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# Customer reassignment strategies and cross-selling performance: a South African study

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# Customer reassignment strategies and cross-selling performance: A South African study


**Ntomboxolo Hobo**

**Student number: 1203176**


**A research report submitted to the Faculty of Commerce, Law and Management, University of the Witwatersrand, in partial fulfilment of the requirements for the degree of Master of Management in Strategic Marketing (MM SM)**

**Supervisor: Neale Penman**


**Wits Business School**


**Johannesburg, 2018**

## ABSTRACT

This study investigated the effect of account reassignment strategies on organisational cross selling performance subsequent to the key company contact changing in South African organisations. The research ascertained the effectiveness of the chosen customer account reassignment strategy on customer retention and repurchase intent. The study further established the magnitude of the impact on customer revenue on customer retention upon customer account reassignment and deduced the cross-selling performance with the implemented account reassignment strategy

The study will fill the gap fpr marketers and sales mangement to understand and effectively manage the customer retention and business growth subsequent to the change in the main B2B link,focusing in an emerging country.

A quantitative research approach was used by the researcher who surveyed employees who have a background in business to business (industrial marketing) sales.Through the results of the study showed that customer reassignment strategies have a significantly positive effect on cross-selling performance increasing customer retention and customer revenue. The significance of this study indicates that reassignment of accounts through the introduction of a different than usual interorganisational interface may not necessarily be a poor management decision and has the likeli-hood to positively contribute to the revenue bottomline through cross selling. The study equips organisation about crucial connection of relational management with organisations profits.

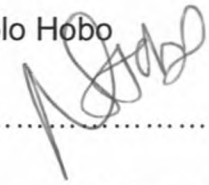


Keywords: Business to business markets, Customer re-assignment, Customer relationship management, Customer repurchasing intent, Customer retention, Customer level revenue, Cross selling

## DECLARATION

I, the undersigned, declare that this research report and the sources I have cited have been acknowledged by means of complete references. It is submitted in partial fulfilment of the requirements for the degree of Master of Management (MMSM) in the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in this institution or any other university.

Ntomboxolo Hobo



.....

Signed at .....Johannesburg

On the 21st..... day of .....June2018.

## DEDICATION

To my husband, Solly with our sons Masi and Siba for their great support, understanding, love and patience to pursue my dream.

## ACKNOWLEDGEMENTS

I wish to express sincere gratitude to:

- Neale Penman, my fantastic supervisor
- Honest Muchabaiwa and Pravindra Adari, my statistician & proof-reader

Your pressure, patience and guidance whilst holding my hand with enormous motivation throughout this overwhelming journey cannot be forgotten. I cannot thank enough for your support.

Lastly but not least is my MMSM2016 class and lecturers who have contributed in making this incredible journey a success.

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# CHAPTER 1. INTRODUCTION

## 1.1 Purpose of the study

The purpose of this research is to ascertain through a descriptive study, the effect of account reassignment strategies on cross-selling performance, adopted subsequent to a sales executive's reassignment at organisations in South Africa.

## 1.2 Background

Africa has evolved to become a growing emerging market for foreign investments and infrastructure with notable growth for South Africa in particular, forecasted to rise up 2.6% in 2017 and 3.2% in 2018 (McDonald, D 2017). The opportunities to invest in Africa and its countries have grown in a large scale. He further states that whilst in 2000, Sub-Saharan stock exchange had a listing of 66 firms, there are 522 others in 2017 with international challenges continuing to present risks as there is search for high returns where there remains to be high liquidity with, low yields.

Participants targeted in this study have a background in business to business (industrial marketing) sales that focuses on providing goods and services to other businesses with no direct interaction with the end-user who is an individual customer. Participants are mainly from private sector and international organisations with South African based operations. Guo and Wang (2015) concluded that the levels of customer orientation and competitor orientation in business to business are important but may negatively impact the success if implemented in every functional area resulting in customer dissatisfaction. Customer retention and relationships however remains to be the key area of interest to be studied in these business environments. The complexity of business to business markets and dynamism of the relationship spectrum requires effective supplier relationships as it positively influences the service marketing quality outcomes and organisations financial deliverance (Jack & Powers, 2015). For this reason it has piqued interest of the researcher to investigate customer

relationship impact subsequent to the implementation of account contact reassignment strategies.

### 1.3 Context of the study

Ton and Huckman (2008) and Subramony and Holtom (2012) correspondingly agree despite different settings of their research, that there is a strong concern from organisations about the high association of customer facing employee turnover and the decreased future profitability performance. This negative impact still seems relevant based on the recent study findings evaluating a change of customer interface and its impact on revenue (Shi, Sridhar, Grewal, and Lilien (2017). Financial performance of any organisation is determined by the sales representatives ability to link their organisations offerings with the needs of their allocated customers (Ahearne, Lam, Mathieu, & Bolander, 2010). A holistic customer relationship management approach impacts delivery of shareholder value (Payne & Frow, 2005) . Kumar, Sunder, and Leone (2014) emphasise the crucialness of customer relationship in the naturally complex business to business (B2B) context and that strength of relations is the factor that governs the organisations bottom line. Generally, in B2B environments, there is one representative that is the main contact on behalf of the organisation to serve the customer needs (Kumar, Sunder, & Leone, 2014). At most times, the sales account executive is regarded as the organisation by the customers due to the strong influence in the business relationship (Shi et al., 2017).

The fast-moving changes in technology, inevitable increase in employment and organisational restructurings has a strong impact in changing the well-built relationships (Aheame, Lam, Mathieu & Bolander, 2010). It is necessary for the sales organisations to maximize performance by adapting to the ever-changing market place (Kumar et al., 2014). During the adaptation and shifting of business focus from product centric to market centric, a view of the sales force from a customer profitability perspective is important to determine forecasted future sales (Kumar et al., 2014).

Customer equity has become a new customer centric strategic framework with the primary objective to quantify the value of individual customers, customer segments and the entire organisations customer base (Ramaseshan, Rabbanee, & Tan Hsin Hui, 2013). The service sector of the economy is undergoing revolutionary change as existing ways of doing business are shunted aside resulting in newly transformed ways of living and doing business. (Lovelock, Patterson, & Wirtz, 2014) and Jain et al. (2017) emphasise that business is moving toward an experience-based economy resulting in an undoubted need for organisations to ascertain challenges relating to management of their customers.

These studies, therefore reveal that customer management is key for business revenue sustainability in today's intensely competitive world of operations. Ranaweera and Prabhu (2003) suggest that customer retention is importantly driven by customer satisfaction. The retention of customers depends heavily on continuing efforts to provide positive customer experiences before, during, and after a sale or visit. (Payne & Frow, 2005) emphasise that business strategy and that of its customers has to interrelate in order to affect the success of the customer relationship (CRM) strategy.

Cross-selling persuasion by organisations is observed as a better, easier and cost-efficient business method to grow revenues compared to hunting for new customers (Ansell, Harrison & Archibald, 2007). This study seeks to understand and interpret through insights in a natural setting, particular business performance behaviour subsequent to change in organisations' B2B link. The study evaluates the effects, in a B2B context, of customer reassignment strategies on cross selling performance. A descriptive study conducted at South African sales organisations, aims to discover some new experimental insights on how the account reassignment strategies through a replacement impacts the organisations' cross-selling efforts.

## 1.4 Problem Statement

### 1.4.1 Main problem

To evaluate the relative effect of an account reassignment strategy on customer revenue and cross-selling performance.

There is a lack of academic studies examining this phenomenon in an emerging market such as Africa. A study on this topic has been conducted in the United States of America (US), a developed country (Shi et al., 2017).

### 1.4.2 Sub-problems

The first sub-problem is to ascertain the effectiveness of the chosen customer account reassignment strategy on customer retention and repurchase intent.

The second sub-problem is to establish the magnitude of the impact on customer revenue and retention upon customer account reassignment.

The third subproblem is to deduce the cross-selling performance with the implemented account reassignment strategy.

## 1.5 Research Objectives

This study aims to achieve the following theoretical and empirical research objectives:

### 1.5.1 Theoretical Objectives

**To review literature on:**

- Industrial marketing (B2B)
- Sales management organisation (account assignment, sales contact replacement strategies) CRe
- Customer relationship management (CRM)
- Repurchase intent (Cri)
- Customer retention (CR)
- Customer level revenue (CLR)
- Cross selling (CS) such as cross selling training, strategies, profitability, performance

### 1.5.2 Empirical Objectives

- To ascertain the effect of customer account reassignment strategy on customer relationship management in South Africa
- To ascertain the effect of customer relationship management on customer retention and repurchase intent in South Africa
- To investigate the effect of customer retention and repurchase intent on customer level revenue
- To deduce the relationship between reassignment strategy and cross selling opportunity

## 1.6 Research questions

- To what extent is the effect of reassignment strategy on customer relationship and repurchase intent?
- To what extent is the impact on customer revenue retention on customer account reassignment?
- How is the cross-selling performance on the implemented account reassignment strategy?

## 1.7 Research gap and significance of the study

Due to the critical nature of a sales function in any organisation, a significant amount of marketing academic literature reviewing sales management has been examined from the sales representative's career (Cron, 1984), selling effectiveness and performance (Churchill Jr, Ford, Hartley, & Walker Jr, 1985; Weitz, Sujan, & Sujan, 1986) to the sales representative's job satisfaction (Brown & Peterson, 1993). These studies provide enriched knowledge about the value of a salesperson as an interface in an organisation. There seems to be no available study on these topics focussing on an emerging market. There is an evident lack of study about how an organisations' cross selling performance may impact customer business growth.

The gap is deemed to exist, and to the best of the researchers' knowledge, a study from a South African perspective has not been conducted before. Shi et al. (2017) suggest a follow-up study which has motivated the researcher to fill the gaps through a different geographic location, one to one account manager reassignment strategy and cross selling performance as the new contributing components to what is in existance as body of knowledge.

The aim is to contribute, through this study, to equipping sales and marketing practitioners with a useful guideline to easily understand and effectively manage the customer retention and business growth impact subsequent to a change in the main B2B link. This may additionally assist marketers understanding of customer behaviours and business decisions they make about future sales in the event of a change in the B2B interface representing the supplier. It is deemed of interest through this study to understand impact of sales account executive change, effectiveness of customer reassignment strategy on relationships and impact on cross-selling in an African environment context.

## 1.8 Delimitations of the study

This study's delimitations are as follows:

- Applies only to business to business (B2B) environment with sales management stakeholders
- Participants had to be familiar with scenario of the research and B2B relationships in order to minimise general and ambiguous answers
- The study is limited to sales managers in South Africa operations

## 1.9 Definition of terms

The terms defined below require understanding in order to make sense of their role in this research study.

### 1.9.1 Business to business markets

Business to business markets (B2B) generally has no involvement of the end-user of the final products, entails highly collaborative buyers and supplier relationships between private firms, government institutions that constitutes a high economic activity (Ngambi, Cant, & Van Heerden, 2010).

### 1.9.2 Customer reassignment

Shi et al. (2017) study explains customer reassignment (CRe) as the change of customer interface by reallocating customers to a new replacement who will take over, re-establish and grow further the organisations customer relationships with their customers.

### 1.9.3 Customer relationship management (CRM)

Payne and Frow (2005) defines customer relationship management (CRM) as a strategic way to enable long-term goals fulfilment through maximised interactions of respective stakeholders.

### 1.9.4 Customer repurchase intent (CRi)

Repurchase intent of a customer is defined as their prudence to purchase again from the same organisation based on current experiences and likely to happen circumstances (Hellier, Geursen, Carr, & Rickard, 2003).

### *1.9.5 Customer retention (CR)*

Customer Retention (CR) is the maintained ongoing trading relationship between an organisation and its customers at year end and after (Ngambi et al., 2010).

### *1.9.6 Customer level revenue (CLR)*

According to Williams and Naumann (2011), CLR is realised upon calculation of revenue generated upon customer satisfaction and retention attributing to customers purchasing additional goods and services from a supplier.

### *1.9.7 Cross selling (CS)*

Kamakura (2008) defines CS as a tool a salesman uses to develop and increase business sales through additional items than usual sale per customer.

## 1.10 Assumptions

- The respondents will answer the questions transparently and accurately
- The respondents will be equipped enough with their experience to answer research questions
- The respondents will be willing to engage frankly about their engagements with the organisation
- The respondents will be sufficient and accessible for the data required

### 1.11 Research flow and the outline

The research outline is presented in the table 1.1. The table presents a roadmap of content in each chapter.

**Table 1: Road map of content**

| Chapter | Research Content |
|---|---|
| Chapter 1: Introduction | This chapter introduces an overview of the entire study detailing the theoretical background, the context and background, the problem statement, the purpose of the study, contribution of the study and definitions of terms. |
| Chapter 2: Literature review | A scholarly review of the theoretical concepts and research variables is presented in chapter 2. This evolves the conceptualisation of the research model and hypothesised relationships. |
| Chapter 3: Research methodology | Chapter 3 outlines the research methodology and research design of this study elaborating the paradigmatic orientation, sampling design, research instrument, data collection procedures including the assurance of the validity and reliability of the instruments to test the hypotheses. |
| Chapter 4: Presentation of results | The presentation and description of the research findings and data analysis of the results will be contained in this chapter. |
| Chapter 5: Discussion | An in-depth interpretation and discussion of the results will be revealed in chapter 5. |
| Chapter 6: Conclusion and recommendations | The conclusions drawn from the research findings will be contained in this chapter. This will include recommendations, limitations of the study and proposed areas further studies. |

## 1.12 Conclusion

Chapter one sets the research tone, clearly outlining the objectives the study addresses. The chapter provided the reader with the purpose, study context, objectives and questions followed by the research flow as a guide to the reader of this research report.

# CHAPTER 2. LITERATURE REVIEW

## 2.1 Introduction

The literature review findings of the study constructs that play a role in this study and theoretical frameworks that provide a frame of reference is discussed in this chapter. It includes how these constructs relate and interlink. A conclusion summary of the hypotheses derived and the researcher's proposed conceptual model is provided. The issue of business continuity and profitability has become a critical aspect that is at the centre of every organisations rival survival strategy. There is an already established finding that business consistency can be a challenge upon the departure of an already known organisational sales interface (Bendapudi & Leone, 2002). Chandrashekaran, McNeilly, Russ, and Marinova (2000) evaluated and summed each sales account executives departure to have a significance of as much as six figures per departure in the US. Sales turnover can be detrimental to a point of being impossible to accurately estimate, as a result Darmon (1990) framework was formulated as a guiding basis to review to turnover analysis.

