain skills, elements, or categories might vary between different settings. Research should account for this potential influence of culture.

6.11 Conclusion

This research identifies and prioritizes critical topics for cross-selling realization. With research spanning four different industries (IT, financial services, industrial goods, and entertainment), a holistic approach for clarifying questions about the challenges of cross-selling realization was adopted. The first question relates to the current business environment of an organization and its influence on cross-selling realization. By analyzing the entire company and contrasting individual categories (i.e., different points of view), this study takes into consideration the interplay across different levers within an organization. Assuming continuous interplay between market and company dynamics, a holistic research approach constitutes an initial step for addressing the dynamics of organizational change. To realize continual cross-selling, the company must be viewed as cross-sectional, never in isolation. The second question pertains to the identification of levers that determine cross-selling success. The results of this research give managers a good overview of the relevant levers, including their weights. Finally, the comparison of these results with findings from prior literature leads to effective recommendations that should make it possible for managers to implement various strong measures into their existing sales processes.

7 Concluding Observations

7.1 Key Results

The cumulative research approach adopted for this dissertation offers four individual studies, each with a different focus. The results of each study are summarized in Table 7-1, followed by a detailed comparison of the studies and an integrative framework of cross-selling realization.

Study	Result	Details
Study I	Adequate remuneration of cross-selling activities.	• Salespeople need product mix goals. • All participants of a cross-sale need to be reimbursed.
	Customer-focused pricing of cross-selling products.	• Delegate price competence to salespeople. • This creates more freedom to act and accelerates cross-selling's time to market.
	Stronger collaboration between product management and sales.	• Create stronger ties between product management and the sales organization.
	Clearly defined customer responsibilities.	• One face to the customer. • Take care of customer after the sale.
	Realistic investigation of cross-selling probability.	• Take customer demand situation into consideration.
	Consideration of cultural differences between business units.	• Be aware of misperceptions between business units due to cultural differences.
Study II	Brand identification of salesperson increases cross-functional orientation (CFO) and cross-selling success.	• Feelings of ownership and self-identification with organization increase time and effort on the job, making CFO possible.
	Personal commitment of salesperson affects CFO positively but has a negative effect on cross-selling success.	• Commitment toward behaving cross-functionally only counts for the immediate surroundings of the salesperson (business unit), with negative consequences for cross-selling overall.
	Motivation affects CFO negatively and cross-selling success positively.	• Motivation to engage in cross-selling activities is given. It is directed toward satisfying the customer and not the

		organization's cross-selling goals.
	Cross-selling readiness affects cross-functional behavior positively and leads to cross-selling success.	• Being cross-selling ready brings about cross-functional behavior but not direct cross-selling success.
	A CFO affects the cross-selling success of a company.	• The higher the cross-functional activities between units in an organization, the higher the cross-selling success.
Study III	Cross-selling realization depends on two main factors.	1. Incorporate a cross-divisional culture (cross-divisional orientation) 2. Test salespersons' behaviors and mindsets.
	A cross-divisional orientation increases the amount of sales being done by salespeople across business units.	• Negative feelings and perceived risk of cross-selling are minimized by a cross-divisional orientation. • Changes in organizational culture can encourage the cross-divisional selling of products and break down strong internal boundaries among salespeople.
	The more sales occur from different product areas when the motivation and readiness of a salesperson to engage in cross-selling is higher.	• The ease and motivation with which salespeople can sell solutions increases when they have a broad product portfolio.
	Cross-selling readiness and motivation each fully mediate the relationship between cross-divisional sales dispersion and cross-selling success.	• The mediation effects suggest that cross-selling motivation and readiness need to be established first, to drive cross-selling success.
	Cross-selling readiness depends on cross-selling motivation. **BUT:**	• By establishing motivated employees, the firm ensures their readiness to engage in cross-selling. **However:**
	There is a fully mediated relationship of cross-selling motivation and cross-selling success, through cross-selling readiness.	• Even if salespeople are highly motivated, they must be ready to cross-sell to be successful. Overly motivated salespeople might even produce negative outcomes for cross-selling success if they are not sufficiently ready, because they could oversell or make false promises to customers. The combination of cross-selling motivation and cross-selling readiness allows companies to realize their cross-selling potential.