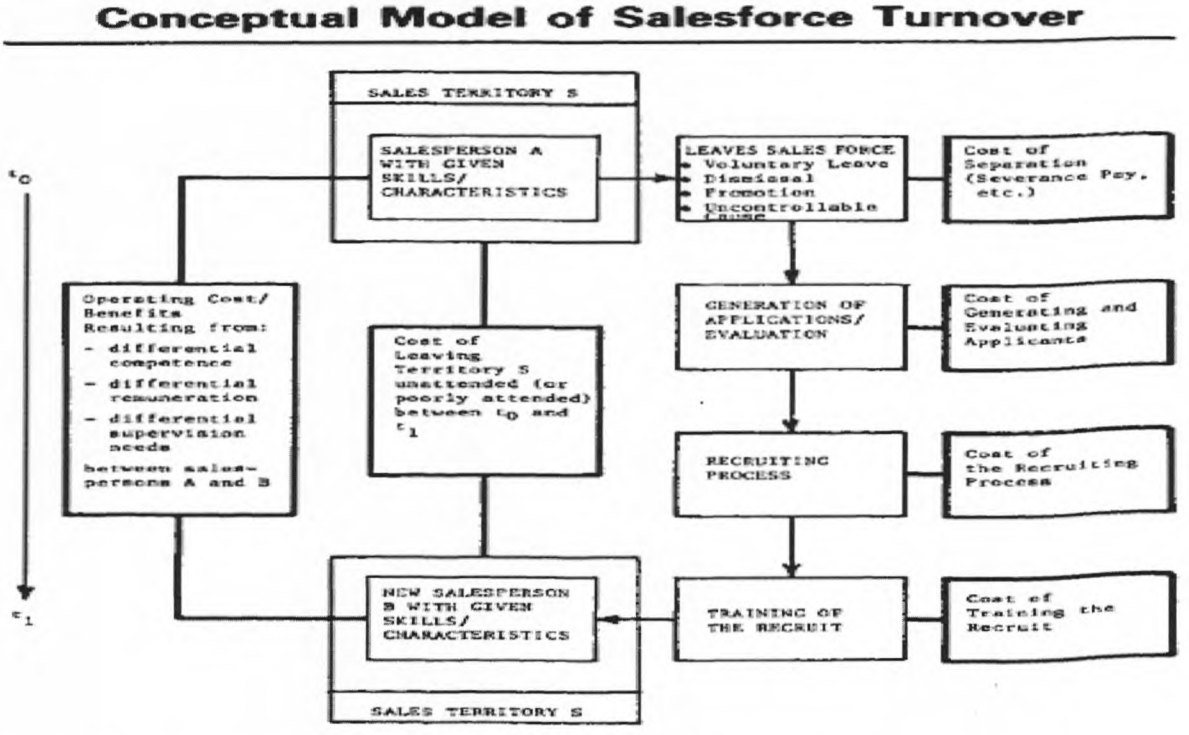



**Figure 1 :Conceptual model of sales turnover :Source : (Darmon, 1990)**

Fruitful recommendations by customers has a core dependency on the organisations overall strategy of the CRM programmes that are in place (Bacon, Lenk, Troutman, & Sridhar, 2008) and (Kamakura, 2008). The relationship between two organisations key interfaces is a role player to future engagements. The reputation of the company is at most times inextricably caught up in the relationship of the key contact and the customer they serve causing customers to drift away over a period of time even if the key contact transfer is within the organisation (Bendapudi & Leone, 2001). Kellar and Preis (2011) affirms that interpersonal influence is one of the contributing variables of re-purchasing intentions in a business to business market environment. The studies of Chandrashekaran et al. (2000) and Darmon (1990) agree that, despite various reasons such as voluntary, promotion and death amongst others, sales executive turnover is real and remains more detrimental than good for any sales organisation.

Sales account executive change calls for a business assessment of the extent of its profitability within the existing customers. Shi et al. (2017) differs however in their findings in that the use of ideal strategies can manage effectively the costs associated with the change in the sales account executive. (Narayandas & Rangan, 2004) concur that even if there is a balanced relational power in the buyer-vendor relationship, there is no guarantee of virtuous cycle on the business commitment. There is dearth of findings in an emerging country as only a few studies were conducted in the US. This effect has not been established from an African operation context and hence this study is deemed important, contributing in existing body of knowledge.

The study intends to research the effect of customer reassignment strategies on cross-selling peformance in South African organisations. The literature review intends to provide the context of account reassignment strategy decisions when the key sales contact changes. The research problem seeks to evaluate the relative effect on customer level revenue and cross-selling performance upon implementation of an account reassignment strategy in an organisation.

## 2.2 Business to business markets

### 2.2.1 Definition of Business to business markets

Coviello and Brodie (2001) defines industrial marketing as a complex business to business operation offering unique products through a lengthy purchase decisions with transactions involving multiple purchase decision-maker in a specific buyer-seller relationship. According to (Narayandas & Rangan, 2004),"buyer-seller relationships in industrial markets are neither neatly bifurcated in relationships and transactional dyads or elegantly explained by any theory of managing relationships".

### 2.2.2 History and Background

Marketing orientated industrial companies achieve better perfomance in profits, sales volumes, return on investments and market share with stronger interorganisational relationships (Avlonitis & Gounaris, 1997). The study of Zolkiewski et al. (2017) emphasise the importance of measuring the strategic customer experience in a B2B to allow improved design of services, playing an integral part in relationship development with the supplier firms. These background studies portrays relational marketing as a key player in business perfomance either as a selling or buying organisation.

### 2.2.3 Challenges and Opportunities

According to the findings of Narayandas and Rangan (2004), sustaining a successful seller-buyer relationship in its complexity is a challenge for the key account management interface as interpersonal trust builds the interorganisaztional committment. In addition, Ramaseshan et al. (2013) concluded in their study that for industrial marketing circumstances, value and relationship equity strongly influence customer loyalty which is an opportunity for organisational business revenue sustainability and success.

### 2.2.4 Current Perspectives

There are insufficient findings in emerging markets about relational marketing in the business to business context, This study attracts an interest for findings on relational marketing related impact and its further link to organisations cross selling perfomance.

## 2.3. Research sub-problem 1 : The effectiveness of the chosen customer account reassignment strategy to customer retention and repurchase intent

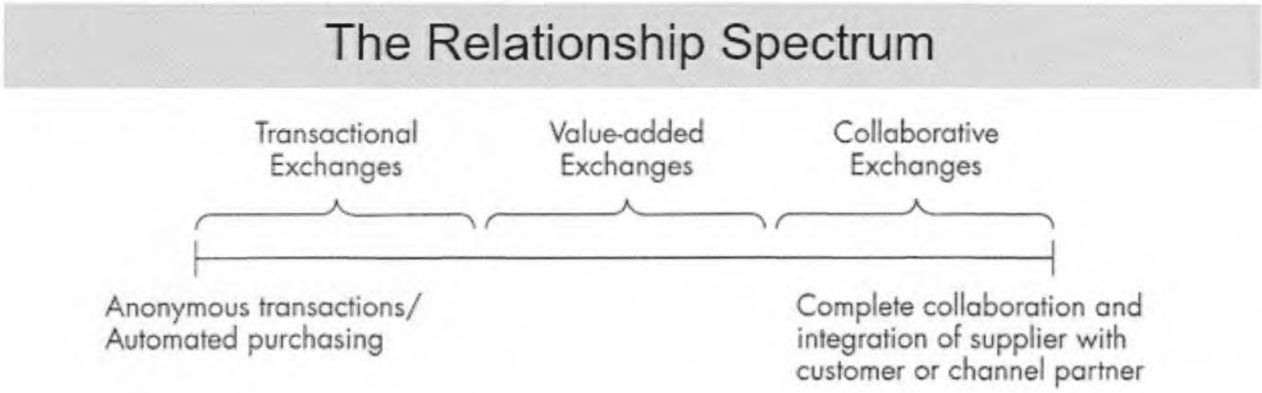
### 2.3.1 Customer reassignment (CRe)

According to Futrell and Parasuraman (1984), key organisational interfaces who represent the company leave from time to time for various reasons and this may arise from job satisfaction or development of propensity to leave. At this point, management has to strategically adjust to this change with negligible business impact. This is regarded as a critical prevalent issue that needs effective and appropriate reassignment of accounts (Shi et al., 2017). Bendapudi and Leone (2002) developed a theoretical model explaining that this business challenge cannot be ignored as the reassignment may be a catalyst for the customers to review the future of their business to business (B2B) relationship hence it is critical for their timeous notification. The study designs situational factors that could be strategic solutions in moderating the customer's response to this sales executive change.

An analytical framework of Darmon (1990) suggests how turnover costs can be addressed which does not include identifying the appropriate sales executive replacement. The success of re-assigning the accounts to a new organisational sales interface on one to one strategy or multiple reassignment strategy is barely known and can be of interest to explore (Shi, Sridhar, Grewal, & Lilien, 2017). A previous study followed the multiple account sales executive reassignment strategy and therefore this study focuses on one to one strategy as an addition to the body of knowledge.

### 2.3.2 Customer Relationship Management (CRM)

According to Hutt and Speh (2010) diagram in figure 2 defining the complexity of business to business relationships, it becomes evident that the key interface of each organisation becomes a key role player in the retention of the business relationship.




| | Transactional Exchange ⟷ | Collaborative Exchange |
|---|---|---|
| **Availability of Alternatives** | Many Alterations | Few Alternatives |
| **Supply Market Dynamism** | Stable | Volatile |
| **Importance of Purchase** | Low | High |
| **Complexity of Purchase** | Low | High |
| **Information Exchange** | Low | High |
| **Operational Linkages** | Limited | Extensive |

**Figure 2 : The relationship spectrum :Source (Hutt & Speh, 2010)**

Morgan and Hunt (1994) defines relationship marketing as all the organisational activities that stems from global market place which are directed at establishing, developing and maintaining relational exchanges successfully. According to Fang, Palmatier, Scheer, and Li (2008), interfirm marketing collaborations adoption is encouraged for employee representatives from each firm to have a trustworthy relationship, working together to strengthen the supply chain that generate value, achieving common objectives. This may however pose a challenge when these interfirm parties are reassigned and changed.

The contrary findings in the study of Bendapudi and Leone (2002) highlighted that the customer reassignment was not a concern for the organisations as what matters more is how the change was executed and the confidence provided by the supplier organisation. The study states that the relationship between the vendor firm and the customer can outweigh the key contact relationship resulting in absence of concern over the reassignment. Shi et al. (2017) has a different finding in their study that emphasise that reassignment strategies are critical as there is an impact on the vendor and customer relationship after the key contact changes. An opportunity is therefore created by these inconsistent results to investigate through this study and contribute to existing knowledge on the effect of customer reassignment and customer relationship management in a South African context.

### 2.3.3 Customer retention (CR)

Organisations reap 80 percent of their profits from 20 percent of their customer base and thus firms need to have customer relationships with existing customers for effective results from customer retention strategies (Zboja & Hartline, 2010). Ye, Marinova, and Singh (2007)'s theoretical model offers an empirical approach that is proposed as a practice for market driven organisations on how to address change implementation and strategically minimise performance loss from their front-line employees. This study's finding support customer retention as it suggests options of mitigation to suppress performance losses whilst gains are maintained. Marketers are driving efforts, spending their limited budgets to build strong customer relationships and customer retention to sustain customer value (Palmatier, 2008). The findings of Oakley and Bush (2012) however disagrees to a certain extent that customer relationship and retention are dependent, calling for further research on a topic with limited research. This opens a gap which this study intends to fill in regard to customer relationship effect on customer retention.

### 2.3.4 Customer Repurchase intent (CRi)

Kellar and Preis (2011)'s findings suggest that product satisfaction and interpersonal satisfaction are optimal offerings for a vendor to influence the customers' repurchase intention. A theoretical macro framework model for customer repurchasing intent by Hellier et al. (2003) suggest that organisations need to focus on retention to gain superior customer value and equity management strategies. The (Ansell, Harrison, & Archibald, 2007) study developed a survival analysis model to fill the gap of estimating the repurchasing intent and knowing when to target cross selling, to the right customer and with the right product. Bendapudi and Leone (2002) have a different view that the vendor reputation offsets customer reassignment and the loyalty to the vendor is therefore encouraged irrespective of the key contact change.

The literature reviews however have not clarified the effect of repurchase intent on customer level revenue. This study seeks to unfold this aspect as an identified gap by quantifying this effect, adding to the existing body of knowledge.

## 2.4 Research sub-problem 2: The magnitude of impact on customer revenue upon customer account reassignment

### 2.4.1 Customer level revenue

Customer value in business to business exchanges has dependancy on the interfirm relations (Palmatier, 2008). Due to suggested firm level consequences, changing of a key contact person remains to attract attention of practitioners in businesses (Subramony & Holtom, 2012).Gaining visibility on customer level revenue is important for an organisations decision making (Teletech, 2016). According to Williams and Naumann (2011), account level performance contributes to the overall company performance metrics and therefore needs to be a point of emphasis and attention. Through their studies, Richardson (1999) and Kumar and George (2007) emphasised the criticalness of measuring revenue impact due to the key contact change in order to gather the overall picture of business risk this brings to the organisation.The findings of (Bendapudi & Leone, 2001) indicated that there is a revenue risk for the organisation as customers believe that when their most important contact has moved

on, they need to seek for service elsewhere. This study seeks to unfold this aspect as an identified gap by quantifying this effect in a South African context, adding already known body of knowledge.

The hypotheses derived from the above literature are as follows:

**H1** Customer reassignment strategy has a significant effect on customer relationship management

**H2** Customer relationship management has significant effect on customer repurchasing intent

**H3** Customer relationship management has significant effect on customer retention

**H4** Customer repurchasing intent has a significant effect on customer level revenue

**H5** Customer retention has significant intent on customer level revenue

**H8** Customer relationship management has a significant effect on customer level revenue

**H9** Customer reassignment strategy chosen has a significant effect on repurchase intent

## 2.5 Research sub-problem 3: Deducing the cross-selling performance with the implemented account reassignment strategy

The third subproblem is to deduce the cross-selling performance from the implemented account reassignment strategy.

### 2.5.1 Cross selling

Ansell et al. (2007) defined cross selling as a strategy designed to increase the customer's reliance on the vendor by selling with intention of reducing their switch over to competition. According to Schmitz, Lee, and Lilien (2014), cross selling strategy pose an opportunity for a value add benefit for both the vendor and the supplier should its management and motivation be well managed. Malms and Schmitz (2011) and Zboja and Hartline (2010) supports this claim through their findings that the success of cross selling requires the sales account

executive's readiness through cross divisions orientations and cross-selling motivation. Kamakura (2008) and Zboja and Hartline (2010) further recommend a model for financial reward to sales account executives that could boost the success of cross selling.

Bendapudi and Leone (2002) however uncovered a concern on the account reassignment by the vendor as training timing may impact efficiency on their already known and customised business needs including cross selling. There is abundant literature focusing on cross division training as a customer relationship strategy (Malms & Schmitz, 2011), when to target cross selling Kamakura, Wedel, De Rosa, and Mazzon (2003) and Ansell et al. (2007) and how to motivate sales teams to achieve cross-selling profitability (Zboja & Hartline, 2012) and (Zboja & Hartline, 2010). No study seems to have examined and quantified the cross-selling effect on customer level revenue. This is the gap that the study aims to fill.

The hypothesis derived from the above literature is as follows:

**H6** Cross selling performance has a significant effect on customer level revenue

**H7** Customer relationship management has significant effect on cross selling performance.

### 2.6 Conclusion of Literature Review

A research study requires research questions or hypothesis that are to be answered by the study in the form of a questionnaire to be established before collection of data (Rowley, 2002). Based on conclusions reached during the literature review, the list of the hypotheses derived including a conceptual model developed for this study.

**H1** Customer reassignment strategy has a significant effect on customer relationship management

**H2** Customer relationship management has significant effect on customer repurchasing intent

**H3** Customer relationship management has significant effect on customer retention

**H4** Customer repurchasing intent has a significant effect on customer level revenue

**H5** Customer retention has significant intent on customer level revenue

**H6** Cross selling performance has a significant effect on customer level revenue

**H7** Customer relationship management has significant effect on cross selling performance

**H8** Customer relationship management has a significant effect on customer level revenue

**H9** Customer reassignment strategy chosen has a significant effect on customer repurchase intent

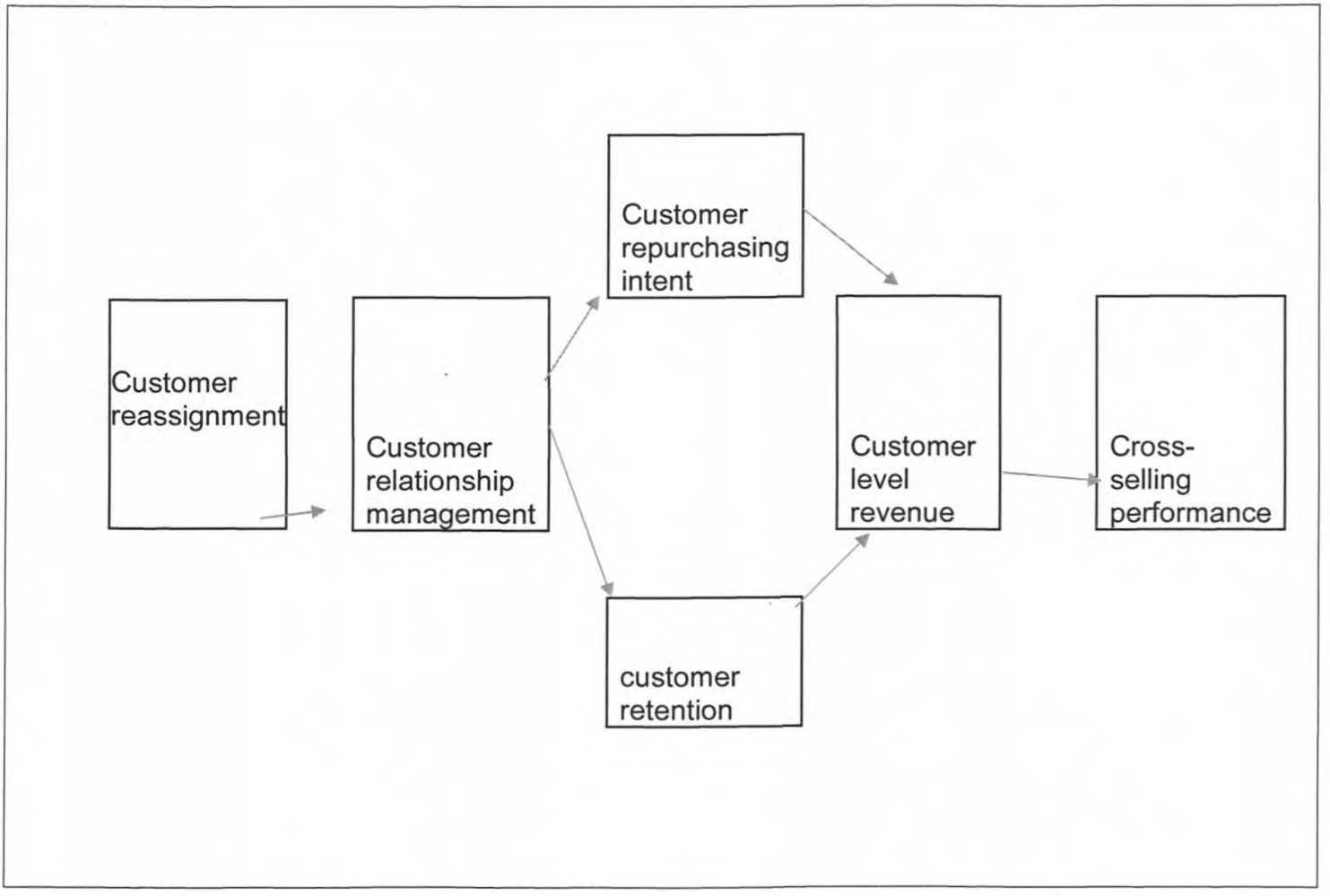



**Figure 3: Proposed Conceptual Model**

# CHAPTER 3. RESEARCH METHODOLOGY

This chapter describes methodology adopted for this study. It gives an insight about the fieldwork conducted in order to achieve its objectives that address the research questions. According to Bryman (2015), research methodology is a catch-all of the where, the how, who and why of the study. Research methodology is explained as a roadmap that can be a guideline to be used for an intention to duplicate a study (Salkind, 2013). This section provides the measurement theory and quantitative model methods that were followed. Objectives of the methodology section include research paradigm, research design, population and sample, research instrument design, procedure for data collection, analysing data and interpretation, study limitations culminating with validity and reliability subsection.

## 3.1 Research paradigm

The researcher may choose to follow one of three research methods of quantitative, qualitative and mixed methodology (Saunders, Lewis and Thornhill, 2012). A descriptive quantitative study was adopted for this research. The below table clarifies the key differences between the possible research methods.

| QUANTITATIVE RESEARCH | QUALITATIVE RESEARCH |
|---|---|
| Researchers test hypotheses that are stated at the beginning. | Researchers capture and discover meaning once they become immersed in the data. |
| Concepts are in the form of distinct variables. | Concepts are in the form of themes, motifs, generalizations, and taxonomies. |
| Measures are systematically created before data collection and are standardized. | Measures are created in an ad hoc manner and are often specific to the individual setting or researcher. |
| Data are in the form of numbers from precise measurement. | Data are in the form of words and images from documents, observations, and transcripts. |
| Theory is largely causal and is deductive. | Theory can be causal or noncausal and is often inductive. |
| Procedures are standard, and replication is frequent. | Research procedures are particular, and replication is very rare. |
| Analysis proceeds by using statistics, tables, or charts and discussing how what they show relates to hypotheses. | Analysis proceeds by extracting themes or generalizations from evidence and organizing data to present a coherent, consistent picture. |

**Figure 4 : Quantitative & Qualitative research :Source (Neuman, 2014, p. 174)**

A descriptive study focuses on careful description of the phenomenon of interest (Bhattacherjee, 2012). Quantitative research aims at quantifying data variations and their extent in a situation, employing measurements (Bryman, 2015) and Kumar, 2011). These descriptions are aligned to the aim of this study to empirically understand, answering the question of the variables' relationships.

The philosophical principles that can be applied in a research study can be based on assuming scientific methods as positivism or interpretivism through competing methods (Bernard & Bernard, 2012).This study followed an epistemological consideration of a positivism paradigm with a deductive nature of theory. Wagner, Kawulich, and Garner (2012) explains positivism paradigm as the philosophy that is focused on scientific view as foundation for knowledge through techniques to offer framework for investigation of the world socially. Babbie (2015) and Bhattacherjee (2012) agree that detail positivism can be observed and measured whilst relying on theories that have the possibility to be empirically tested and analysed. Bryman (2015) further defines the primary role of positivism as applying the natural science methods to a social reality study.

Zboja and Hartline (2012) in their study to examine high-frequency cross selling, also performed a deductive quantitative study through a survey instrument. This approach was deemed appropriate in collecting data numbers that will increase knowledge on cross selling increase. Regarding this study, existing literature and theory was tested in a different context and therefore the nature of this study allowed it to be of a positivist, deductive nature. Deductive theory deduces hypothesis that is subject to empirical views on the basis of what is already known and theoretical consideration of the domain (Bryman, 2015).

### 3.2 Research Design.

Bryman (2015) lists five prominent designs as experimental or can be cross sectional or longitudinal, case study and comparative. This aspect intends to connect the research questions with the data intended to be used (Punch, 2013). A cross sectional survey study design was followed for this research. Survey design is a strategy that is useful in research

intending to suggest possible reasons and models for the relationships between the variables (Saunders, et al., 2012 ; Bryman (2015).

For this study, the variables whose relationships were tested are customer reassignment, customer relationship management, customer repurchasing intent, customer retention, customer level revenue and cross-selling. This design was suitable to be followed as the study quantifies data at a single point in time on variables of interest limited to a business to business environment focusing on a variation of the sales management population.

## 3.3 Population and sample

### 3.3.1 Population

Target population is the group to be analysed that shares the common characteristics that are to be studied (Bhattacherjee, 2012). According to Neuman (2014), it is a large collection that represent the features that attract the interest of the study. This study focused on the sales population of business to business organisations in South Africa. These sales account executive teams have responsibilities to manage relationships as organisation interface, supplying services and products to increase revenue through assigned business accounts as a vendor in a business to business context, managing customer level revenue and cross selling opportunities. Targeted respondents were approximately about 500 sales people mandated to sell, build and maintain the organisational business relationships.

### 3.3.2 Sample and sampling method

Bhattacherjee (2012) defines sampling as a statistical procedure that is used by a researcher to make inferences and observations about a particular population in which there will be drawing of the sample. A sample represents a subset of a population (Salkind, 2013). Wagner et al. (2012) defines a sampling frame as a listing members of a particular population out of which the sample will be drawn. Sampling frame for this study will be the sales population. The researcher may choose from probability sampling or non-probability sampling method. This study focused on non-probability sampling as it concerned collection of cultural attribute

data from a sales sample who can offer expert opinion (Bernard & Bernard, 2012). The chosen non-probability sampling technique offers options of quota sampling, purposive sampling, volunteer sampling and hap hazard. Purposive sampling was the best to meet the objectives of this study as it provides ability to select the sampling case in relevance to answering the research questions (Saunders, et al., 2012). This study focused on selecting a business to business sales population in South African organisations.

Sampling size is the identified number of the participants from which the research study information will be collected (Kumar, 2011). The sample size for this study targeted more or less 500 of sales professionals from junior to senior levels.

### 3.3.3 Profile of respondents

The profile of the targeted junior to senior level professionals had titles such as Sales executives, Sales Directors, Account Managers, and Sales Vice presidents for organisations operating in South Africa.

**Table 2: Profile of respondents**

| Organisational Role | Number of respondents |
|---|---|
| Junior Sales manager, | 30= 38% |
| Senior Sales Manager | 38 = 47% |
| Sales Director | 9 = 11% |
| Sales Vice President | 3 =4% |
| **Total number of respondents** | **81** |

The questionnaire had 7 demographic related questions that were drafted to produce a better comprehension of the respondents profile. There was a satisfactory fair mix of race, age, gender from this targeted sales sample.

### 3.4 The research instruments

Online survey questionnaire consisting of 18 questions was issued to business to business sales professional for participation in fulfilling the objectives of this study. It was a self-administrative instrument disseminated and managed through Qualtrics software that is supplied by Wits Business school. This structured questionnaire instrument method consisted closed-ended questions asking respondents to choose appropriate responses from a list of pre-designated choices for the data scale to be quantifiable ranging from 1 meaning the particilant strongly agree or to 5 meaning they strongly disagree. Closed ended questionnaire survey was appropriate for this study as it allows for collection of data that can be used for analysis of descriptive and inferential statistics (Saunders, et al., 2012). The questionnaire was created with two parts to answer the objectives of the study followed by the demographical questions. There were three measurement items per variable on a five-point Likert scale. Full questions are on the instrument in appendix B.

The survey design questions were generated as depicted below b in the order of subproblems since these are linked to the research problem .

**Sub-problem one**: Questions 1-12 relate to measuring the effectiveness of customer reassignment strategy on customer relationship management, customer retention and repurchase intent. The key literature sources linked to these questions are (Bendapudi & Leone, 2002); (Futrell & Parasuraman, 1984); (Shi et al., 2017); (Morgan & Hunt, 1994); (Darmon, 1990); (Ye et al., 2007) and (Bendapudi & Leone, 2002).

**Sub-problem two**: Questions 13-15 focus on the magnitude of impact on customer revenue upon customer account reassignment on the basis of literture mainly from (Williams & Naumann, 2011),(Darmon, 1990),(Shi et al., 2017),(Teletec, 2016).

**Sub-problem three**: Questions 16-21 focus on measuring the cross-selling performance on the basis of literature primarily from (Ansell et al., 2007); (Schmitz et al., 2014); (Malms & Schmitz, 2011) and (Kamakura, 2008).

Online surveys are easy to build, managing cost and convenience however has a disadvantage that questions may be misinterpreted or answered incompletely by the respondents (Bernard & Bernard, 2012).