Study IV	A holistic research approach creates a management aid to prioritize cross-selling challenges.	• Cross-selling is about prioritization and assessments of risk and return.
	The technical skills of salesperson are the most important lever.	• Salesmanship and interpersonal skills together only comprise about 40% impact on cross-selling realization.
	Customer satisfaction ranks as a second highest priority for cross-selling realization.	• If a customer is not satisfied at all stages of a cross-selling project, the risk of losing the customer or running into high expenditures becomes very high.
	Coaching a cross-selling mindset is the third most important lever for cross-selling realization.	• The sales force needs to understand the premises of cross-selling: They must be adapted to a local level (e.g., business unit) and be taught by the first-line manager (as opposed to a centralized training by the organization).
	Compensating the sales force is not a high priority challenge for cross-selling realization.	• Contrary to expectations, skills, attitude, personality, coaching, coordination, training, and performance management all have a higher impact on cross-selling realization than compensation.
	Culture and training have a low score on cross-selling motivation.	• Contrary to expectations, company culture and training from a top management perspective score low on cross-selling realization, suggesting a decentralized approach for both.

Table 7-1: Summary of Key Results of Each Study
Source: Own representation

An integrative framework combining all results is in Figure 7-1; the next section explains this integrated perspective.

7.2 Discussion of Key Results: An Integrative Cross-Selling Framework

The results of this research include an integrative, cross-selling framework (Figure 7-1) that combines the results of all four studies. The framework offers an example of how companies can realize a cross-selling strategy with different research endeavors. It is not only the results of the four studies in this dissertation, which provide insights into cross-selling realization, but also a reflection of the research process itself. That is, cross-selling follows a contingency approach to its realization. Depending on the organization that attempts to realize it, the individual parts of the framework must be adjusted and applied to the company. Thus, it might be that one research approach is better than another for any particular organization. The results among organizations also might vary due to differences in the organizational setup, market dynamics, or product and customer groups (discussed in the Introduction). The framework changes according to the organization; the weight of the relationships identified in this study also might change depending on the organization. The framework, which derives from the dissertation results, lays a foundation for demonstrating how to realize cross-selling potential. It comprises three critical interfaces:

1. Foundation
2. Action
3. Realization

Each interface connects the individual studies of this dissertation. Thus, interface 1 (foundation) defines cross-selling, as in Study I, which forms the basis and the connection to interface 2 (action), focused on salesperson prerequisites for cross-selling, as researched in Studies II and III. Then interface 2 links with interface 3 (realization),which consists of the three individual perspectives of the salesperson, sales manager, and top management, as demonstrated in Study IV.

7.2.1 Foundation

The foundation for cross-selling realization consists of two parts: the definition of cross-selling and the exploration of key challenges for its realization. A clear definition of cross-selling, developed for the unit of investigation (Yin, 1994) (here, the company), allows for the derivation of a series of main challenges (Study I) that account for every department in the organization (e.g., customer-focused pricing). These challenges form the basis for further investigation. The research methodologies used in the first part included focus group interviews, literature research, grounded theory, and face-to-face interviews. Then building on this first part, the challenges identified need to be adapted to the point of view of the most critical dimension in the organization. For this dissertation, the salesperson was the most critical dimension (see Section 2.1.1.4), though other dimensions (e.g., products, departments, countries) are possible too. The identification of the salesperson thus suggests investigations of their behavior and boundary-spanning roles (Studies II and III). The salesperson becomes the starting point for initiating cross-selling actions, based on the definition and an exploration of general, company-specific key challenges for cross-selling realization using standardized survey research. Key success factors of cross-selling success, such as a cross-divisional sales dispersion, cross-selling motivation, or cross-selling readiness, were derived from the most critical dimension, namely, the salesperson.