### 3.5 Procedure for data collection

According to Bryman (2015), data collection is gathering of information with the purpose to answer to the questions posed using any of four different methods such as participant observation, interviews, focus group discussions or other relevant documents from newspapers, letters and magazines. Rowley (2002) affirms that a descriptive study is eligible for use of a mix of quantitative and qualitative approach however for this research, a single data source approach was applied. An online data collection method was adopted through a self-completion structured questionnaire (Kalof, L., Dan, A., and Dietz, T, 2008).
This was a beneficial method in managing the administration of the survey due to its potential of accessing data collection from as many individuals as possible owing to its fast and effective approach. Goldstuck, A, (2017) indicates an improved technological access to internet in South Africa reaching a rate of about 40% and this provided the researcher with sufficient confidence with the appropriateness of this approach.

Upon approval of the research proposal by the Wits faculty, the survey was distributed through the emails and social media via LinkedIn using Qualtrics software.

### 3.6 Data Analysis and Interpretation

The table below provides a roadmap of the data analysis that was conducted for this study followed by an explanation of each aspect.

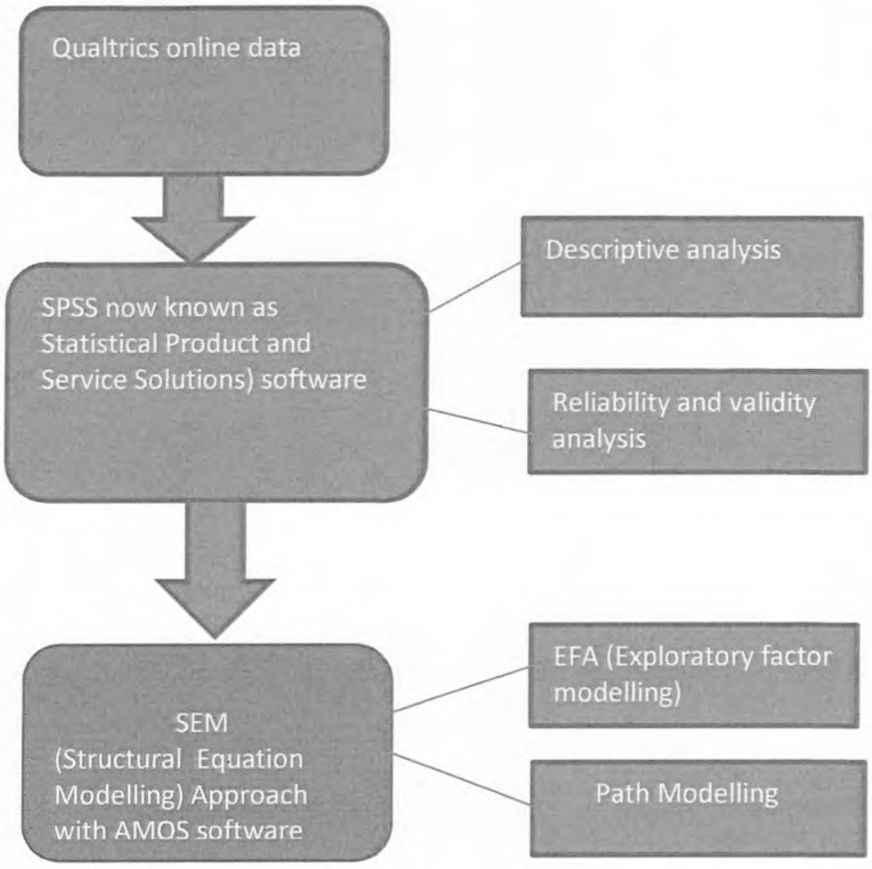



**Figure 5: Data collection and analysis roadmap: Source: own**

The data was collected using Qualtrics, an online data collection portal. The data was downloaded into SPSS now known as Statistical Product and Service Solutions) software with structural equation modelling (SEM) approach. Bagozzi and Yi (1989) explains structural equation modelling as a recommended multivariate model for marketing research as it increases the power of analysis. Further clarification, according to (Bagozzi & Yi, 1989) points out an advantage over traditional analysis as SEM is not restrictive but rather flexible with convenience providing an opportunity to correct measurement error. This allows for a more complete theoretical relation. The limitations of SEM that the researcher will be mindful of, is sample size and missing data to get stable analysis results. SPSS Analysis of Moment Structures software for data transformation is the recommended software appropriate for a quantitative study due to its ability to do inferential analysis for the testing of hypotheses (Bhattacherjee, 2012). Based on this analysis model definition, this is an appropriate method that is relevant for this study's data analysis. It is for this reason that the closed-ended questions will be analysed using multivariate statistical analysis,

The data analysis was conducted using ESS approach with SPSS Amos version 22 software for this study. In accordance with Cohen,1988, SPSS & SEM analysis activity followed are detailed below with descriptive nature, correlational, regression and factor analysis. Analysis of Moment Structures (AMOS 22) software was adopted for use as it helps to show hypothesized relationships among the variables.

**Descriptive Statistics**

Descriptive statistics such as frequency distribution, mean, and standard deviation provide a summary of the data. The mean was utilised to summarise data collected using the Likert scale while frequencies were used to summarise data for categorical variables such as age group and ethnic group.

**Pearson's Correlation**

Pearson's correlation analysis, which measures a relationship amongst two variables including their strength, was applied. Pearson correlation coefficients is described as weak between 0 and 0.29, moderate between 0.3 and 0.49 and strong between 0.5 and 1 (Cohen, 1988). The sign of the correlation coefficient shows the direction of the relationship. A positive correlation means that as one variable increases the other variable increases as well whereas a negative correlation coefficient implies that one variable increases as the other one decreases and vice versa. A Pearson's Correlation p-value less than 0.05 implies that the relationship is significant while a p-value greater than 0.05 is an indication of an insignificant relationship. Pearson's correlation was conducted to assess the association among constructs.

**Path Analysis**

Path analysis was conducted to assess causal relationship among variables. This was used to determine both the direct and indirect impact of independent variables on the dependent variables. This was implemented to conduct hypothesis testing.

### 3.7 Limitations of the study

The key limitation to this study shows that were only 126 respondents as opposed to the research goal of 200 respondents; as a higher sample could possibly present a more accurate reflection of this sales population. The second limitation is the ability to ascertain the major geographical location as the research instrument was disseminated through emails encouraging to respondents to refer the study to ideally suited participants within South Africa. The third limitation affects the demographical information as respondents might rightfully not want to expose confidential information. The fourth limitation relates to missing data resulting in 81 useful responses out of the 126 respondents observed. The final limitation is participants starting the survey and eventually deciding not continue with participation in a voluntary process.

### 3.8 Validity and reliability

#### 3.8.1 Validity

Saunders, et al. (2012) emphasise construct validity to be followed as it is recommended for a positivist and quantitative research. Construct validity ensure establishment of the highly correct measures of operation for the concepts in the study (Rowley, 2002). Convergence validity measure was particularly useful in this study to ensure that the significance of variables relationships is established and is within acceptable scientific levels.

#### Factor Analysis

Exploratory factor analysis was conducted to assess the validity of constructs. Validity refers to the extent to which a set of measures/items accurately represents the concept of interest. To maximise validity of this study, focus was turned toward convergent validity measurements to ensure correctness and meaningful inclusion of model fit testing. The convergent validity which is shown by factor loadings provided in factor analysis output refers to the amount of weight assigned to the factor. Factors loadings above 0.4 were considered

to be significant while factor loadings less than 0.4 were considered to be insignificant and hence removed from the model.

### 3.8.2 Reliability

Salkind (2012) defines reliability as consistency achieved when a measure of a variable is repeated several times or applied on a different occasion and continues to yield same results. Internal consistency exmplains a level to which the concerned items in a multiple item scale measure the identical concept or construct. Reliability tests were conducted using SPSS, as indicated during data analysis, on AMOS 22 add-on module.

#### Cronbach's alpha

Cronbach's alpha assessed the internal consistency (reliability) with the several multiple item scales. Cronbach's Alpha values and composite reliability values assessed consistent measurement of the results that research instruments would be yielding. The value of the Cronbach's Alpha ranges from zero to one and the closer the Cronbach's alpha coefficient is to one, the greater the reliability of the scale. The following detailed table shows how the reliability may be classified based on the Cronbach's Alpha value.

**Table 3: Cronbach's Alpha Classification**

| **Cronbach's Alpha Value** | **Reliability** |
|---|---|
| >0.9 | Means excellent |
| >0.8 | Means Good |
| >0.7 | Means Acceptable |

| | |
|---|---|
| >0.6 | Means Questionable |
| >0.5 | Means Poor |
| <0.5 | Means Unacceptable |

**Source: Cohen (1988)**

### 3.9 Conclusion

The research methodology provided a systematic approach for the researcher to conduct the study. A structured questionnaire that flowed from the literature review were tested for validity and reliablity to ensure that of the measures were free from error and tested what they were supposed to test. In chapter four the results of the study are stated.

## CHAPTER 4.PRESENTATION OF RESULTS

### 4.1 Introduction

Descriptive statistics present the responses from participants through tables and/ or graphs in this chapter. The conclusion presents a view of reliability and validity assessments followed by Factor analysis and path modelling results. The questionnaire was issued through Qualtrics software (Figure 6) to 455 email contacts and additionally posted the research link on the researchers LinkedIn social media page resulting in 126 completed responses which translated to 28% response rate. Of the 126 responses, only 81 were usable for analysis.

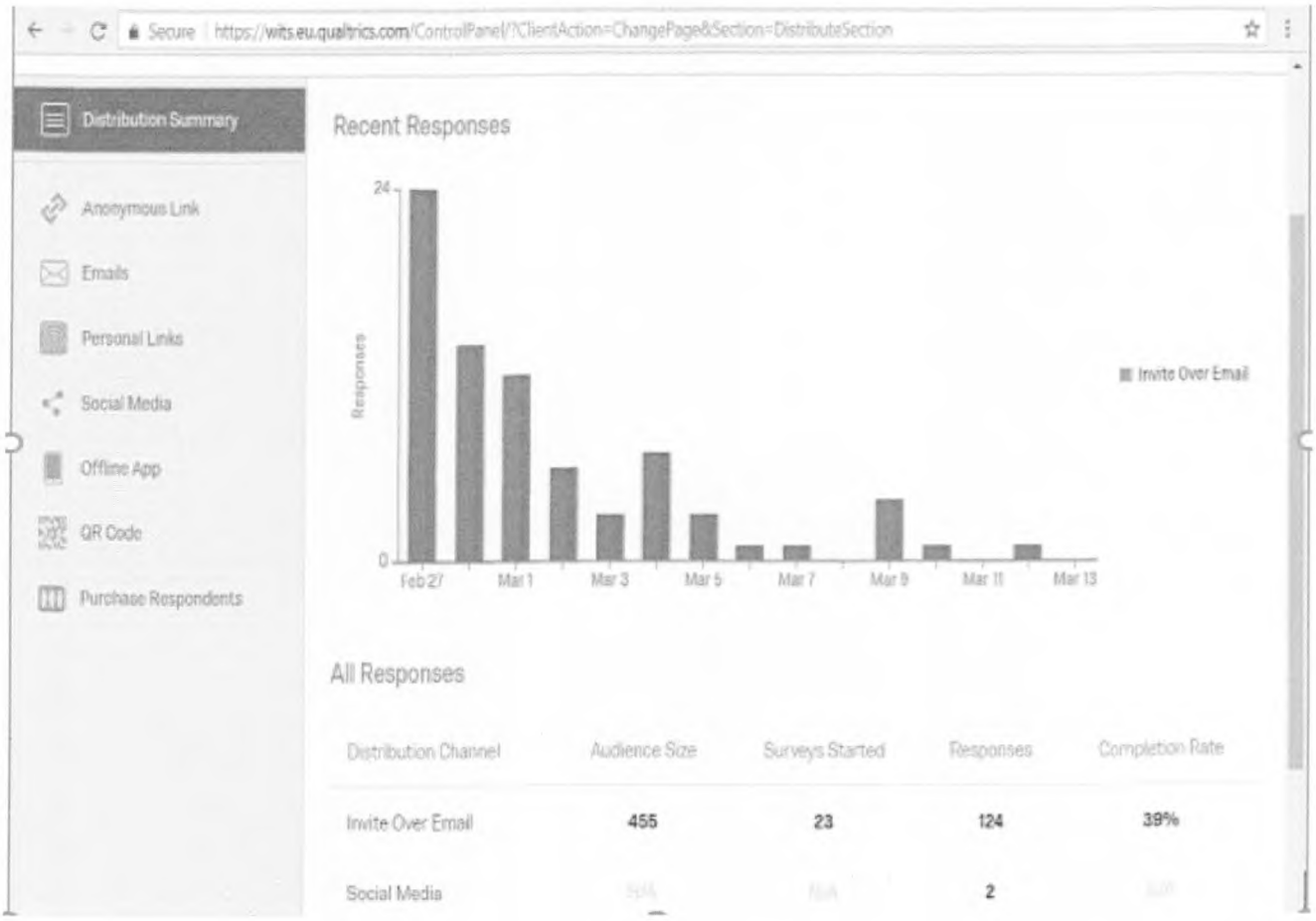



**Figure 6: Source: Qualtrics software: Researcher profile**

## 4.2 Respondents demographic profile

### 4.2.1 Gender

The gender distribution of the sample is shown in Figure 7.

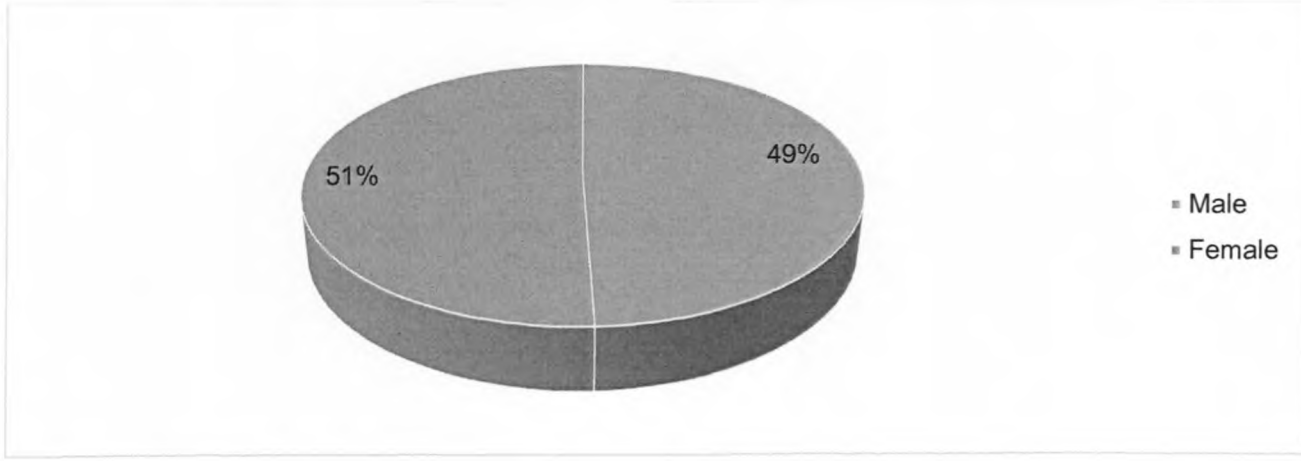



**Figure 7: Respondent gender**

The representation of male and female sales managers participants in the sample shows that 49% are male respondents and 51% are female.

### 4.2.2 Age

Age distribution of the respondents in the sample is summarised in Figure 8.

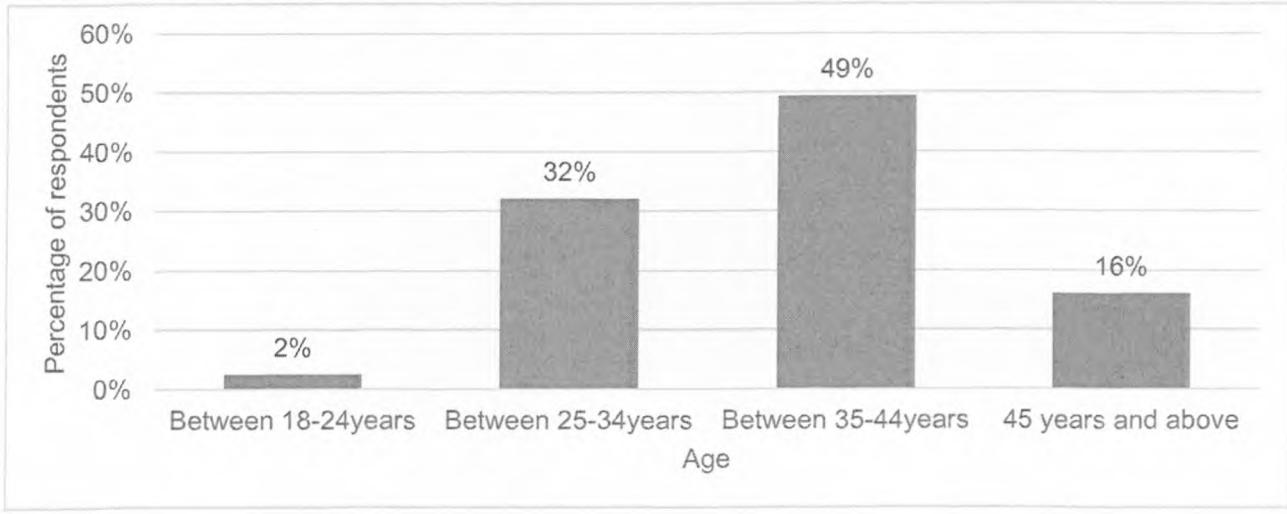



**Figure 8: Respondent age**

Only 2% of the sample are in the 18 – 24 years age group, 32% are in the 25 – 34 years age group, 49% are 35 – 44 years old while the other 16% are 45 years old or above.

### 4.2.3 Ethnic group

The sales account managers confirmed their ethnic group on the questionnaire as shown in Figure 9.

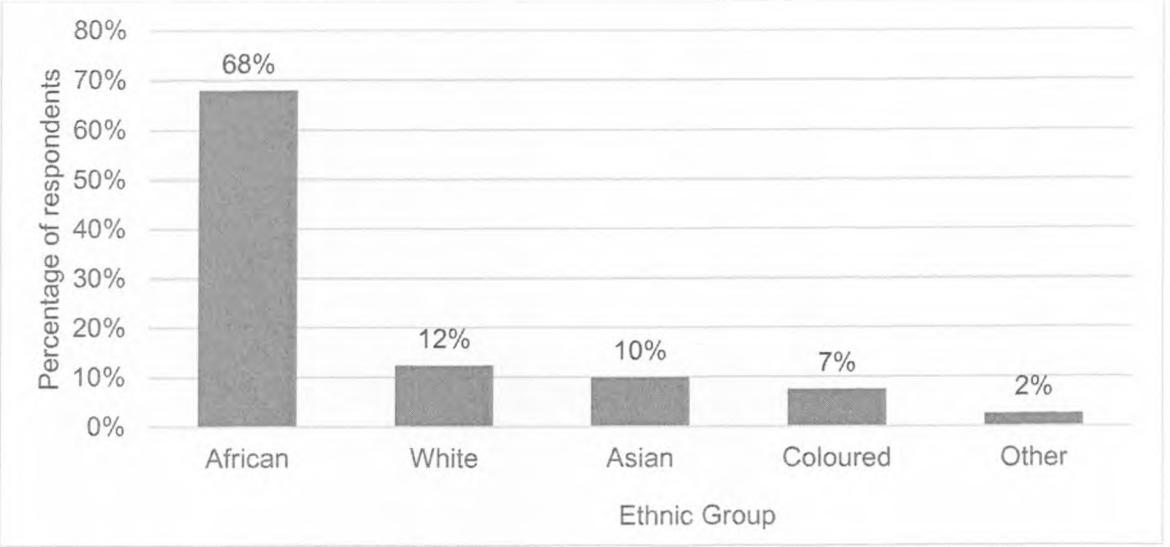



**Figure 9: Respondent ethnic group**

Most of the respondents are African (68%), followed by 12% White, 10% Asian and 7% Coloured with 2% other, as none of the other options matched.

### 4.2.4 Sales position level

Figure 10 illustrates the positions of the respondents within the organisations.

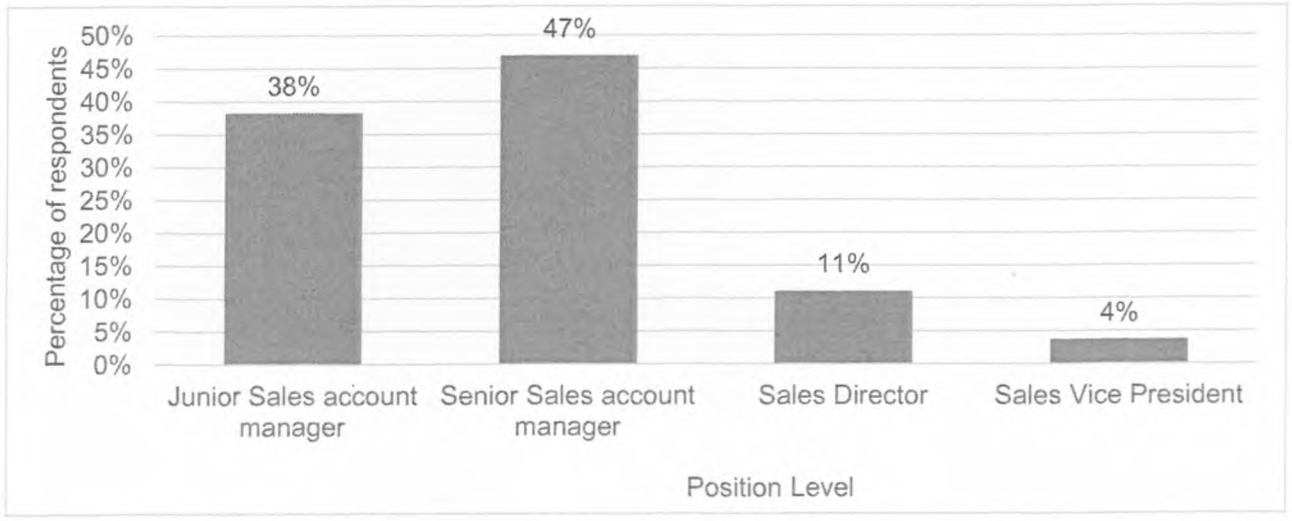



**Figure 10: Respondent position**

A proportion of 38% of the respondents are Junior Sales account managers, 47% are Senior Sales account managers, 11% are Sales Directors while the remaining 4% are Sales Vice Presidents.

### 4.2.5 Sales organisation experience

The results in Figure 11 show the number years of sales experience of the respondents.

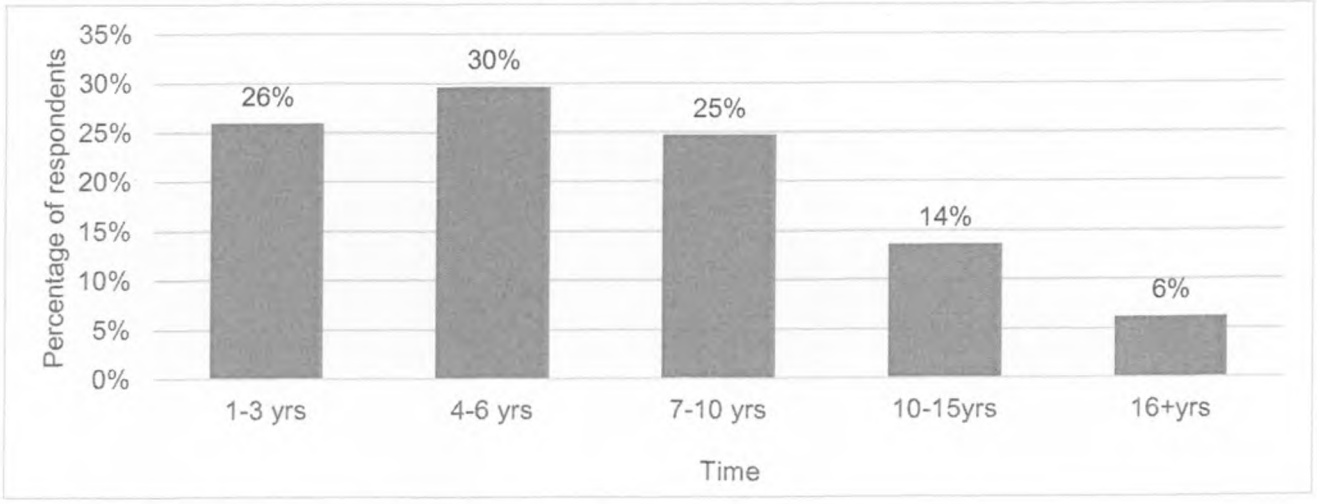



**Figure 11: experience in sales organisation**

Majority (30%) of the sales account managers have been in the sales organisation for 4 – 6 years followed by 26% with 1 – 3 years experience, 25% with 7 – 10 years and 20% with

more than 10 years. There was an acceptable representation from those with few years of experience to those with a vast level of experience.

### 4.2.6 Sales training

Respondents were asked to indicate if extensive sales training was conducted within their organisation. The results are presented in Figure 12

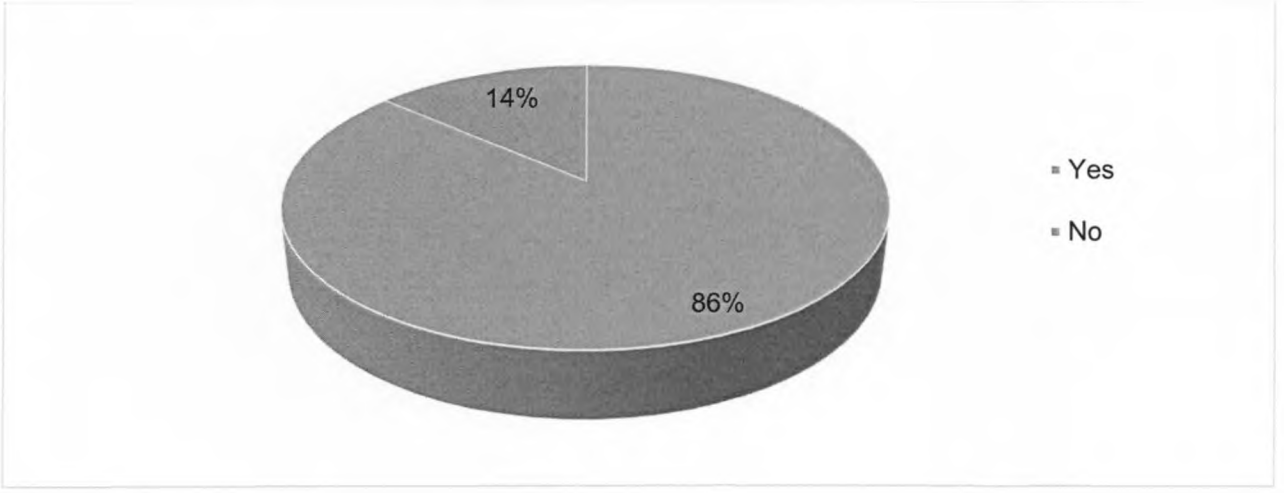



**Figure 12: Respondent sales training**

Most of the respondents (86%) indicated that there was extensive training inclusive of cross selling within their organisations while 14% indicated that there was an absence of extensive training within the organisations.

### 4.2.7 Sales team sizes

Figure 7 shows the sizes of the sales teams for the organisations represented in the sample.