7.2.2 Action

This dissertation assumes that cross-selling actions are carried out by the salesperson; Studies II, III, and IV confirm this belief by demonstrating the influence of the salesperson as a primary key for realizing cross-selling. In the framework, this influence becomes clear in the individual layer of salesperson-specific factors (Studies II and III) that directly affect cross-selling realization with a customer (cross-selling success). All results suggest that efforts to help salespeople perform cross-selling will lead to the development of a cross-selling culture from within the direct surroundings (Studies II–IV). Yet enforcing a cross-selling culture onto salespeople is counterproductive, because the starting point must be within the individual (business) units, as shown in Study IV with the comparison of sales managers' coaching within business units versus centralized training by the organization. Salespeople also must be equipped with the necessary mindset, commitment, and identification to engage in cross-selling. Only then can a cross-divisional, cross-functional means of acting and the necessary motivation and readiness for cross-selling be established (Studies II and III). Once these salesperson prerequisites are in place, the salesperson directly engages in realizing cross-selling potential, as demonstrated by the lower arrow connecting the salesperson layer with the sales arena. The methods used in the action interface are the same as for part two of the foundation interface (Studies II and III), as well as an open-ended questionnaire to derive critical incidents from cross-selling situations (Study IV).

7.2.3 Realization

To leverage the actions of the salesperson (interface 2), the realization part of cross-selling encompasses the entire organization and the different roles within it, namely, the salesperson, top management, and the sales manager (Study IV). The salesperson plays an outgoing role (one-sided arrow in Figure 7-1) through direct contact with the customer. Compensation plays only a minor role (Study IV) in cross-selling realization, but personal preconditions such as motivation, readiness, and commitment (Studies II and III) are more decisive; personal brand identification influences the development of a cross-functional orientation positively. Moreover Studies II and III show that with an opportunity to sell across product groups, salespeople become motivated and ready to engage in cross-selling activities.

The role for top management is two sided (two-sided arrow in Figure 7-1). This difference demonstrates the challenges of cross-selling realization in a coordinative realm: Top management interacts with the customer in fields such as customer education, payment conditions, or customer satisfaction surveys, as well as in terms of the company image (Study IV). On the other side, it also must deliver training and organize for a cross-selling culture (though that is not a core task) internally. Otherwise it is impossible to present one face to the customer (Studies I and IV). At two critical interfaces, cross-selling could go wrong with the customer: when the salesperson plays a clear pioneering role, operating as a boundary spanner between the organization and the customer, and when top management plays a coordinative role and sets the stage for the salesperson.

The results of Studies II and IV demonstrate that salespeople are very adept at concentrating on their direct job environment. Thus a third role is necessary. Sales managers coach the sales force in relevant cross-selling topics, such as cross-sales planning, cross-selling enablement, and developing a cross-selling mindset. Although not directly connected with the customer, the sales manager provides the background for cross-selling realization, as portrayed by a one-sided arrow. Moreover, sales managers take on the key responsibility of coordinating cross-selling endeavors, which cannot be a top management responsibility.

The realization interface uses the same methods as the action interface and the holistic character of Study IV (open-ended survey questions) to embrace the main role of the salesperson and embed his or her role within the overall organizational context.

7.2.4 Conclusion of Discussion of Key Results

The conceptual framework of cross-selling realization exemplifies how cross-selling follows a contingency approach. The path to cross-selling realization depends on three interfaces (foundation, action, and realization). Different research methodologies confirm how different aspects of cross-selling realization can be administered. Together they produce an overall, conceptual framework for realizing cross-selling potential, which managers can adapt to their individual organizational surroundings.

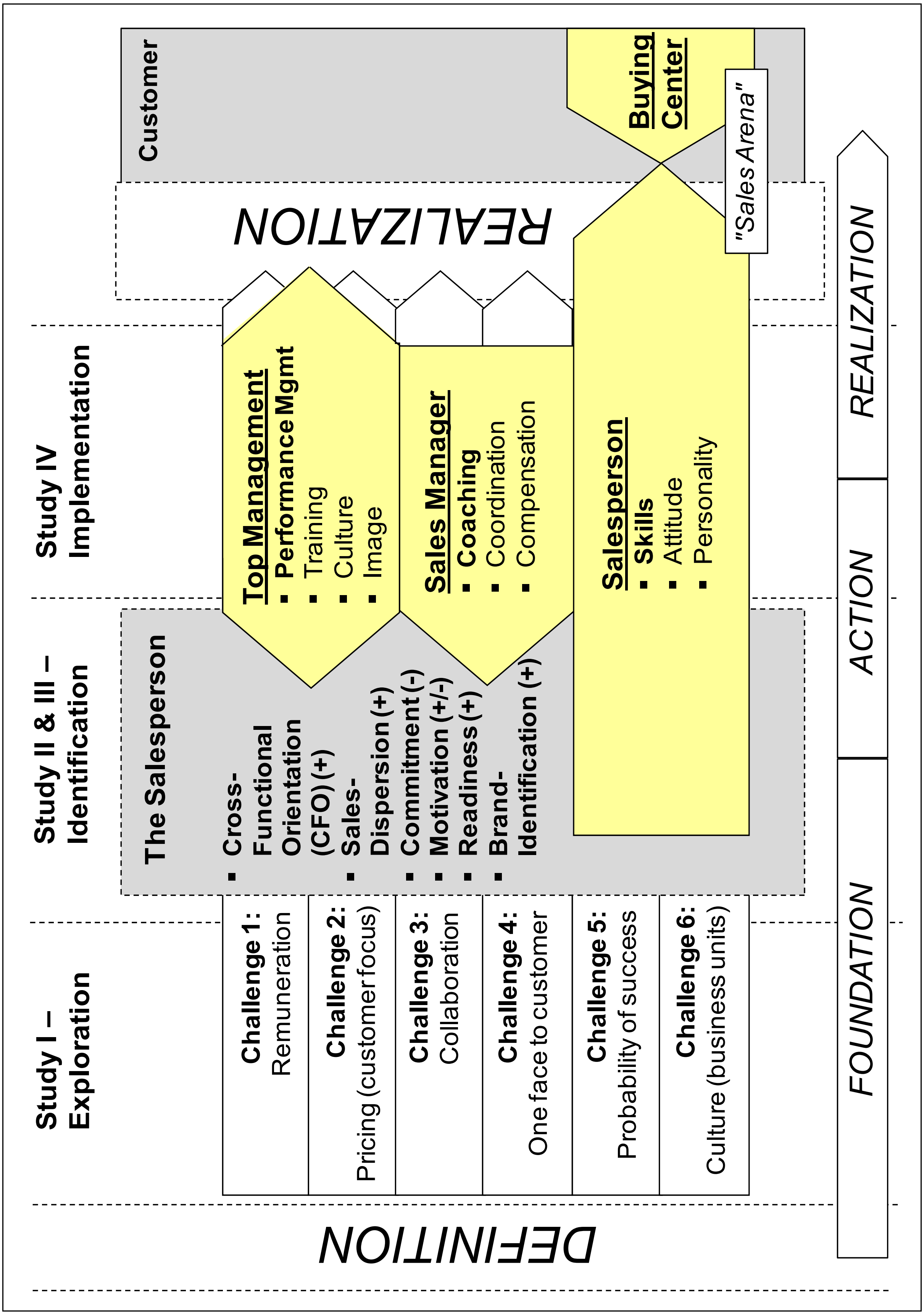

Figure 7-1: Overall Framework of Cross-Selling Realization
Source: Own representation

7.3 Implications

7.3.1 Theoretical Implications

There are several theoretical implications of this dissertation, which together contribute to closing the research gap outlined in Section 1.4.1. First, this study investigates the reason for the ambiguity in the definition of cross-selling. By analyzing the meaning of cross-selling in a three-step approach (semantics, grounded theory, focus-group interviews), this dissertation has contributed to clarifying the definition from a business-to-business perspective. Cross-selling is not a static concept; it must be adapted frequently. For academics, the implication is that cross-selling research always must recognize an individual company perspective. Adapting the term "cross-selling" to the particular research setting is unavoidable and thus should direct further research.