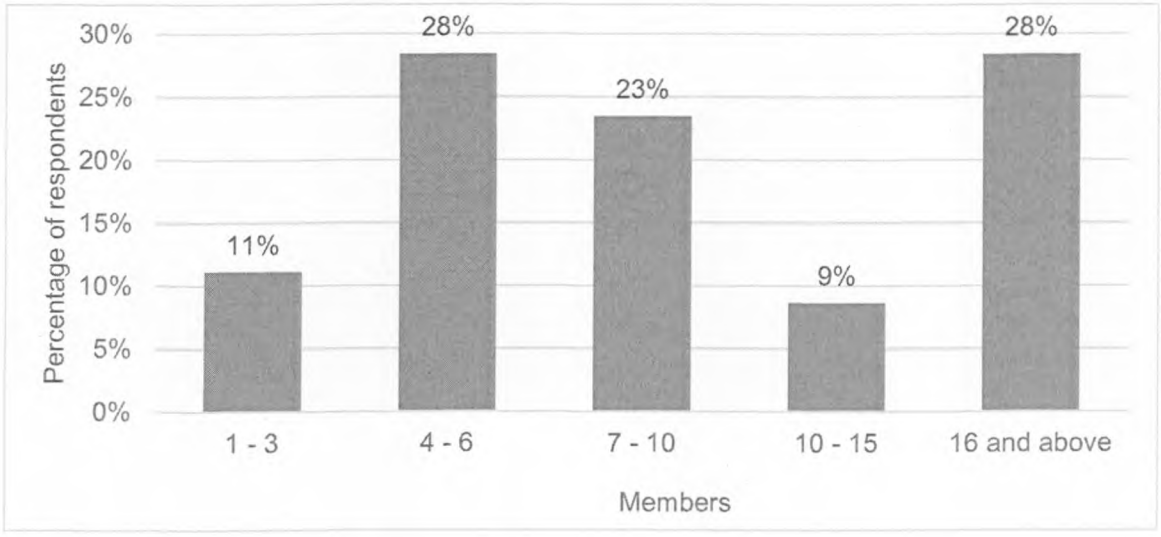



**Figure 13: Team size of the sales organisation**

The results show that the team sizes ranged from just 1 – 3 members (11%) to 16 and above team members (28%).

## 4.3 Results pertaining to hypothesis 1: (H1): Customer reassignment strategy chosen has a significant effect on customer relationship management

Null hypothesis (H0): There is no relationship between Customer reassignment strategy and customer relationship management (that is, $\beta_1 = 0$).

The alternative hypothesis is measuring the relationship between Customer reassignment and customer relationship management

Alternative hypothesis(H1): Customer reassignment strategy chosen has a significant effect on customer relationship management (that is, $\beta_{1a} \neq 0$).

The results show that there is no relationship between Customer reassignment strategy (B = 0.006, β = 0.006, t-value = 0.057, p-value < 0.995) and customer relationship management. The relationship is not significant since the p-value was greater than 0.05. The null hypothesis is not rejected and therefore there is no relationship between Customer reassignment strategy and customer relationship management.

## 4.4 Results pertaining to hypothesis 2: (H2): Customer relationship has a significant effect on customer repurchase intent

Null hypothesis (H0): There is no relationship between customer relationship and customer repurchase intent (that is, $\beta_2 = 0$).

The alternative hypothesis is split into two, H2 measuring the relationship between customer relationship and customer repurchase intent. The results are shown below.

Alternative hypothesis (H2): Customer relationship has a significant effect on customer repurchase intent (that is, $\beta_{2a} \neq 0$).

The results show that the Customer relationship (B = -0.086, β = -0.074, t-value = -0.722, p-value = 0.470) is not significantly related to repurchase intent. This is because the p-value was greater than 0.05. This means that there was no sufficient evidence to reject the null hypothesis. It is concluded that there is no relationship between Customer relationship and customer repurchase intent.

## 4.5 Results pertaining to hypothesis 3: (H3): Customer reassignment strategy chosen has a significant effect customer retention. The results are shown below;

Null hypothesis (H0): There is no relationship between customer reassignment strategy and retention (that is, $\beta_1 = 0$).

Alternative hypothesis: customer reassignment strategy chosen has a significant effect on customer retention (that is, $\beta_{1b} \neq 0$).

The results show that customer reassignment strategy (B = -0.202, β = -0.240, t-value = -2.207, p-value < 0.027) has a significant negative impact effect on customer retention. The relationship is negative since the coefficient for customer reassignment was less than zero and the relationship is significant since the p-value was less than 0.05. Thus, the null hypothesis was rejected, and it is concluded that Customer reassignment strategy chosen has a significant negative effect on customer retention.

## 4.6 Results pertaining to hypothesis 4:(H4): Repurchase Intent has a significant effect on Customer Level Revenue

Null hypothesis (H0): There is no relationship between Repurchase Intent and Customer Level Revenue (that is, $\beta_5 = 0$).

Alternative hypothesis (H5): repurchase Intent has a significant effect on customer Level revenue (that is, $\beta_5 \neq 0$).

It can be noted from the regression weights that there is no relationship between Repurchase Intent (B = -0.075, β = -0.112, t-value = -1.358, p-value = 0.175) and cross selling performance. The relationship is not significant since the p-value was greater than 0.05. Therefore, there is no sufficient evidence to reject the null hypothesis and it is concluded that there is no relationship between Repurchase Intent and Customer Level Revenue.

## 4.7 Results pertaining to hypothesis 5:(H5): Customer Retention has a significant effect on Customer Level Revenue

Null hypothesis (H0): There is no relationship between Customer Retention and Customer Level Revenue (that is, $\beta_6 = 0$).

Alternative hypothesis (H6): customer retention has a significant effect on Customer Level Revenue (that is, $\beta_6 \neq 0$).

The results show that Customer Retention (B = 0.596, β = 0.656, t-value = 7.944, p-value < 0.001) has a significant positive impact effect on customer level revenue. The relationship is positive since the coefficient for customer retention was greater than zero and the relationship is significant since the p-value was less than 0.05. Thus, the null hypothesis was rejected, and it is concluded that customer retention has a significant positive effect on customer level revenue.

## 4.8 Results pertaining to hypothesis 6: (H6): Customer Level Revenue has a significant effect on Cross-selling.

Null hypothesis (H0): There is no relationship between Customer Level Revenue and Cross selling performance (that is, $\beta_7 = 0$).

Alternative hypothesis (H7): Customer Level Revenue has a significant effect on Cross-selling (that is, $\beta_7 \neq 0$).

It can be noted from the regression weights that there is no relationship between Customer Level Revenue (B = 0.021, β = 0.019, t-value = 0.173, p-value = 0.863) and cross selling performance. The relationship is not significant since the p-value was greater than 0.05. Therefore, there is no sufficient evidence to reject the null hypothesis and it is concluded that there is no relationship between Customer Level Revenue and Cross selling performance.

## 4.9 Results pertaining to hypothesis 7: (H7): Customer Relationship Management has a significant effect on Cross-selling.

Customer relationship management has a significant effect on cross selling performance

Null hypothesis (H0): There is no relationship between Customer relationship and cross selling performance (that is, $\beta_3 = 0$).

Alternative hypothesis (H3): Customer relationship management has a significant effect on cross selling performance (that is, $\beta_3 \neq 0$).

It can be noted from the regression weights that there is no relationship between Customer relationship management (B = 0.005, β = 0.007, t-value = 0.059, p-value < 0.953) and cross selling performance. The relationship is not significant since the p-value was greater than 0.05. Therefore, there is no sufficient evidence to reject the null hypothesis and it is concluded that there is no relationship between customer relationship and cross selling performance.

**4.10 Hypothesis 8 discussion:** Customer relationship management has a significant effect on customer level revenue (that is, $\beta_{2a} \neq 0$).

There was no significant relationship between customer relationship (B = 0.028, β = 0.036, t-value = 0.443, p-value = 0.658) and Customer Level Revenue. This is because the p-value was greater than 0.05. This means that there was insufficient evidence to reject the null hypothesis. It is concluded that there is no relationship between customer relationship and customer level revenue.

**4.11 Hypothesis 9 discussion:** Customer reassignment strategy chosen has a significant effect on customer repurchase intent

Null hypothesis (H0): There is no relationship between Customer reassignment strategy and repurchase Intent (that is, $\beta_4 = 0$).

Alternative hypothesis (H4): Customer reassignment strategy chosen has a significant effect on customer repurchase intent (that is, $\beta_4 \neq 0$).

The results show that Customer reassignment strategy (B = 0.457, β = 0.397, t-value = 3.882, p-value < 0.001) has a significant positive impact effect on repurchase Intent. The relationship is positive since the coefficient for customer reassignment was greater than zero and the relationship is significant since the p-value was less than 0.05. Thus, the null hypothesis was rejected, and it is concluded that Customer reassignment strategy chosen has a significant positive effect on repurchase intent.

## 4.12 Reliability and validity assessment results

### Measurement Scale

Exploratory factor analysis (EFA) was conducted to assess the validity of the constructs and Cronbach's Alpha was computed to assess the reliability of the scale.

**Customer Reassignment Validity and Reliability**

The item "I think sales management should forecast the account reassignment to the customers in order to prepare them for the reassignment adaptation" was removed from the scale as it had a lower than 0.4 factor loading. The results for the remaining items are shown below;

**Table 4 KMO and Bartlett's Test – Customer Reassignment**

| KMO and Bartlett's Test | | |
|---|---|---|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | .500 |
| Bartlett's Test of Sphericity | Approx. Chi-Square | 12.285 |
| | df | 1 |
| | Sig. | .000 |

The KMO and the Bartlett's Test of Sphericity had acceptable values that is greater than or equal to 0.5 for the KMO and a p-value less than 0.05 for the Bartlett's Test of Sphericity. This implies that it was appropriate to run factor analysis.

**Table 5: Final Construct - Customer Reassignment**

| Construct | Items | Factor loading | Total Variance Explained | Cronbach's Alpha |
|---|---|---|---|---|
| Customer Reassignment | Q1_3 I think customer reassignment is good for an organisation | .831 | 69% | .540 |
| | Q1_1 I think it is easier for customers to adapt their relationship if there is account reassignment to a new organisational interface | .831 | | |

The Customer Reassignment construct retained one factor with two items that explained 69% of variance in the items. The Cronbach's Alpha for the construct was 0.540. This shows that although the Cronbach's Alpha was low however the two items could be combined together to form a summated scale for Customer Reassignment since the alpha value was above 0.5.

### Customer Relationship Management validity and reliability

The validity and reliability results for Customer Relationship Management are shown below.

**Table 6: KMO and Bartlett's Test - Customer Relationship Management**

| KMO and Bartlett's Test | | |
|---|---|---|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | .551 |
| Bartlett's Test of Sphericity | Approx. Chi-Square | 4.551 |
| | df | 3 |
| | Sig. | .208 |

The Bartlett's Test of Sphericity was insignificant and therefore factor analysis was not feasible since the variables were not correlated enough.

The reliability was also assessed, and the results are presented in Table 7.

**Table 7: Cronbach's Alpha - Customer Relationship Management**

| Reliability Statistics | |
|---|---|
| Cronbach's Alpha | N of Items |
| .319 | 3 |

| Item-Total Statistics | | | | |
|---|---|---|---|---|
| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Cronbach's Alpha if Item Deleted |
| Q2_1 I think there is a link between customer reassignment and customer relationship management | 7.23 | 1.357 | .216 | .175 |
| Q2_2 I think customer reassignment positively affects customer relationship management | 7.84 | 1.336 | .144 | .309 |
| Q2_3 I think if there is customer account reassignment, the customer relationship management between an organisation and its customers changes | 7.67 | 1.125 | .185 | .229 |

The Cronbach's Alpha was 0.319 is unacceptable. It means the 3 items cannot form one construct. The deletion of any of the three items in the construct could not improve the Cronbach's Alpha. The item "I think if there is customer account reassignment, the customer relationship management between an organisation and its customers changes" was chosen to represent Customer Relationship Management.

**Repurchase Intent Validity and Reliability**

The validity and reliability results for Repurchase Intent are summarised in the two tables below.

**Table 8: KMO and Bartlett's Test - Repurchase Intent**

| KMO and Bartlett's Test | | |
|---|---|---|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | .390 |
| Bartlett's Test of Sphericity | Approx. Chi-Square | 14.833 |
| | df | 3 |
| | Sig. | .002 |

The Kaiser-Meyer-Olkin Measure of Sampling Adequacy of 0.390 was lower than the minimum acceptable value of 0.5. This means that the Factor analysis could not be conducted.

The reliability was also assessed, and the results are presented in Table 9.

**Table 9: Cronbach's Alpha - Repurchase Intent**

| **Reliability Statistics** | | | | |
|---|---|---|---|---|
| Cronbach's Alpha | | N of Items | | |
| .209 | | 3 | | |
| **Item-Total Statistics** | | | | |
| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Cronbach's Alpha if Item Deleted |
| Q3_1 I think customers reassignment and repurchase intent are linked | 6.28 | 2.156 | -.035 | .453 |
| Q3_2 I think customer keep the same repurchase intention during the reassignment of their account | 6.60 | 1.767 | .058 | .282 |
| Q3_3 I think repurchase intentions is likely to be higher after their account management reassignment | 6.69 | 1.366 | .366 | -.498[a] |
| a. The value is negative due to a negative average covariance among items. This violates reliability model assumptions. | | | | |

The reliability level is not acceptable (α = 0.209) and the deletion of any item from the construct will not achieve an acceptable reliability level of at least 0.5. This means that the three items are not measuring the same construct. The item "I think customer keep the same repurchase intention during the reassignment of their account" was chosen to represent Repurchase Intent.

**Customer Retention Validity and Reliability**

The item "I think with customer reassignment the organisation is more likely to retain the customer" was removed from the scale as it had a lower than 0.4 factor loading. The results for the remaining items are shown below.

**Table 10: KMO and Bartlett's Test - Customer Retention**

| KMO and Bartlett's Test | | |
|---|---|---|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | .500 |
| Bartlett's Test of Sphericity | Approx. Chi-Square | 28.710 |
| | df | 1 |
| | Sig. | .000 |

The KMO (0.500) and the Bartlett's Test of Sphericity (p-value = 0.000) had acceptable values. This implies that it was appropriate to run factor analysis.

**Table 11: Final Construct - Customer Retention**

| Construct | Items | Factor loading | Total Variance Explained | Cronbach's Alpha |
|---|---|---|---|---|
| Customer Retention | Q4_3 Customer retention and customer reassignment are linked | .881 | 78% | .713 |
| | Q4_1 I think account reassignment affects retention of customers | .881 | | |

The Customer Retention construct retained one factor with two items that explained 78% of variance in the items. The Cronbach's Alpha for the construct was 0.713. This shows that the two items could be combined together to form a summated scale for Customer Retention since the alpha value was above 0.7.

### Customer Level Revenue Validity and Reliability

The item "Customer level revenue is likely to be high when their account is reassigned" was removed from the scale as it had a lower than 0.4 factor loading. The results for the remaining items are shown in Table 12.