Second, this dissertation summarizes key challenges for cross-selling realization (Study I) in industry-overarching research. It thus increases the breadth of theory by extending the analysis beyond financial institutions. The external validity of cross-selling's main challenges thus increases, and additional research can build on these challenges.

Third, this dissertation advances organizational and salesperson-specific research on cross-selling success (Studies II and III) by operationalizing new cross-selling–related variables (cross-selling readiness, cross-selling motivation, sales dispersion, cross-divisional orientation) and by testing the antecedents of cross-selling success. In so doing, it advances research into cross-selling from a technically focused viewpoint (market information systems) to one that is based on organizational and human resources. This approach creates new fields of theory for research and both broadens and specifies the frame of reference for cross-selling research.

Fourth, this dissertation demonstrates how to use established research methods in a new way. By employing the critical incident technique (Study IV) in an innovative way (quantifying, weighting, and prioritizing results), it advances current theory by outlining a method to use for individual adaptations in various companies and organizations. Cross-selling is considered from a holistic perspective, which illustrates the need for an organization-wide adaptation of cross-selling research instead of an accentuated approach. By synchronizing stereotypes of cross-selling with literature findings, the results of Study IV offer concrete recommendations for managers.

Fifth, this dissertation demonstrates a multilevel approach to cross-selling realization and advances theory with a multifaceted framework. The results demonstrate that the salesperson is the most important aspect. Academics should increase their focus on the salesperson and build cross-selling theory accordingly.

7.3.2 Managerial Implications

In competitive business-to-business market environments, the need for cross-selling is immense, but few companies fully leverage their existing cross-selling potential. The reasons might include the organizational setup or lines of business ill suited for cross-selling. This dissertation thus suggests a contingency approach to managing cross-selling and demonstrates how managers can design and control the appropriate cross-selling strategy for individual needs. Several implications for managers thus can be derived.

First, the results of this study should help managers understand why it is important to define the meaning of cross-selling individually for their organization, as well as better manage cross-selling performance. Cross-selling strongly depends on the dynamics of the business environment (e.g., market changes, product changes, customer changes), which require organizations to adapt and even change their organizational structures. Managers should regularly adapt their understanding of the meaning of cross-selling to match the current state of their business. Moreover, managers should communicate the meaning of cross-selling frequently throughout the organization, so that everyone embraces a common level of understanding. This effort likely plays a crucial role for cross-selling and can be a foundation for a successful cross-selling strategy. Managers also become much more adapt in managing cross-selling realization sustainably and competitively, because of the strong link between the meaning of cross-selling and its actual strategic implementation.

Second, cross-selling realization follows a bottom-up approach, such that it cannot be realized by "putting it over" the organization (e.g., implementing a CRM system). Studies on CRM implementation (Ahearne et al., 2007; Kemp, 2004; Langerak and Verhoef, 2003; LaValle and Scheld, 2006; Mundt et al., 2006) show that merely introducing a market information system to the organization does not guarantee cross-selling success; there need to be integrative measures in combination, because the understanding, motivation, and mindset of the sales force must be in place first.

In similar terms, this dissertation recommends that managers assess individual salesperson prerequisites (Studies II and III) and become sensitized to relevant salesperson-specific factors that lead to success or failure. Managers can obtain a series of insights into the interplay between the organizational sales unit and success with the customer. Both Studies II and III demonstrate that managers should take care when implementing strong business unit programs, which decrease overall cross-selling success. Instead, they need to broaden the span of products actively sold by a salesperson, which increases the motivation and ability of individual salespeople to engage in cross-selling (Studies II and III).