**Table 12: KMO and Bartlett's Test - Customer Level Revenue**

| KMO and Bartlett's Test | | |
|---|---|---|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | .500 |
| Bartlett's Test of Sphericity | Approx. Chi-Square | 14.965 |
| | df | 1 |
| | Sig. | .000 |

The KMO value (0.500) and the Bartlett's Test of Sphericity (p-value = 0.000) had acceptable values implying that factor analysis was appropriate.

**Table 13: Final Construct - Customer Level Revenue**

| Construct | Items | Factor loading | Total Variance Explained | Cronbach's Alpha |
|---|---|---|---|---|
| Customer Level Revenue | Q5_3 - Customer level revenue and customer reassignment are linked | .842 | 71% | .587 |
| | Q5_1 - I think the customer reassignment is more likely to affect future customer level revenue | .842 | | |

The Customer Level Revenue construct retained one factor with two items that explained 71% of variance in the items. The Cronbach's Alpha for the construct was 0.587. This shows that although the Cronbach's Alpha was low the two items could be combined together to form a summated scale for Customer Level Revenue since the alpha value was above 0.5.

### Cross Selling Validity and Reliability

The items "I think customer relationship management is likely to increase cross selling opportunity" and "Cross selling and customer relationship management are linked" were removed from the Cross-selling construct since they had factor loadings less than 0.4. The results with the remaining results are shown below.

**Table 14: KMO and Bartlett's Test - Cross Selling**

| KMO and Bartlett's Test | | |
|---|---|---|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | .728 |
| Bartlett's Test of Sphericity | Approx. Chi-Square | 79.652 |
| | df | 6 |
| | Sig. | .000 |

The KMO value (0.728) and the Bartlett's Test of Sphericity (p-value = 0.000) had acceptable values.

**Table 15: Final Construct - Cross Selling**

| Construct | Items | Factor loading | Total Variance Explained | Cronbach's Alpha |
|---|---|---|---|---|
| Cross Selling | Q6_3 - Cross selling revenue is more likely to increase due to account reassignment strategy implementation | .851 | 59% | .759 |
| | Q7_3 - I think it is easier for customers to adapt their reassigned account with cross selling interface teams | .757 | | |
| | Q6_2 - Cross selling success to an existing customer is linked to account reassignment | .730 | | |
| | Q6_1 - Reassigned sales account executive will adapt easy to cross selling strategies | .718 | | |

The Cross-Selling construct retained one factor with four items that explained 59% of variance in the items. The Cronbach's Alpha for the construct was 0.759. This shows that the four items could be combined together to form a summated scale for Cross-Selling since the alpha value was above 0.7.

## 4.13 Path modelling diagrams

Path analysis was conducted to assess the hypotheses, providing a graphical presentation of the conceptual model with constructs in a rectangular shape.

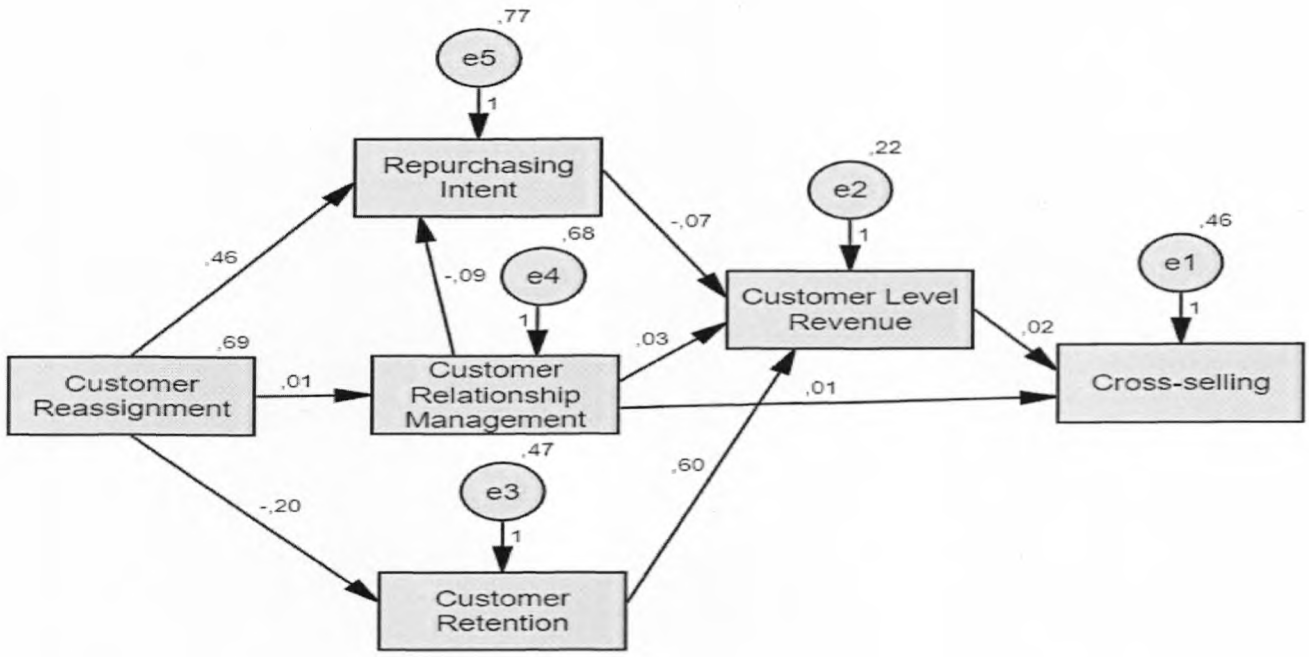



**Figure 14: Path analysis model- Unstandardized coefficients**

**Table 16: Regression Weights**

| | | | Estimate | Standardised Estimate | S.E. | C.R. | P |
|---|---|---|---|---|---|---|---|
| Customer Relationship Management | <--- | Customer Reassignment | ,006 | ,006 | ,111 | ,057 | ,955 |
| Repurchase Intent | <--- | Customer Reassignment | ,457 | ,397 | ,118 | 3,882 | *** |
| Customer Retention | <--- | Customer Reassignment | -,202 | -,240 | ,092 | -2,207 | ,027 |
| Repurchase Intent | <--- | Customer Relationship Management | -,086 | -,074 | ,119 | -,722 | ,470 |
| Customer Level Revenue | <--- | Repurchase Intent | -,075 | -,112 | ,055 | -1,358 | ,175 |
| Customer Level Revenue | <--- | Customer Relationship Management | ,028 | ,036 | ,064 | ,443 | ,658 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Customer Level Revenue | <--- | Customer Retention | ,596 | ,656 | ,075 | 7,944 | *** |
| Cross Selling | <--- | Customer Level Revenue | ,021 | ,019 | ,119 | ,173 | ,863 |
| Cross Selling | <--- | Customer Relationship Management | ,005 | ,007 | ,092 | ,059 | ,953 |

**Table 17: Squared Multiple Correlations**

| | Estimate |
|---|---|
| Customer Relationship Management | ,000 |
| Customer Retention | ,057 |
| Repurchase Intent | ,163 |
| Customer Level Revenue | ,459 |
| Cross Selling | ,000 |

## 4.14 Summary of results

The table below summarises the demographical data.

**Table 18: Demographical data summary**

| Demographic | Group | Respondents % |
|---|---|---|
| **Gender** | Male | 49% |
| | Female | 51% |
| **Age** | between 18-24years | 2% |
| | between 25-34years | 32% |
| | between 35-44years | 49% |
| | 45years and above | 16% |
| **Race** | African | 68% |
| | White | 12% |
| | Asian | 10% |
| | Coloured | 7% |
| | Other | 2% |
| **Sales positions** | Junior sales | 38% |
| | Senior sales | 47% |
| | Sales Director | 11% |
| | Sales Vice President | 4% |
| **Years in the sales organisations** | 1-3years | 26% |
| | 4-6years | 30% |
| | 7-10years | 25% |
| | 10years and more | 20% |

The table below summarised the results for reliability and validity showing the items retained in each construct, Factor loading, Total variance explained and the Cronbach's Alpha.

**Table 19: Validity and Reliability Summary**

| Construct | Items | Factor loading | Total Variance Explained | Cronbach's Alpha |
|---|---|---|---|---|
| Customer Reassignment | Q1_3 I think customer reassignment is good for an organisation | .831 | 69.031 | .540 |
| | Q1_1 I think it is easier for customers to adapt their relationship if there is account reassignment to a new organisational interface | .831 | | |
| Customer Relationship Management | Q2_3 I think if there is customer account reassignment, the customer relationship management between an organisation and its customers changes | - | - | - |
| Repurchase Intent | Q3_2 I think customer keep the same repurchase intention during the reassignment of their account | - | - | - |
| Customer Retention | Q4_3 Customer retention and customer reassignment are linked | .881 | 77.673 | .713 |

| | | | | |
|---|---|---|---|---|
| | Q4_1 I think account reassignment affects retention of customers | .881 | | |
| Customer Level Revenue | Q5_3 Customer level revenue and customer reassignment are linked | .842 | 70.830 | .587 |
| | Q5_1 I think the customer reassignment is more likely to affect future customer level revenue | .842 | | |
| Cross Selling | Q6_3 Cross selling revenue is more likely to increase due to account reassignment strategy implementation | .851 | 59 | .759 |
| | Q7_3 I think it is easier for customers to adapt their reassigned account with cross selling interface teams | .757 | | |
| | Q6_2 Cross selling success to an existing customer is linked to account reassignment | .730 | | |
| | Q6_1 Reassigned sales account executive will adapt easy to cross selling strategies | .718 | | |

The table below summarises the results the descriptive statistics , the Pearson's Correlations.

**Table 20 Descriptive Statistics and Pearson's Correlation summary**

| | Descriptive Statistics | | Pearson's Correlation | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Mean | Std. Deviation | 1. | 2. | 3. | 4. | 5. | 6. |
| 1.Customer Reassignment | 3.33 | .84 | 1 | | | | | |
| 2.Customer Relationship Management | 3.70 | .83 | .006 | 1 | | | | |
| 3.Repurchase Intent | 3.19 | .96 | .397** | -.071 | 1 | | | |
| 4.Customer Retention | 3.64 | .71 | -.240* | .283* | -.138 | 1 | | |
| 5.Customer Level Revenue | 3.68 | .65 | -.109 | .228* | -.204 | .675** | 1 | |
| 6.Cross-Selling | 3.35 | .68 | .382** | .011 | .357** | .045 | .021 | 1 |

**. Means correlation is significant at 0.01 level= (2-tailed).

*. Means correlation is significant at the 0.05 level =(2-tailed).

Customer Relationship Management (mean = 3.70) was the highest rated construct followed by Customer Level Revenue (mean 3.68) while Repurchase Intent was the lowest rated construct. There was a significant positive correlation between Cross-Selling and each of Customer Reassignment ($r = 0.382$, p-value $< 0.01$) and Repurchase Intent ($r = 0.357$, p-value $< 0.01$).

### 4.15 Conclusion

Data gathered during the collection phase was analysed in a meaningful way to produce the outcome of the study. The results indicate that customer reassignment as a chosen strategy has a significant effect on customer relationship management. The overall results show that six hypotheses were accepted while three were rejected. The results are reviewed and analysed in chapter 5 to reveal the pertinent findings of the study.

# CHAPTER 5. DISCUSSION OF THE RESULTS

## 5.1 Introduction

Chapter 5 discusses the results and present the discovered findings of the study in referencing to the literature reviewed. The central purpose evaluates the relative effect of an account reassignment strategy on customer revenue and cross selling performance. The researcher

## 5.2 The research participants

There was a reasonable number of participants in this study with a good mix from various ages, races and sales sample positions. Majorirty of the participants are in the age group 35–44 years explains why there is a high percentage of participants in a senior position, high level of cross selling training and employment years of service in the sales organisation depicting a mature group of participants which is aligned to the desired target sample. There was a concern about the number of participants as business to business market population is in a lower scope of availability compared to business to consumer (end-user population).

## 5.3 Research problem

The main problem evaluated the relative effect of an account reassignment strategy on customer revenue and cross-selling performance. The study found that there is a link the these relationships.

## 5.4 Subproblems

### 5.4.1 Subproblem one discussion

The study ascertained the effectiveness of the chosen customer account reassignment strategy to customer retention and repurchase intent . The results indicated a partly rejected and accepted aspect which indicated that whilst no evidence suggests the need to change theory in customer repurchase intent, the customer retention has an opportunity for reformulation of theory.

### 5.4.2 Subproblem two discussion

The study established the level of magnitude, evaluating the impact on customer revenue retention upon customer account reassignment. The results indicated that customer retention has an opportunity for reformulation of theory based on the rejected outcome.

### 5.4.3 Subproblem three discussion

The study deduced the cross-selling performance of the implemented account reassignment strategy. The results depict a failed to reject outcome meaning that if there is congruency to the study of (Shi et al., 2017)

## 5.5 Hypothesis 1 discussion: Customer reassignment strategy chosen has a significant effect on customer relationship management

The study found that the customer reassignment strategy has an effect on customer relationship management. (Futrell & Parasuraman, 1984); (Darmon, 1990); (Ye et al., 2007); (Shi et al., 2017) support the finding that customer reassignment and customer relationship management are positively related.

## 5.6 Hypothesis 2 discussion: Customer relationship management has a significant effect on customer repurchase intent

Findings show that customer relationship management has a significant effect on customer repurchase intent. There is a positive relationship between customer relationship management and customer repurchase intent. The study of (Morgan & Hunt, 1994); (Bendapudi & Leone, 2002) and (Kellar & Preis, 2011) support this finding.

## 5.7 Hypothesis 3 discussion: measuring the relationship between Customer reassignment and customer retention.

The study found that there is a positive relationship between customer reassignment and customer retentionas supported by (Ramaseshan et al., 2013) and (Guo & Wang, 2015)

### 5.8 Hypothesis 4 discussion: Customer repurchase intention has a significant effect on Customer Level Revenue

.The study concluded no sufficient evidence, based on the regression weights with p-value of 0.175, .Repurchase Intent and Customer Level Revenue are not related as supported by (Bacon et al., 2008) and (Williams & Naumann, 2011).

### 5.9 Hypothesis 5 discussion: Customer Retention has a significant effect on Customer Level Revenue

The study concluded a significant positive impact of customer retention on customer level revenue. (Williams & Naumann, 2011) and (Guo & Wang, 2015) support this result.