Third, cross-selling realization requires prioritization and timing (Study I), because it involves many different topics and touches many different areas in an organization. Uncertainty and risk must be overcome. Accordingly, managers can be more persuasive if they use the recommended methods to overcome key challenges. As Study IV shows, the critical incident technique makes it possible to prioritize high- versus low-priority challenges. With an implementation plan, managers can tackle high-priority challenges first, before low-priority challenges, which also reduces the risks of cross-selling implementation. Managers can better optimize the timing associated with cross-selling implementation by prioritizing their cross-selling tasks and making cross-selling actions more decisive.

Fourth, cross-selling is a high-involvement decision. Managers need to be willing to change their organization and then live with the consequences, even in the face of implementation difficulties or even failure. By showing managers how to implement a cross-selling strategy (Study IV), this dissertation reduces the pressures and risk of failure. It offers managers a multi-perspective approach on cross-selling realization and recommends the consideration of three points of view (salesperson, sales managers, and top management) when developing cross-selling into a universal strategy that includes touch points throughout the entire organization.

7.4 Limitations and Further Research

This dissertation has several limitations that should be considered when interpreting the results. The research tools used for the data collection in the four studies included face-to-face interviews, open-ended semi-structured questionnaires, focus group interviews, and standardized surveys. The gathered data were analyzed by various research techniques, such as critical incident techniques, exploratory and confirmatory factor analyses, and structural equation modeling. Other research techniques also are available, and the topic of cross-selling has not been researched extensively, so it would be interesting to investigate the topic of cross-selling realization using other methods. This dissertation suggests a strong role of the salesperson in cross-selling realization; therefore, the collected data might be used for an experimental design. Experimental designs would enable researchers to manipulate different sales situations and thus generate more insights about the concrete sales mechanisms at the point of sale, as well as greater clarity about salesperson-specific traits and customer influences.

This research has focused on cross-selling realization from a company and salesperson perspective; additional research should try to advance the theory of cross-selling by including the customer perspective as well. Dyadic sales relationships between a sales team and a customer might provide more insights, such as those obtained through a case study or quantitative model with interviews of the seller and buyer at the same point in time.

As mentioned previously, this dissertation advances organizational and salesperson-specific research on cross-selling success (Studies II and III) by operationalizing new cross-selling-related variables and testing antecedents of cross-selling success. Thus the topic of cross-selling realization clearly can be expanded from a technically focused viewpoint (i.e., market information systems) to one that is organizational and human resource based. This finding creates new fields of theory for research, because human resource and organizational theory might help explain the complexity of cross-selling and suggest other solutions. For example, expanding on Study IV, researchers might focus on the management aspect of the sales force, using individual salesperson traits and sales manager variables. Another study could take on the change process of an organization and its effect on cross-selling realization.

The topic of cross-selling is still very broad in nature, and the results of this dissertation suggest a contingency approach for implementation. Therefore, it remains questionable whether a broad generalization of results should be a goal for cross-selling research. This dissertation implies that approaches to cross-selling vary so much that unifying them likely offers little insight. Research should focus instead on the development of research techniques that can aid managers in determining their cross-selling challenges, such as the critical incident technique. The future of cross-selling research lies not in defining a complete set of antecedents of key success factors but rather in designing instruments that can be used on industry- and company-wide bases to determine cross-selling levers.

All four studies in this dissertation offer one general conclusion though: Conducting research within a particular company dramatically aids in defining relevant cross-selling levers. For example, by taking on a full company perspective, researchers might redo Study IV but within one particular organization. To focus on a salesperson's prerequisites, the same organization could be the focus for a reapplication of Studies II and III.

7.5 Conclusion

This dissertation follows a cumulative approach to theory building and development. In four individual studies, different foci lead to a thorough, in-depth penetration of the topic of cross-selling realization. General challenges by various experts from practice were identified first. Then two studies were conducted to detail the salesperson prerequisites that must be in place for cross-selling realization. Finally, a holistic study integrated the complete view of the firm in one study and provided a detailed, thorough implementation plan. In turn, this dissertation provides a full set of managerial and theoretical implications for cross-selling realization. This topic previously had not been researched extensively, or at least not in an encompassing way; thus, this section provides a summary of the results.

This dissertation aimed to answer a key research question: how to realize cross-selling potential, that is, how managers can realize cross-selling potential throughout their organization effectively. The manifold answer entails several sub-questions that were analyzed in the four individual studies. A basic research premise underlies each question and this dissertation overall, namely, a consideration of the competence of a salesperson to adapt to a boundary-spanning role and keep up with his or her regular sales job.

- *What are the key challenges of cross-selling realization?*

Each study contributed to identifying specific cross-selling challenges. Study I revealed six different challenges on a general level across industries (remuneration, incentives, pricing, collaboration, coordination, risk and return, culture). Studies II and III offered details about selected challenges for the sales force (motivation and readiness, portfolio management, cross-divisional orientation, brand identification, commitment). Study IV presented a holistic framework with ten main challenges (attitude, personality, skills, coaching, sales coordination, compensation, performance management, sales training, company culture, company image) and 19 sub-challenges (salesmanship skills, interpersonal skills, technical skills, sales orientation, customer orientation, experience, extraversion, intuition, individual initiative, conscientiousness, cross-sale planning, cross-selling mindset, cross-selling enablement, areas/departments, employees, product range, payment equity, customer's education, customer satisfaction).

- *What are organizational prerequisites of cross-selling?*

In general, this dissertation provides evidence that a cross-divisional or functional orientation is an important organizational prerequisite for cross-selling success (Studies II and III). Moreover, Studies III and IV show that the dispersion of sales or the product range across business units is an organizational prerequisite for cross-selling success, directly influencing a salesperson’s cross-selling motivation and readiness. Moreover, sales coordination and coaching from a business unit level were highly relevant for cross-selling realization (Study IV).

- *What role does organizational culture have on cross-selling success?*

Studies II and III demonstrated that the intra-group culture within an organization has a direct positive effect on cross-selling success. The type of culture employed in an organization is decisive for cross-selling realization. The culture creates the necessary behavior by which salespeople cross borders of responsibility. Moreover, Study IV showed that culture, from a centralized company perspective, does not play a strong role for cross-selling realization, whereas the mindset of the individual salesperson does. Changes in culture thus must be created within the individual salesperson's immediate environment for it to spread throughout the organization. Studies II, III, and IV complemented one another by adding information about organizational culture from alternative points of view. Study II focused on the interplay of individual salesperson traits and highlighted their interdependence with the cultural aspect of a cross-divisional orientation and cross-selling success. Study III advanced this idea and introduced the cultural aspect of a cross-divisional sales dispersion. Study IV featured cultural impacts on cross-selling realization from a top management (low impact) and sales manager (high impact) perspective.

- *What influence do salesperson-specific aspects have on cross-selling success?*

Studies II and III showed that the cross-divisional orientation of the sales force affected cross-selling success directly and increased the amount of sales attained by salespeople across business units. This effect in turn increased the motivation and readiness of the sales force to engage in adjacent business opportunities, leading ultimately to cross-selling success. Salesperson-specific aspects affected both the cross-divisional orientation and cross-selling success, such that cross-divisional orientation acted as a mediator between the salesperson and cross-selling success. According to Study II, a salesperson's brand identification with the company had a positive effect on the cross-divisional behavior of the salesperson and increased cross-selling success. The personal commitment of the salesperson affected a cross-divisional orientation positively but had a negative effect on cross-selling success, due to business unit affiliation. Moreover, Study II showed that a salesperson's *motivation* affected cross-divisional orientation negatively but cross-selling success positively, suggesting a customer, not an overall organizational, affiliation by the salesperson. Finally, the salesperson's cross-selling readiness affected cross-divisional behavior positively, leading to cross-selling success. Study IV confirmed that the technical skills of the salesperson are the most important lever for cross-selling realization.

- *How can managers reduce the risk of cross-selling realization?*

Faced with a strategic transformation of the company toward a cross-selling or one-solution approach, managers must ask: Will the benefits of this implementation eventually cover the costs created by cross-selling? Cross-selling must be a universal matter to work, and it cannot be established in rudimentary fashion in individual areas. The most important aspect of cross-selling realization is the required ability to take on strong risk management and high investments (e.g., restructuring, personnel renewal, uncertainties) to realize it.