### 5.10 Hypothesis 6 discussion: Customer Level Revenue has a significant effect on Cross-selling.

The study found that there is a positive realationship between customer level revenue and cross selling. This finding between Customer Level Revenue and Cross selling performance reference to findings of (Subramony & Holtom, 2012);(Guo & Wang, 2015).

### 5.11 Hypothesis 7 discussion: Customer relationship management has a significant effect on cross selling performance

Insufficient evidence was gathered concluding that there is no relationship between Customer relationship and cross selling performance as suported by (Kamakura, 2008; Kamakura et al., 2003) studies are a reference.

**5.12 Hypothesis 8 discussion:** Customer relationship has a significant effect on customer level revenue (that is, $\beta_{2a} \neq 0$).

There is no relationship between Customer relationship and customer level revenue. (Subramony & Holtom, 2012);(Richardson, 1999)

**5.13 Hypothesis 9 discussion:** Customer reassignment strategy chosen has a significant effect on customer repurchase intent

The study found that the realtionship of customer reassignment strategy has a positive effect on repurchase intent as supported by (Hellier et al., 2003) .

Table 21 presents the summarised table of results

**Table 21: Research results summary**

The results presenting 3 rejected and 6 accepted hypotheis as demonstrated below:

| No. | Hypothesis | Outcome |
|---|---|---|
| 1 | Customer reassignment strategy chosen has a significant effect on customer relationship management | Failed to reject (Accepted) |
| 2 | Customer relationship management has a significant effect on customer repurchase intent | Failed to reject (Accepted) |
| 3 | Customer reassignment has significant effect on customer retention | Rejected |
| 4 | Customer repurchase intention has a significant effect on Customer Level Revenue | Failed to reject (Accepted) |
| 5 | Customer Retention has a significant effect on Customer Level Revenue | Rejected |
| 6 | Customer Level Revenue has a significant effect on Cross-selling. | Failed to reject (Accepted) |

| | | |
|---|---|---|
| 7 | Customer relationship management has a significant effect on cross selling performance | Failed to reject (Accepted) |
| 8 | Customer relationship management effect on customer level revenue | Failed to reject (Accepted) |
| 9 | Customer reassignemnt effect on customer repurchase intent | Rejected |

## 5.14 Conclusion

The research findings have fairly addressed the research problem in a South African context and further indicates that new theory may need to be reformulated based on the rejected hypothesis 3,5 and 9.

# CHAPTER 6 CONCLUSIONS AND RECOMMENDATIONS

## 6.1 Introduction

The last chapter provides concluded results drawn as a result of the research study. The chapter contains the summary of key findings, recommendations, implications and limitations, including suggestions for further research in an African context.

## 6.2 Conclusions of the study

The data revealed significant findings on the effect of customer reassignment strategies on cross selling performance. The findings in table 15 indicate that there is a failure to provide support empirically for hypothesis through this study, demonstrated by the finding that cross selling significantly and positively correlates with customer reassignment and customer repurchase intent. The findings suggests alignment with the concept of (Chandrashekaran et al., 2000; Darmon, 1990) and (Bendapudi & Leone, 2001) studies. There is however no correlation revealed on customer relationship management, customer retention and customer level revenue with cross selling. Customer reassignment and customer repurchase intent findings suggests alignment with the concept of (Narayandas & Rangan, 2004) and (Shi et al., 2017) studies. The hypothesis that were not confirmed imply that further research may be conducted.

The main contribution of this study is that businesses focusing on increasing their revenue through cross selling opportunities should take cognisance of customer reassignment deployment and repurchase intent behaviours as this study has revealed.

Details of this finding in the context of subproblems are as follows:

**Research sub problem one** ascertained the effectiveness of the chosen customer account reassignment strategy to customer retention and customer repurchase intention.

Customer reassignment strategy chosen has a significant negative effect on customer retention. In H3 and H9, both customer retention and repurchase intent had their null hypotheisis rejected with p-value of less 0.05 presenting significance to customer reassignment. H2 had a different outcome, presenting strong significance due to probability-value that's greater than 0.05 resulting in a fail to reject (Morgan & Hunt, 1994); (Bendapudi & Leone, 2002); (Kellar & Preis, 2011); (Ramaseshan et al., 2013) and(Guo & Wang, 2015).

**Research sub problem two** established the magnitude of the impact on customer revenue retention upon customer account reassignment.

The study indicates customer retentions significant and positive effect on the customer level revenue whereas repurchase intent and customer relationship did not denote a positive but rather negative impact. (Chandrashekaran et al., 2000; Darmon, 1990) and (Bendapudi & Leone, 2001)

**Research sub problem three**deduced the cross-selling performance with the implemented account reassignment strategy.

Aligning with the study of (Narayandas & Rangan, 2004) and (Shi et al., 2017), H6 and H7 hypothesis both failed to reject with no evidence amongst the variables tested, Relationships do not exist with customer level revenue and customer relationship with cross selling performance.

## 6.3 Recommendations

Sales and marketing Managers and General Managers are engulfed with task of sustaining and growing organisations profits. It is clear that management may benefit from this study by strategizing measurements such as assignment of account, customer retention, customer level revenue as it will support revenue management which in turn positively affects customer equity management. Prudently managed account allocation reassignments are at the forefront of business continuity and should not be ignored during resource management decision making processes.

## 6.4 Implications of the study

Marketing practitioners and academics should take into consideration the managerial and academic implications this study has generated.

### 6.4.1 Managerial implications

As there is immense pressure for organisations competitive advantage in the challenging economic times in South Africa, sales management population may obtain learnings that strengthened relationships are a critical aspect of business profitability and should not be undermined.

### 6.4.2 Academic implications

Scholarship of service marketing and customer equity management will benefit as it has demonstrated a crucial connection of relational management with organisations profits.

## 6.5 Suggestions for further research

This researcher gained worthy insights regarding a possible follow-up study with a bigger sample narrowed down to a specific industry in a different emerging country within Africa.

Further research could be pursued by conducting a survey with business customers instead of sales organisations in order to obtain a view from a customer's perspective.

Further research maybe conducted on revenue and cross selling impact, measured differently through mixed method of analysis in a longitudinal design.

## 6.6 Conclusion

In this chapter the researcher provided conclusions and recommendations to address findings of the study. The research highlights the effect of account reassignment strategies on organisational cross selling performance in customer relationship management in South African organisations. The study found that there is a significant impact of account reassignment strategies on cross selling performance. Organisations should regularly measure the effect of account reassignment strategies to retain customers and boost customer level revenue.

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**APPENDIX A**




The University of the Witwatersrand

Wits Business School

Date: February 2018

Dear Sir/Madam

Thank you for your attention to this academic questionnaire where I am conducting post graduate study research in fulfilment of academic requirements towards a Master of Management in Strategic Marketing at the University of Witwatersrand, Johannesburg.

My dissertation entitled: *Customer reassignment strategies and cross-selling performance: A South African study*

The study is aimed at understanding and to evaluate the relative effect of an account reassignment strategy on customer level revenue and cross-selling performance in a Business to Business (B2B) environment when the key contact (sales account manager) changes. I would like to invite you to take part in this 6minutes survey study. Please note that your participation is voluntary and all information is for academic purposes only and the information obtained will be kept strictly confidential.

Should you have any queries relating to the research, please feel free to e-mail me: 1203176@students.wits.ac.za or contact my Research Supervisor, Mr Neale Penman: neale.penman@wits.ac.za.

Sincerely,

**Ntombo Hobo**

## APPENDIX B

## Actual Research Instrument

| | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| **CUSTOMER REASSIGNMENT** | **Strongly agree** | **Agree** | **Not sure** | **Disagree** | **Strongly disagree** |
| 1. I think it is easier for customers to adapt their relationship if there is account reassignment to a new organisational interface | | | | | |
| 2. I think sales management should forecast the account reassignment to the customers in order to prepare them for the reassignment adaptation | | | | | |
| 3. I think customer reassignment is good for an organisation | | | | | |
| **CUSTOMER RELATIONSHIP MANAGEMENT** | **Strongly agree** | **Agree** | **Not sure** | **Disagree** | **Strongly disagree** |
| 4. I think there is a link between customer reassignment and customer relationship management | | | | | |
| 5. I think customer reassignment positively affects customer relationship management | | | | | |
| 6. I think if there is customer account reassignment, the customer relationship management between an organisation and its customers changes | | | | | |
| **REPURCHASE INTENT** | **Strongly agree** | **Agree** | **Not sure** | **Disagree** | **Strongly disagree** |
| 7. I think customers reassignment and repurchase intent are linked | | | | | |
| 8. I think customer keep the same repurchase intention during the reassignment of their account | | | | | |
| 9. I think repurchase intentions is likely to be higher after their account management reassignment | | | | | |
| | | | | | |

| CUSTOMER RETENTION | Strongly agree | Agree | Not sure | Disagree | Strongly disagree |
|---|---|---|---|---|---|
| 10. I think account reassignment affects retention of customers | | | | | |
| 11. I think with customer reassignment the org is more likely to retain the customer | | | | | |
| 12. Customer retention and customer reassignment are linked | | | | | |
| **CUSTOMER LEVEL REVENUE** | **Strongly agree** | **Agree** | **Not sure** | **Disagree** | **Strongly disagree** |
| 13. I think the customer reassignment is more likely to affect future customer level revenue | | | | | |
| 14. Customer level revenue is likely to be high when their account is reassigned | | | | | |
| 15. Customer level revenue and customer reassignment are linked | | | | | |
| **CROSS SELLING** | **Strongly agree** | **Agree** | **Not sure** | **Disagree** | **Strongly disagree** |
| 16. Reassigned sales account executive will adapt easy to cross selling strategies | | | | | |
| 17. Cross selling success to an existing customer is linked to account reassignment | | | | | |
| 18. Cross selling revenue is more likely to increase due to account reassignment strategy implementation | | | | | |
| **RELATIONSHIP MANAGEMENT –CROSS SELLING** | **Strongly agree** | **Agree** | **Not sure** | **Disagree** | **Strongly disagree** |
| 19. Cross selling and customer relationship management are linked | | | | | |
| 20. I think customer relationship management is likely to increase cross selling opportunity | | | | | |
| 21. I think it is easier for customers to adapt their reassigned account with cross selling interface teams | | | | | |

**SECTION B: GENERAL INFORMATION (SCREENING&DEMOGRAPHICS)**

Please indicate your background information by marking with X:

B1

Are you working in the Business to Business (B2B) – Sales environment?

| | |
|---|---|
| Yes | 1 |
| No | 2 |

B2

| | | |
|---|---|---|
| Gender | Male | Female |

B3

| | | | | |
|---|---|---|---|---|
| Age | 18-24 years | 25-34 years | 35-44 years | 45+years |

B4

| | | | | | |
|---|---|---|---|---|---|
| Ethnic group | African | White | Asian | Coloured | Other |

B5

Years in the organisation

| | | | | |
|---|---|---|---|---|
| Between 1&3years | Between 4&6years | Between 7&10years | Between 10&15years | Between 15&20years |

B6

Position

| | |
|---|---|
| Junior Sales Account Manager | 1 |
| Senior Sales Account Manager | 2 |
| Sales Director | 3 |
| Sales Vice President | 4 |

B7

Is training extensive on other product lines within your organisation on offer in the industry

| | |
|---|---|
| Yes | 1 |
| No | 2 |

B8

Sales Team size

| | | | | |
|---|---|---|---|---|
| 1&3 members | 4&6 members | 7&10 members | 10&15members | 15&more members |

THANKYOU FOR PARTICIPATION IN MY STUDIES

**APPENDIX C: Consistency matrix**

| **Research problem stated here** | | | | | |
|---|---|---|---|---|---|
| **Sub-problem** | **Literature Review** | **Hypotheses** | **Source of data** | **Type of data** | **Analysis** |
| To ascertain the effectiveness of the chosen customer account reassignment strategy to customer retention and repurchase intent | (Bendapudi & Leone, 2002)<br>(Futrell & Parasuraman, 1984)<br>(Shi et al., 2017)<br>(Morgan & Hunt, 1994)<br>(Darmon, 1990)<br>(Ye et al., 2007)<br>(Bendapudi & Leone, 2002) | **H1** customer reassignment strategy has a significant effect on customer relationship management<br><br>**H2** customer relationship management has significant effect on customer repurchasing intent<br><br>H9 Customer reassignment strategy chosen has a significant effect on repurchase intent | survey questions (question 1-8 & 9-11)<br>survey questions (question 1-7 & 8-10) | Ordinal data use | **Multivariate**: Excel and IBM Statistical Package for the Social Sciences (SPSS) software with structural equation modelling (SEM) approach |

| Research problem stated here | | | | | |
|---|---|---|---|---|---|
| **Sub-problem** | **Literature Review** | **Hypotheses** | **Source of data** | **Type of data** | **Analysis** |
| To establish the magnitude of impact on customer revenue upon customer account reassignment | (Williams & Naumann, 2011)<br>(Darmon, 1990)<br>(Shi et al., 2017)<br>(Teletec, 2016) | **H3** customer relationship management has significant effect on customer retention<br><br>**H4** customer repurchasing intent has a significant effect on customer level revenue<br><br>H8 Customer relationship management has a significant effect on customer level revenue | survey questions (question 12-13 & 14-15)<br><br>survey questions (question 11-13 & 14-16) | Ordinal data use | **Multivariate**: Excel and IBM Statistical Package for the Social Sciences (SPSS) software with structural equation modelling (SEM) approach |

| Research problem stated here | | | | | |
|---|---|---|---|---|---|
| **Sub-problem** | **Literature Review** | **Hypotheses** | **Source of data** | **Type of data** | **Analysis** |
| To deduce the cross-selling performance | (Ansell et al., 2007)<br>(Schmitz et al., 2014)<br>(Malms & Schmitz, 2011)<br>(Kamakura, 2008) | **H5** customer retention has significant intent on customer level revenue<br><br>**H6** cross selling performance has a significant effect on customer level revenue<br><br>H7 Customer relationship management has significant effect on cross selling performance | survey questions (question 16-18 & 19-28)<br><br>survey questions (question 17-19 & 20-21) | Ordinal data use | **Multivariate**: Excel and IBM Statistical Package for the Social Sciences (SPSS) software with structural equation modelling (SEM) approach |