Study IV suggested a way to reduce cross-selling risk by determining relevant cross-selling levers throughout the organization. By assigning weights to each lever and comparing them, firms can create a gradient for priorities. Sales managers thus know which levers are needed to perform cross-selling organizationally, as well as which levers to focus on most. This knowledge seemingly should reduce the risk associated with cross-selling implementation, because managers have facts to use and follow.

- *How might organizations successfully design and implement a cross-selling strategy?*

Altogether, Studies I–IV provided several keys to increasing cross-selling success. Study IV highlighted the timing of cross-selling actions, in relation to market dynamics and change management, which becomes the most important criterion for cross-selling implementation. With a clear weighting and priority guide, managers know which cross-selling levers to implement first and which last, in consideration of the three different views in the organization. By following the most influential levers (salesperson skills, coaching, performance management), then addressing the intermediate ones (sales coordination, salesperson attitude and personality) before finally considering the least influential ones (compensation, company image and culture, and sales training), companies are likely to implement successful cross-selling strategies.

- *Which organizational layers are relevant for successful cross-selling implementation?*

Three points of view must be considered for cross-selling implementation: salesperson, sales manager, and top management. Study IV highlighted each of these viewpoints and provided recommendations and key challenges for managing each layer. The salesperson needs the right kind of selling skills, a balanced attitude toward sales and customers, and a certain personality. From the perspective of the sales manager, cross-selling realization is about coaching a cross-selling mindset or enabling cross-selling within the business unit. The coordination of areas, departments, and compensation play a role from a sales manager's point of view. From a top management perspective, performance management, the company image, culture, and sales training to relevant for cross-selling success.

Seeing cross-selling from three different perspectives demonstrates that despite the importance of a cross-selling culture, management should not employ too many resources expressly to establish it or to become an overall cross-selling solution company. Rather, the culture needs to grow organically within the individual business units, because it affects each point of view differently.

- *How is it possible to differentiate high- versus low-priority challenges for cross-selling realization?*

Study I suggested the prioritization of challenges for cross-selling realization; Study IV demonstrated how. By determining critical cross-selling incidents, forming categories, and assigning weights to each, firms can develop a cross-selling gradient that distinguishes the high- and low-priority challenges for their cross-selling realization.

Each study in this dissertation has contributed a set of answers to the main research question regarding how to realize cross-selling potential throughout the organization. The results of this dissertation thus demonstrate that cross-selling is multifaceted, and this study helps clarify the most relevant issues for its realization. For example, there is not one single approach to cross-selling, because companies, industries, and markets differ. In addition to gaining a definition of cross-selling, managers can use the managerial and scientific results of this dissertation to realize cross-selling in their organization. In particular, this dissertation exemplifies how cross-selling levers can be identified, adapted, and implemented by individual organizations.

Appendix

Appendix I: Additional interview, outside Studies I–IV

Date	Position of Interviewee	Company	Topic
27.04.2011	CEO Growth Markets & Global Clients	Swiss multinational group of companies	Change management, solution selling

Appendix II: Focus Group Questions

(1) What do you understand by the term cross-selling?
(2) Cross-selling is a typical customer penetration strategy. Can you also incorporate it into customer acquisition?
(3) Which hurdles need to be overcome on the way from planning cross-selling to realizing it?
   a. What effect do planning mistakes have?
   b. What effect to realization mistakes have?

Appendix III: Cross-Selling Incident Questions

1. Please think of a typical situation in which you successfully conducted cross-selling.
2. Please describe this situation in detail.
3. Why is the described situation a typical cross-selling situation?
4. What were the reasons for your success in this specific situation?
5. Please think of a typical situation in which you were not successful conducting cross-selling.
6. Please describe this situation in detail.
7. Which were the reasons for you being unsuccessful in this specific situation?

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